DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group and Parent Company financial statements in accordance with UK-adopted international accounting standards (UK-adopted IAS) and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements of UK-adopted IAS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance
- In respect of the Group and Parent financial statements, state whether UK-adopted IAS have been followed and, as regards the Parent Company financial statements, applied in accordance with the provisions of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the company and/or the group will not continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Policy and Corporate Governance statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

The Directors confirm, to the best of their knowledge:

- That the consolidated financial statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and UK-adopted IAS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
- That the Annual Report and Accounts, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face
- That they consider that this Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's and the Group's performance, business model and strategy.

Benoît Durteste
Chief Executive Officer

Vijay Bharadia
Chief Financial and Operating Officer

25 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERMEDIATE CAPITAL GROUP PLC

Opinion

In our opinion:

- Intermediate Capital Group plc's financial statements and Parent Company financial statements (the ' financial statements') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Intermediate Capital Group plc (the 'Parent Company') and its subsidiaries (together the 'Group') for the year ended 31 March 2022 which comprise:

Group	Parent Company
Consolidated income statement for the year ended 31 March 2022	Consolidated and Parent Company statements of comprehensive income for the year ended 31 March 2022
Consolidated and Parent Company statements of comprehensive income for the year ended 31 March 2022	Consolidated and Parent Company statements of financial position as at 31 March 2022
Consolidated and Parent Company statements of financial position as at 31 March 2022	Consolidated and Parent Company statements of cash flow for the year ended 31 March 2022
Consolidated and Parent Company statements of cash flow for the year ended 31 March 2022	Consolidated and Parent Company statement of changes in equity for the year ended 31 March 2022
Consolidated and Parent Company statements of changes in equity for the year ended 31 March 2022	
Related notes 1 to 33 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the Directors' process for determining the appropriateness of the use of the going concern basis, including the approval by the Audit Committee;
- evaluating the regulatory capital and liquidity position of the Group, including reviewing the Internal Capital Adequacy Assessment Process;
- reviewing the assumptions used in the Directors' cash flow forecast for the period to 30 June 2023 and determined that the models are appropriate to enable the Directors to make an assessment in respect of going concern, including availability of existing and forecast cash resources and undrawn facilities;
- assessing the appropriateness of the stress and reverse stress test scenarios that consider the key risks to going concern identified by management. We have also evaluated the analysis by testing the clerical accuracy and assessing the conclusions reached in the stress and reverse stress test scenarios;
- assessing the plausibility of available options to mitigate the impact of the key risks by comparing them to our understanding of the Group;
- performing enquires of management and those charged with governance to identify risks or events that may impact the Group's ability to continue as a going concern. We also reviewed the management paper approved by the Board, minutes of meetings of the Board and its committees, and made enquires of management and the Board; and
- assessing the appropriateness of the going concern disclosures by comparing them to the Directors' assessment for consistency and for compliance with the relevant reporting requirements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for the period assessed by the Directors, being the period to 30 June 2023, which is at least twelve months from when the financial statements were authorised for issue.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	– The Group is managed principally from one location, with core business functions, including finance and operations, located in London. All key accounting records are maintained in the UK. The Group operates international offices in Europe, Asia and North America, which are primarily responsible for deal origination, marketing and investment portfolio monitoring. – The Group comprises 202 consolidated subsidiaries, including 21 consolidated structured entities. – The Group audit team, based in London, performed direct audit procedures on all items material to the Group financial statements. The legal entities where the Group audit team performed full or specific audit procedures accounted for 93% of profit before tax and 93% of net assets.
Key audit matters	– Valuation of investments in portfolio companies and real estate assets (including those held via fund structures and assets held for sale) – Valuation of investments in Collateralised Loan Obligations ('CLOs'), including debt (senior) and equity (subordinated debt) tranches and the assets and liabilities held by consolidated CLOs – Calculation and recognition of management fees and performance fees
Materiality	– Overall group materiality of £28.3m which represents 5% of group profit before tax This approach is consistent with the 2021 audit.

An overview of the scope of the Parent Company and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results, when assessing the level of work to be performed at each entity.

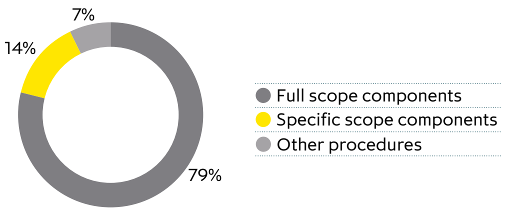
In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we selected 26 legal entities within the following countries: United Kingdom, Luxembourg, United States of America and Jersey, which represent the principal business units within the Group.

Of the 26 legal entities selected, we performed an audit of the complete financial information of 21 legal entities ('full scope components') which were selected based on their size or risk characteristics. For the remaining five legal entities ('specific scope components'), we performed audit procedures on specific accounts within that legal entity that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

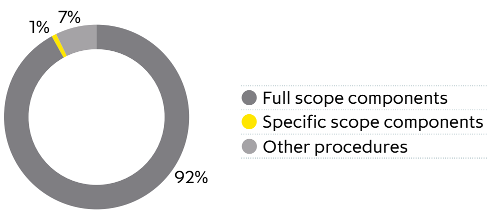
For the remaining entities that together represent 7% of the Group's profit before tax and 7% of the Group's net assets, we performed other procedures, including analytical review procedures, testing of consolidation journals and intercompany eliminations, and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

The charts below illustrate the coverage obtained from the work performed by our audit teams.

Profit before tax



Total net assets



Involvement with overseas teams

All audit work performed for the purposes of the Group audit was undertaken by the Group audit team.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact companies. The Group has determined that climate risk manifests through its established principal risks and the most significant future impacts may be through adverse effects on the underlying portfolio investments. This is primarily explained on pages 32-41 in the Task Force on Climate-related Financial Disclosures and on page 64 in the Managing Risk section, which form part of the 'Other information', and do not form part of the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appear to be materially misstated.

As explained in the Basis of preparation section of the General information and basis of preparation, on pages 142-143, climate risks have been considered in the preparation of the consolidated financial statements where management consider it appropriate. The principal areas of consideration by management are the valuation of financial assets and the application of the Group's revenue policy, primarily the impact on the net asset value of the funds on which performance-related fees are generated. Management concluded that these considerations did not have a material impact on the financial reporting judgments and estimates.

Our audit effort in considering climate change was focused on assessing whether the effects of potential climate risks have been appropriately reflected by management in reaching their judgments in relation to the assessment of fair value of investments and the impact on performance fees. We also challenged the Directors' considerations of climate change in their assessment of viability and associated disclosure.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Valuation of investments in portfolio companies and real estate assets (including those held via fund structures and assets held for sale) *In the Consolidated and Parent Company statements of financial position, the Group's investments in portfolio companies (co-investments or alongside funds managed by ICG) (2022: £1,642.5m, 2021: £1,525m) and real estate assets (2022: £239.7m, 2021: £273m) are included in Financial assets at fair value and Investment property. Assets held for sale (2022: £159.5m, 2021: £56.7m) are included in Disposal groups held for sale.* *Refer to the Audit Committee Report (page 77 to 84); Accounting policies (page 151); and Note 5 of the Financial Statements (page 151 to 157)* The Group's investment portfolio contains unquoted debt and equity securities, and real estate assets, that are held either directly, including through joint ventures, or through funds managed by the Group. These investments are held at fair value through profit and loss or investments held for sale in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations ('IFRS 5'). The Group adopts a valuation policy based on the International Private Equity and Venture Capital Valuation Guidelines 2018 ('IPEV guidelines') and Royal Institution of Chartered Surveyors ('RICS') in conformity with IFRS 13 – Fair Value Measurements ('IFRS 13') and IAS 40 – Investment Property ('IAS 40'). The Group predominantly applies either an earnings based valuation technique or discounted cash flow model ('DCF') to value non-real estate investments. For certain real estate strategies, the Group engages external valuers to perform valuations. Owing to the unquoted and illiquid nature of these investments, the assessment of fair valuation is subjective and requires several significant and complex judgments to be made by management. The exit value will be determined by the market at the time of realisation and therefore despite the valuation policy adopted and judgments made by management, the final sales value may differ materially from the valuation at the year-end. There is the risk that inaccurate judgments made in the assessment of fair value could lead to the incorrect valuation of investments in portfolio companies and real estate assets. In turn, this could materially misstate the Financial assets at fair value in the Consolidated and Parent Company statements of financial position, and the Net gains on investments in the Consolidated income statement. There is also a risk that management may influence the judgments and estimations in respect of the portfolio companies and real estate asset valuations in order to meet market expectations of the Group.	We obtained an understanding of management's processes and controls for the valuation of investments (co-investments or alongside funds managed by ICG) and real estate assets by performing walkthrough procedures, in which we evaluated the design effectiveness of controls. This included discussing with management the valuation governance structure and protocols around their oversight of the valuation process, including the Group Valuation Committee. We compared management's valuation methodologies to IFRS and the relevant IPEV and RICS guidelines. We sought explanations from management where there were judgments applied in their application of the guidelines and assessed their appropriateness. With the assistance of our valuation specialists, we formed an independent range for the key assumptions used in the valuation of a sample of portfolio company and real estate investments, with reference to relevant industry and market valuation considerations and data points. We derived a range of acceptable fair values through our analysis including taking into account other qualitative risk factors, such as company specific risk factors. We compared these ranges to management's fair values and discussed our results with both management and the Audit Committee For the sample selected we agreed key inputs in the valuation models to source data, including portfolio company financial information. We also performed procedures on key judgments made by management in the calculation of fair value: – performed calculations to assess the appropriateness of discount rates used in DCF valuations, with reference to relevant industry and market data; – assessed the suitability of the comparable companies used in the calculation of the earnings multiples; – challenged management on the applicability and completeness of adjustments made to earnings multiples by obtaining rationale and supporting evidence for adjustments made; – assessed the appropriateness of the portfolio company financial information, including business plans, used in the valuation and any relevant adjustments made by obtaining rationale and supporting evidence; and – obtained the external valuation reports, where an external valuer has been engaged, and assessed their competence and objectivity We checked the mathematical accuracy of the valuation models on a sample basis. We recalculated the unrealised gains/losses on revaluation of investments impacting the Net gains on investments in the Consolidated income statement. We have considered the impact of climate change throughout the procedures performed on the valuation of portfolio companies and real estate assets, by challenging whether the valuation inputs and assumptions used are appropriate.

Risk	Our response to the risk
	We challenged management to understand the rationale for any material differences between the exit prices of investments realised during the year and the prior year fair value, to further verify the reasonableness of the current year valuation models and methodology adopted by management. We performed full and specific scope audit procedures over this risk area, which covered 93% of these investments.

Key observations communicated to the Audit Committee

The valuation of the Group's portfolio company and real estate investments is determined to be within a reasonable range of fair values and in accordance with UK-adopted international accounting standards and the IPEV or RICS guidelines respectively.

Based on our procedures performed, we had no material matters to report the Audit Committee.

Risk	Our response to the risk
Valuation of investments in Collateralised Loan Obligations ('CLOs'), including debt (senior) and equity (subordinated debt) tranches and the assets and liabilities held by consolidated CLOs *In the Consolidated and Parent Company statements of financial position, the Group's investments in CLO debt (senior) (2022: £105.6, 2021: £107m) and equity (subordinated debt) tranches (2022: £12.2m, 2021: £27m), and investments held by consolidated CLOs (2022: £4,362m, 2021: £3,965m) are included in Financial assets at fair value. The liabilities held by consolidated CLOs (2022: £4,411m, 2021: £4,024m) are included in Financial liabilities at fair value.* *Refer to the Audit Committee Report (page 77 to 84); Accounting policies (page 151); and Note 5 of the Financial Statements (page 151 to 157)* The Group holds investments in CLOs in both the debt and equity tranches. These investments are accounted for at fair value through profit or loss. The Group consolidates the CLOs where it is deemed to have control in accordance with IFRS 10 – Consolidated Financial Statements ('IFRS 10'). In particular, significant judgments are required where there is limited market activity to provide reliable observable inputs. There is the risk that inaccurate judgments made in the assessment of fair value could lead to the incorrect valuation of investments in CLOs which could materially misstate the Financial assets and Financial liabilities at fair value in the Consolidated and Parent Company statements of financial position. In turn, this could materially misstate the Net gains on investments account in the Consolidated income statement. There is also a risk that management may influence the judgments and estimations of the investments in CLO debt and equity tranches in order to meet market expectations of the Group.	We obtained an understanding of management's processes and controls for the valuation of CLOs by performing walkthrough procedures, in which we evaluated the design effectiveness of controls. We agreed each tranche size of all consolidated and non-consolidated CLOs to observable market data (i.e. Fitch Ratings). For the positions where observable inputs were available, we obtained this market data and compared to management's fair valuations. For the positions where observable market data was not available, we formed an independent range of fair values for the debt and equity tranches with the assistance of our valuation specialists. This covered 65% of all CLO Debt and Equity positions held. This included: – projecting cash flows using a cash flow model and market-based assumptions such as default rates; – estimating a range of yields based on either recent trade data or comparable CLO securities; and – performing comparative calculations using the cash flows and yields; and – recalculating the unrealised gain/loss on revaluation of investments impacting the Net gains on investments in the Consolidated income statement In addition, we checked the mathematical accuracy of the equity models. We reviewed the material assets and liabilities associated with each of the consolidated CLOs and tested the underlying balances. We have considered the impact of climate change throughout the procedures performed on the valuation of the consolidated and unconsolidated CLO investments, by challenging whether the valuation inputs and assumptions used are appropriate.

Key observations communicated to the Audit Committee

The valuation of the CLO debt and equity tranches was found to be within a reasonable range of fair values and materially in accordance with UK-adopted international accounting standards. Reasonable inputs to the valuations were used.

Based on our procedures performed we had no material matters to report to the Audit Committee.

Risk	Our response to the risk

Calculation and recognition of management fees and performance fees

In the Consolidated income statement, management fees (2022: £429.4m, 2021: £325.0m), including performance fees (2022: £57.5m, 2021: £65.3m), are included in Fee and other operating income.

Refer to the Audit Committee Report (page 77 to 84); Accounting policies (page 144); and Note 3 of the Financial Statements (page 144)

The Group manages funds across numerous domiciles and investment strategies. The Group receives management fees and performance fees from its performance of investment management services for third-party money it manages.

Management fees are calculated based on an agreed percentage of either committed capital, invested capital or net asset value ('NAV'), depending on the contractual agreement of the underlying fund. The calculations are prepared by ICG or third-party administrators. Due to the manual nature of the process, there is a risk that management fees are incorrectly calculated.

Performance fees are calculated as a contractual percentage of a fund's return, once a specified hurdle rate is expected to be met. These amounts are specified in the underlying contract between the fund and the Group in its capacity as investment manager. Performance fees are only received when a triggering event, such as a realisation or refinancing a fund's investment, occurs.

In respect of performance fees, management must apply judgment in accordance with IFRS 15 – Revenue from contracts with customers ('IFRS 15') to determine whether it is highly probable that a significant reversal will not occur in the future. The following are identified as the key risks or judgments in respect to the recognition of performance fees:

- inappropriate judgments are made by management in the calculations, including whether a constraint is applied and the forecast exit dates of the underlying investments;
- errors made in complex manual calculation models; and
- inappropriate inputs used by management in the calculations.

The accuracy and recognition of revenue is important to the Group's financial statements. Stakeholder expectations may place pressure on management to influence the recognition of revenue. This may result in overstatement or deferral of revenue to assist in meeting current or future revenue targets or expectations.

We obtained an understanding of management's processes and controls for the calculation and recognition of management fees and performance fees by performing walkthrough procedures, in which we evaluated the design effectiveness of controls.

In respect of management fees, for a sample of funds, we:

- agreed the fee terms used in the calculation, to the terms as specified in the relevant legal agreements, for example the Investment Management Agreement or Limited Partnership Agreement;
- validated key inputs, such as committed capital, invested capital or NAV, to supporting evidence;
- tested the arithmetical accuracy of the calculations prepared by ICG or the third-party administrators by performing independent recalculations;
- traced management fees received during the year to bank statements; and
- traced the year end debtor balance to post year end bank statements to assess recoverability.

In respect of performance fees, for a sample of funds, we:

- agreed contractual terms such as hurdle rates and percentage receivable to underlying legal agreements;
- recalculated the waterfall to test management's judgment that the relevant hurdles are expected to be met where performance fees are being accrued;
- determined the reasonableness of forecast exit dates with reference to our work performed over valuations of the investment portfolio and our understanding of the investment life cycle;
- tested the arithmetical accuracy of the calculations by performing independent recalculations; and
- assessed whether each payment of performance fees was a result of a triggering event, such as a realisation or refinancing and verified cash flows to bank statements.

We compared the performance of the underlying funds used in the performance fee calculations to our understanding of the performance of the relevant funds' underlying investments gained through our valuation work.

We challenged management to understand the rationale for any differences between the performance fee payments received during the year and the prior year estimates, to further assess the reasonableness of the current year performance fee models and methodology adopted by management.

In order to address the residual risk of management override we have performed journal entry testing and have made enquiries of management.

We have considered the impact of climate change on performance fees by challenging the impact on the valuations as outlined in the key audit matters above.

We performed full and specific scope audit procedures over this risk area, which covered 78.8% of management fees, including performance fees.

Key observations communicated to the Audit Committee

All transactions tested have been recognised in accordance with the underlying agreements or other supporting documentation. Management fees and performance fees have been recorded materially in accordance with UK-adopted international accounting standards.

Based on our procedures performed we had no material matters to report to the Audit Committee.

Changes from the prior year
We no longer consider 'First year audit transition' to be a key audit matter as this Ernst & Young LLP's second year as auditors.

Our application of materiality
We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality
The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £28.3m (2021: £25.5m), which is 5% (2021: 5%) of profit before tax. We believe that profit before tax is the most relevant measure to the stakeholders of the entity and is demonstrated by the focus in the market on the Group's fund management activities.

We determined materiality for the Parent Company to be £9.4m (2021: £10.7m), which is 1% (2021: 1%) of net assets. The Parent Company is an investment company and, therefore, net assets is considered to be the key focus for users of the financial statements.

During the course of our audit, we reassessed initial materiality based on 31 March 2022 profit before tax, and net asset value in relation to the Parent Company, and adjusted our audit procedures accordingly.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2021: 50%) of our planning materiality, namely £14.1m (2021: £12.7m). We have set performance materiality at this percentage due to our observations of the control environment and the misstatements identified in the prior year. In determining performance materiality, we considered our risk assessments, together with our assessment of the Group's overall control environment.

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £1.4m (2021: £1.3m), which is set at 5% (2021: 5%) of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 120;
- Directors' explanation as to its assessment of the Parent Company's prospects, the period this assessment covers and why the period is appropriate set out on page 65;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 120;
- Directors' statement on fair, balanced and understandable, as set out on page 125;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, as set out on page 59;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems as set out on page 84; and
- The section describing the work of the Audit Committee, as set out on page 77 to 84.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 125, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (UK-adopted international accounting standards, the Companies Act 2006 and UK Corporate Governance Code) and relevant tax compliance regulations. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements, being the Listing Rules of the UK Listing Authority and relevant Financial Conduct Authority ('FCA') rules and regulations.
- We understood how the Group is complying with those frameworks by making enquiries of senior management, including the Chief Financial and Operating Officer, Group Head of Legal and Company Secretary, Global Head of Compliance, Head of Risk, Head of Internal Audit and the Chairman of the Audit Committee. We corroborated our understanding through our review of board and committee meeting minutes, papers provided to the Audit Committee, and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by discussing with the Audit Committee and management to understand where they considered there was susceptibility to fraud. We considered performance targets and their potential influence on efforts made by management to manage or influence the perceptions of analysts. We considered the controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud, including in a remote-working environment; and how senior management and those charged with governance monitor these controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved: journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of senior management, and focused testing, as referred to in the key audit matters section above.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the Parent Company on 21 July 2020 to audit the financial statements for the year ending 31 March 2021 and subsequent financial periods. Our appointment as auditor was approved by shareholders at the Annual General Meeting on 21 July 2020.
- The period of total uninterrupted engagement including previous renewals and reappointments is two years, covering the years ended 2021 and 2022.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ashley Coups
(Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London
25 May 2022

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

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2022

	Notes	Year ended 31 March 2022 £m	Year ended 31 March 2021 £m
Fee and other operating income	3	**434.0**	331.2
Finance loss	9	**(7.4)**	(9.4)
Net gains on investments	10	**555.5**	507.4
Total Revenue		**982.1**	829.2
Finance costs	11	**(53.1)**	(56.8)
Administrative expenses	12	**(363.1)**	(263.1)
Share of results of joint ventures accounted for using the equity method	30	**(0.5)**	0.2
Profit before tax		**565.4**	509.5
Tax charge	14	**(31.1)**	(48.5)
Profit after tax from continuing operations		**534.3**	461.0
Loss after tax from disposal groups held for sale	29	**(9.2)**	—
Profit for the year		**525.1**	461.0
Attributable to:			
Equity holders of the parent		**526.8**	457.1
Non-controlling interests		**(1.7)**	3.9
		525.1	461.0
Earnings per share (pence)	**16**	**183.7p**	160.3p
Diluted earnings per share (pence)	**16**	**181.1p**	157.5p

Other than for amounts reported as disposal groups held for sale, all activities represent continuing operations.

The accompanying notes 1 to 33 are an integral part of these financial statements.

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 March 2022

Group	Notes	Year ended 31 March 2022 £m	Year ended 31 March 2021 £m
Profit after tax		**525.1**	461.0
Items that may be subsequently reclassified to profit of loss if specific conditions are met			
Exchange differences on translation of foreign operations		**6.9**	(8.9)
Total comprehensive income for the year		**532.0**	452.1
Attributable to:			
Equity holders of the parent		**533.7**	448.2
Non controlling interests		**(1.7)**	3.9
		532.0	452.1

Company	Notes	Year ended 31 March 2022 £m	Year ended 31 March 2021 £m
Profit after tax	8	**46.7**	203.0
Total comprehensive income for the year		**46.7**	203.0

The accompanying notes 1 to 33 are an integral part of these financial statements.

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

as at 31 March 2022

	Notes	31 March 2022 Group £m	31 March 2021 Group £m	31 March 2022 Company £m	31 March 2021 Company £m
Non-current assets					
Intangible assets	17	**17.1**	21.5	**12.1**	17.1
Property, plant and equipment	18	**60.4**	67.0	**49.9**	56.3
Investment property	19	**1.5**	1.8	**–**	–
Investment in subsidiaries	28	**–**	–	**1,871.4**	1,648.1
Investment in Joint Venture accounted for under the equity method	30	**2.2**	2.8	**–**	–
Trade and other receivables	20	**91.1**	62.8	**574.1**	506.6
Financial assets at fair value	5	**6,973.1**	6,264.5	**362.8**	451.6
Derivative financial assets	5	**1.3**	2.4	**2.1**	2.4
Deferred tax asset	14	**25.0**	8.8	**0.9**	2.9
		7,171.7	6,431.6	**2,873.3**	2,685.0
Current assets					
Trade and other receivables	20	**283.1**	215.2	**211.2**	716.6
Current tax debtor		**31.9**	4.4	**23.7**	19.3
Financial assets at fair value	5	**–**	64.6	**80.6**	62.9
Derivative financial assets	5	**137.3**	109.5	**37.9**	44.3
Cash and cash equivalents	6	**991.8**	581.2	**707.1**	264.3
		1,444.1	974.9	**1,060.5**	1,107.4
Assets of disposal groups held for sale	29	**256.7**	57.4	**–**	–
Total assets		**8,872.5**	7,463.9	**3,933.8**	3,792.4
Non-current liabilities					
Trade and other payables	21	**76.4**	41.9	**76.4**	41.9
Financial liabilities at fair value	7	**4,364.7**	3,882.9	**–**	–
Financial liabilities at amortised cost	7	**1,452.3**	1,208.9	**1,452.3**	1,208.9
Other financial liabilities	7	**52.2**	55.0	**44.8**	47.4
Derivative financial liabilities	5	**2.9**	31.7	**3.1**	31.6
Deferred tax liabilities	14	**15.1**	0.8	**–**	0.5
		5,963.6	5,221.2	**1,576.6**	1,330.3
Current liabilities					
Provisions		**–**	0.5	**–**	0.6
Trade and other payables	21	**434.4**	427.3	**1,155.5**	1,282.0
Current tax creditor		**14.5**	3.5	**–**	–
Financial liabilities at amortised cost	7	**201.1**	112.5	**201.1**	112.5
Other financial liabilities	7	**6.5**	3.7	**3.1**	1.0
Derivative financial liabilities	5	**153.4**	68.2	**53.6**	5.1
		809.9	615.7	**1,413.3**	1,401.2
Liabilities of disposal groups held for sale		**97.2**	4.8	**–**	–
Total liabilities		**6,870.7**	5,841.7	**2,989.9**	2,731.5
Equity and reserves					
Called up share capital	23	**77.3**	77.2	**77.3**	77.2
Share premium account	23	**180.3**	180.2	**180.3**	180.2
Other reserves		**0.2**	(2.9)	**36.3**	34.5
Retained earnings		**1,688.9**	1,362.7	**650.0**	769.0
Equity attributable to owners of the Company		**1,946.7**	1,617.2	**943.9**	1,060.9
Non-controlling interest		**55.1**	5.0	**–**	–
Total equity		**2,001.8**	1,622.2	**943.9**	1,060.9
Total equity and liabilities		**8,872.5**	7,463.9	**3,933.8**	3,792.4

The Parent Company's total profit for the year was £46.7m (2021: Profit £203.0m) Company Registration Number: 02234775. The accompanying notes 1 to 33 are an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 25 May 2022 and were signed on its behalf by:

Andrew Sykes
Interim Chairman

Vijay Bharadia
Chief Financial and Operating Officer

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF CASH FLOWS

For the year ended 31 March 2022

	Notes	**Year ended 31 March 2022 Group £m**	Year ended 31 March 2021 Group £m	**Year ended 31 March 2022 Company £m**	Year ended 31 March 2021 Company (restated)[1] £m
Profit before tax from continuing operations		**565.4**	509.5	**23.8**	224.4
Adjustments for:					
Fee and other operating income	3	**(434.0)**	(331.2)	**(10.5)**	(35.4)
Dividend income		**–**	–	**(163.0)**	(156.2)
Interest Income		**–**	–	**(50.5)**	(3.0)
Net investment returns		**(555.5)**	(507.4)	**(30.0)**	(53.0)
Net fair value gains on derivatives		**7.3**	9.4	**13.5**	(32.7)
Impact of movement in foreign exchange rates		**0.1**	–	**1.1**	(93.7)
Interest expense		**53.1**	56.8	**102.0**	55.6
Depreciation, amortisation and impairment of property, equipment and intangible assets	17 & 18	**19.5**	19.2	**24.9**	10.7
Share based payment expense	25	**29.6**	26.9	**29.6**	26.9
Intragroup reallocation of incurred costs		**–**	–	**(113.2)**	(82.9)
Working capital changes:					
Increase in trade and other receivables	20	**(32.5)**	(35.4)	**(6.0)**	(19.7)
Increase/(Decrease) in trade and other payables	21	**(27.4)**	87.2	**23.5**	(5.6)
		(374.4)	(165.0)	**(154.8)**	(164.6)
Proceeds from sale of current financial assets and disposal groups held for sale		**185.2**	27.1	**158.4**	69.9
Purchase of current financial assets and disposal groups held for sale		**(204.0)**	(79.6)	**(165.1)**	(66.2)
Purchase of investments		**(3,532.8)**	(2,836.1)	**(29.9)**	(20.9)
Proceeds from sales and maturities of investments		**3,743.8**	2,838.5	**143.4**	137.6
Interest and dividend income received[2]		**259.8**	257.1	**9.8**	30.8
Fee and other operating income received		**393.0**	285.1	**26.7**	27.9
Interest paid		**(183.3)**	(189.8)	**(49.2)**	(55.1)
Cash generated from/used in operations		**287.3**	137.3	**(60.7)**	(40.6)
Taxes paid		**(43.9)**	(26.3)	**(41.3)**	(15.9)
Net cash flows from/used in operating activities		**243.4**	111.0	**(102.0)**	(56.5)
Investing activities					
Purchase of intangible assets	17	**(4.3)**	(3.9)	**(3.4)**	(4.0)
Purchase of property, plant and equipment	18	**(3.5)**	(6.9)	**(2.6)**	(6.7)
Net cashflow from derivative financial instruments		**22.4**	40.6	**13.8**	41.1
Cashflow as a result of change in control of subsidiary		**30.9**	34.9	**–**	–
Cash paid in respect of group investing activities (acquisition of long-term assets)	20 & 21	**–**	–	**(561.9)**	(200.6)
Cash received in respect of group investing activities (proceeds from long-term assets)	20 & 21	**–**	–	**145.9**	123.8
Increase in amounts owed by subsidiaries	20 & 21	**–**	–	**(68.1)**	(4.2)
Investment in subsidiaries		**–**	–	**(231.7)**	(251.4)
Net cash flows from/used in investing activities		**45.5**	64.7	**(708.0)**	(302.0)
Financing activities					
Purchase of Own shares		**(20.9)**	–	**–**	–
Payment of principal portion of lease liabilities		**(4.1)**	(6.8)	**(3.6)**	(2.3)
Proceeds from borrowings		**413.5**	–	**413.5**	–
Repayment of long-term borrowings		**(111.5)**	(495.6)	**(111.5)**	(495.4)
Dividends paid to equity holders of the parent	15	**(165.7)**	(150.9)	**(165.7)**	(150.9)
Increase in amounts owed to subsidiaries	20 & 21	**–**	–	**333.4**	272.2
Repayment of amounts owed to subsidiaries	20 & 21	**–**	–	**(65.4)**	(31.2)
Increase in amounts owed to subsidiaries (receipts of proceeds from long-term assets)	20 & 21	**–**	–	**848.4**	149.0
Net cash flows from/used in financing activities		**111.3**	(653.3)	**1,249.1**	(258.6)
Net increase/(decrease) in cash and cash equivalents		**400.2**	(477.6)	**439.1**	(617.1)
Effects of exchange rate differences on cash and cash equivalents		**10.4**	(28.1)	**3.7**	(12.6)
Cash and cash equivalents at 1 April	6	**581.2**	1,086.9	**264.3**	894.0
Cash and cash equivalents at 31 March	6	**991.8**	581.2	**707.1**	264.3

1 The Parent Company's ('Company') Dividend income, Interest income and Net investment returns have been restated (see note 2)

2 Comprises Interest income received of £221.8m (Group) (2021: £223.7m) and £9.8m (Company) (2021: £30.8m) and Dividend income received of £38.0m (Group) (2021: £33.4m) and £nil (Company) (2021: £nil).

The accompanying notes 1 to 33 are an integral part of these financial statements. The Group's cash and cash equivalents include £230.3m (2021: £284.3m) of restricted cash held principally by structured entities controlled by the Group (see note 6).

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 March 2022

Group	Share capital (note 23) £m	Share premium (note 23) £m	Capital redemption reserve[1] £m	Share based payments reserve (note 25) £m	Own shares[3] (note 24) £m	Foreign currency translation reserve[2] £m	Retained earnings £m	**Total £m**	Non-controlling interest £m	**Total equity £m**
Balance at 1 April 2021	77.2	180.2	5.0	60.5	(82.2)	13.8	1,362.7	**1,617.2**	5.0	**1,622.2**
Profit after tax	–	–	–	–	–	–	526.8	526.8	(1.7)	525.1
Exchange differences on translation of foreign operations	–	–	–	–	–	6.9	–	6.9	–	6.9
Total comprehensive income/ (expense) for the year	**–**	**–**	**–**	**–**	**–**	**6.9**	**526.8**	**533.7**	**(1.7)**	**532.0**
Issue of share capital	0.1	–	–	–	–	–	–	0.1	–	0.1
Movement in control of subsidiary	–	–	–	–	–	–	(25.1)	(25.1)	51.8	26.7
Own shares acquired in the year	–	–	–	–	(20.9)	–		(20.9)	–	(20.9)
Options/awards exercised[4]	–	0.1	–	(27.8)	10.1	–	(9.8)	(27.4)	–	(27.4)
Tax on options/awards exercised	–	–	–	5.2	–	–		5.2	–	5.2
Credit for equity settled share schemes	–	–	–	29.6	–	–		29.6	–	29.6
Dividends paid	–	–	–	–	–	–	(165.7)	(165.7)	–	(165.7)
Balance at 31 March 2022	**77.3**	**180.3**	**5.0**	**67.5**	**(93.0)**	**20.7**	**1,688.9**	**1,946.7**	**55.1**	**2,001.8**

Company	Share capital (note 23) £m	Share premium (note 23) £m	Capital redemption reserve[1] £m	Share based payments reserve (note 25) £m	Own shares[3] (note 24) £m	Retained earnings £m	**Total equity £m**
Balance at 1 April 2021	77.2	180.2	5.0	50.8	(21.3)	769.0	**1,060.9**
Profit after tax	–	–	–	–	–	46.7	46.7
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**46.7**	**46.7**
Issue of share capital	0.1	–	–	–	–	–	0.1
Options/awards exercised	–	0.1	–	(27.8)	–	–	(27.7)
Credit for equity settled share schemes	–	–	–	29.6	–	–	29.6
Dividends paid	–	–	–	–	–	(165.7)	(165.7)
Balance at 31 March 2022	**77.3**	**180.3**	**5.0**	**52.6**	**(21.3)**	**650.0**	**943.9**

Group	Share capital (note 23) £m	Share premium (note 23) £m	Capital redemption reserve[1] £m	Share based payments reserve (note 25) £m	Own shares[3] (note 24) £m	Foreign currency translation reserve[2] £m	Retained earnings £m	**Total £m**	Non-controlling interest £m	**Total equity £m**
Balance at 1 April 2020	77.2	179.9	5.0	58.4	(114.4)	22.7	1,080.4	**1,309.2**	1.5	**1,310.7**
Profit after tax	–	–	–	–	–	–	457.1	457.1	3.9	461.0
Exchange differences on translation of foreign operations	–	–	–	–	–	(8.9)	–	(8.9)	–	(8.9)
Total comprehensive income/(expense) for the year	**–**	**–**	**–**	**–**	**–**	**(8.9)**	**457.1**	**448.2**	**3.9**	**452.1**
Movement in control of subsidiary	–	–	–	–	–	–	(0.1)	(0.1)	(0.4)	(0.5)
Options/awards exercised[4]	–	0.3	–	(31.6)	32.2	–	(23.8)	(22.9)	–	(22.9)
Tax on options/awards exercised	–	–	–	6.8	–	–	–	6.8	–	6.8
Credit for equity settled share schemes	–	–	–	26.9	–	–	–	26.9	–	26.9
Dividends paid	–	–	–	–	–	–	(150.9)	(150.9)	–	(150.9)
Balance at 31 March 2021	**77.2**	**180.2**	**5.0**	**60.5**	**(82.2)**	**13.8**	**1,362.7**	**1,617.2**	**5.0**	**1,622.2**

Company	Share capital (note 23) £m	Share premium (note 23) £m	Capital redemption reserve[1] £m	Share based payments reserve (note 25) £m	Own shares[3] (note 24) £m	Retained earnings £m	**Total equity £m**
Balance at 1 April 2020	77.2	179.9	5.0	58.4	(21.3)	716.9	**1,016.1**
Profit after tax	–	–	–	–	–	203.0	203.0
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**203.0**	**203.0**
Options/awards exercised	–	0.3	–	(31.6)	–	–	(31.3)
Tax on options/awards exercised	–	–	–	(2.9)	–	–	(2.9)
Credit for equity settled share schemes	–	–	–	26.9	–	–	26.9
Dividends paid	–	–	–	–	–	(150.9)	(150.9)
Balance at 31 March 2021	**77.2**	**180.2**	**5.0**	**50.8**	**(21.3)**	**769.0**	**1,060.9**

1. The capital redemption reserve is a reserve created when a company buys its own shares which reduces its share capital. This reserve is not distributable to shareholders. £1.4m of the balance relates to the conversion of ordinary shares and convertible shares into ordinary shares in 1994. The remaining £3.6m relates to the cancellation of treasury shares in 2015.
2. Other comprehensive income/(expense) reported in the foreign currency translation reserve represents foreign exchange gains and losses on the translation of subsidiaries reporting in currencies other than sterling.
3. The movement in the Group Own shares reserve in respect of Options/awards exercised, represents the employee shares vesting net of personal taxes and social security.
4. The associated personal taxes and social security liabilities are settled by the Group with the equivalent value of shares retained in the Own shares reserve.

The accompanying notes 1 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information and basis of preparation

General information

Intermediate Capital Group plc (the 'Parent Company', 'Company' or 'ICG plc') is a public company limited by shares, incorporated, domiciled and registered in England and Wales under the Companies Act, with the company registration number 02234775. The registered office is Procession House, 55 Ludgate Hill, New Bridge Street, London EC4M 7JW.

The consolidated financial statements for the year to 31 March 2022 comprise the financial statements of the Parent Company and its consolidated subsidiaries (collectively, the 'Group'). The nature of the Group's operations and its principal activities are detailed in the Strategic Report.

Basis of preparation

The consolidated financial statements of the Group and Company are prepared in accordance with UK-adopted international accounting standards (IAS) and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006. The Company has taken advantage of section 408 of the Companies Act 2006 not to present the Parent Company profit and loss account.

The financial statements have been prepared on a going concern basis and under the historical cost convention, except for financial instruments that are measured at fair value through profit and loss at the end of the reporting period, as detailed in note 5, and certain investments in associates and joint ventures held for venture capital purposes, as detailed in note 30.

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Details of the critical judgements made, and key sources of estimation uncertainty, are included in note 1 and in the note to which the critical judgement or source of estimation uncertainty relates.

In preparing the financial statements, the Directors have considered the impact of climate change, particularly in the context of the climate change risks identified in the TCFD Report. The Directors' considerations included the medium and longer-term cash flow impacts of climate change on a number of key estimates within the financial statements, including:

- the valuation of financial assets; and
- the application of the Group's revenue recognition policy, primarily the impact on the net asset value (NAV) of funds on which performance-related fees are generated.

These considerations did not have a material impact on the financial reporting judgements and estimates in the current year. This reflects the conclusion that climate change is not expected to have a significant impact on the Group's short-term cash flows including those considered in the going concern and viability assessments.

The accounting policies as set out in the notes to the accounts have been applied consistently to all periods presented in these consolidated financial statements.

Basis of consolidation

The Group's financial statements consolidate the results of Intermediate Capital Group plc and entities controlled by the Company for the period to 31 March each year. Control is achieved when the Company has power over the relevant activities, exposure to variable returns from the investee, and the ability to affect those returns through its power over the investee.

The assessment of control is based on all relevant facts and circumstances and the Group reassesses its conclusion if there is an indication that there are changes in facts and circumstances. Subsidiaries are included in the consolidated financial statements from the date that control commences, until the date that control ceases. See note 28 which lists the Group's subsidiaries and controlled structured entities.

Each component of other comprehensive income and profit or loss is attributed to the owners of the Company and to the non-controlling interests.

Adjustments are made where required to the financial statements of subsidiaries for consistency with the accounting policies of the Group. All intra-group transactions, balances, unrealised income and expenses are eliminated on consolidation.

Critical judgements in the application of accounting policies and key sources of estimation uncertainty

Critical judgement

In preparing the financial statements, apart from those involving estimations, two critical judgements have been made by the Directors in the application of the Group's accounting policies:

i. The Group's assessment as to whether it controls certain investee entities, including third-party funds and carried interest partnerships, and is therefore required to consolidate the investee, as detailed above. The Group's assessment of this critical judgement is discussed further in note 28.

ii. The application of the Group's revenue recognition policy in respect of the performance fee component of management fees. Judgement is primarily applied in considering the timings of when expected performance conditions will be met and the appropriate constraint to be applied. The Group's assessment of this critical judgement is discussed further in note 3.

Key sources of estimation uncertainty

The key sources of estimation uncertainty at the reporting date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, results from the Group's assessment of fair value of its financial assets and liabilities (discussed further in note 5 and note 7) and the impact of this assessment on trade and other payables related to the Deal Vintage Bonus - see notes 13 and 21.

Critical judgements and key sources of estimation uncertainty are reviewed by the Audit Committee during the year and its involvement in the process is included in its report on page 77.

Foreign currencies

The functional currency of the Company is sterling as the Company's shares are denominated in sterling and the Company's costs are primarily incurred in sterling. The Group has determined the presentational currency of the Group is the functional currency of the Company. Information is presented to the nearest million (£m).

Transactions denominated in foreign currencies are translated using the exchange rates prevailing at the date of the transactions. At each reporting date, monetary assets and liabilities denominated in a foreign currency are retranslated at the rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated at the rate prevailing at the date the fair value was determined. Non-monetary items that are measured at historical cost are translated using rates prevailing at the date of the transaction.

The assets and liabilities of the Group's foreign operations are translated using the exchange rates prevailing at the reporting date. Income and expense items are translated using the average exchange rates during the year. Exchange differences arising from the translation of foreign operations are taken directly to the foreign currency translation reserve. On disposal of a foreign operation, exchange differences previously recognised in other comprehensive income are reclassified to the income statement.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of preparing the financial statements, as detailed in the Directors' report (page 120) and viability statement (page 65).

In assessing the Group's ability to continue in its capacity as a going concern, the Board and the Executive Directors of the Group considered:

- The ongoing impacts of the Covid-19 pandemic, including market volatility and new ways of working
- The impact of conflict in Ukraine and the macro-inflationary backdrop on investment performance
- The impact on the Group's fee income. Specifically, performance-related revenue, as part of this assessment the Group performed additional sensitivity analysis around performance fees and the impact this would have on overall fee income. This is discussed in note 3
- The adequacy of the Group's capital and liquidity throughout the pandemic and potential shortfalls in access to capital. As at 31 March 2022 the Group has available liquidity of £1.3bn, including £550m of undrawn debt facilities. The macro-economic scenarios were in line with those used in the ICAAP stress test and are discussed in the viability statement on page 65
- The operational resilience of the Group's critical functions to maintain risk management and compliance. Including IT, Finance, Treasury and Operations
- The regulatory and legal environment and any potential conduct risks which could arise
- The appropriateness of valuation techniques applied to determine the fair value of investments that are not quoted in an active market. This is discussed further in note 5
- Those entities which are not controlled by the Group but where the Group has a joint venture relationship or has significant influence over an associate and whether they have the ability to continue as a going concern. These risks have been captured in the Group's overall fair value assessments of the underlying assets described in note 5

The Directors have concluded based on the above assessment that the preparation of the financial statements on a going concern basis, to 30 June 2023, a period of more than 12 months from the date of signing of the financial statements, continues to be appropriate.

NOTES TO THE FINANCIAL STATEMENTS *continued*

2. Changes in accounting policies and disclosures

New and amended standards and interpretations

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. These new standards are not expected to have a material impact on the Group.

IFRS/IAS		Accounting periods commencing on or after
IFRS 9	Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
IAS 8	Definition of Accounting Estimates	1 January 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023

Changes in significant accounting policies

No changes to significant accounting policies were implemented.

Parent Company restatements

As a result of reclassification, the Parent Company statement of cash flow includes the following presentational changes:

- The adjusting item in respect of 'Interest expense' has been increased £3m to £55.6m to reflect the disaggregation of 'Interest income'
- The adjusting item in respect of 'Interest income' has been stated at £3m
- The adjusting item in respect of 'Net investment returns' has been restated to £53.0m, a reduction of £156.1m to reflect the disaggregation of 'Dividend income' which is now presented separately
- The adjusting item in respect of 'Net fair value gains on derivatives' has been restated to £32.7m, a reduction of £93.7m to reflect the disaggregation of 'Impact of movement in foreign exchange rates' which is now presented separately

3. Revenue

Revenue and its related cash flows, within the scope of IFRS 15 'Revenue from Contracts with Customers', are derived from the Group's fund management company activities and are presented net of any consideration payable to a customer in the form of rebates. The significant components of the Group's fund management revenues are as follows:

Type of contract/service	**Year ended 31 March 2022 £m**	Year ended 31 March 2021 £m
Management fees[1]	**429.4**	325.0
Other income	**4.6**	6.2
Fee and other operating income	**434.0**	**331.2**

1. Included within management fees is £57.5m (2021: £65.3m) of performance related fees.

Management fees

The Group earns management fees from its investment management services. Management fees are charged on third-party capital managed by the Group and are based on an agreed percentage of either committed capital, invested capital or NAV, dependent on the fund. Management fees comprise both non-performance and performance-related fee elements related to one contract obligation .

Non-performance-related management fees for the year of £371.9m (2021: £259.7m) are charged in arrears and are recognised in the period services are performed.

Performance-related management fees (performance fees) are recognised only to the extent it is highly probable that there will not be a significant reversal of the revenue recognised in the future. This is generally towards the end of the contract period or upon early liquidation of a fund. The estimate of performance fees is made with reference to the liquidation profile of the fund, which factors in portfolio exits and timeframes. For certain funds the estimate of performance fees is made with reference to specific requirements. A constraint is applied to the estimate to reflect uncertainty of future fund performance. Performance fees of £57.5m (2021: £65.3m) have been recognised in the year. Performance fees will only be crystallised and received in cash when the relevant fund performance hurdle is met.

There are no other individually significant components of revenue from contracts with customers.

Critical judgement

A critical judgement for the Group is whether performance fees will meet their expected performance conditions within the expected timeframes. The Group bases its assessment on the best available information pertaining to the funds and the activity of the underlying assets within that fund. The valuation of the underlying assets within a fund will be subject to fluctuations in the future, including the impact of macroeconomic factors outside the Group's control. The information on which this judgement is based is the liquidation NAV of the relevant funds (which are subject to annual audit).

The Directors base their projected views on a 24-month look-forward basis, the 'forecast period', from the year end. The Directors believe they have a reasonable basis on which to judge expected exits and value within a two-year horizon, but not beyond that.

Within this forecast period, the Directors will consider funds that have either reached their hurdle rate or are expected to reach the hurdle rate in the forecast period. In determining whether a fund is expected to reach the hurdle rate, the key inputs are the latest expected repayment dates of the underlying assets and expected proceeds on realisation, as approved by the Fund Investment Committees.

Where the hurdle date is expected to be reached within 24 months of the year end but performance fees are not yet paid, a constraint will be applied within the determination of the performance fee receivable. Application of the constraint limits the revenue recognised. This is assessed by on a case-by-case basis.

The weighted-average constraint at the reporting date is 46%. If the average constraint were to increase by 10 basis points to 56% this would result in a reduction in revenue of £0.62m. Conversely, a 10% decrease in constraint would result in an increase in revenue of £0.55m being recognised in the income statement. In certain limited circumstances performance fees received may be subject to clawback provisions if the performance of the fund deteriorates materially following the receipt of performance fees.

4. Segmental reporting

For management purposes, the Group is organised into two operating segments, the Fund Management Company ('FMC') and the Investment Company ('IC') which are also reportable segments. In identifying the Group's reportable segments, management considered the basis of organisation of the Group's activities, the economic characteristics of the operating segments, and the type of products and services from which each reportable segment derives its revenues.

The Executive Directors monitor the operating results of the FMC and the IC for the purpose of making decisions about resource allocation and performance assessment. The Group does not aggregate the FMC and IC as those segments do not have similar economic characteristics. Information about these segments is presented below.

The FMC earns fee income for the provision of investment management services and incurs the majority of the Group's costs in delivering these services, including the cost of the investment teams and the cost of support functions, primarily marketing, operations, information technology and human resources.

The IC is charged a management fee of 1% of the carrying value of the average balance sheet investment portfolio by the FMC and this is shown below as the Inter-segmental fee. The costs of finance, treasury and legal teams, and other Group costs primarily related to being a listed entity, are allocated to the IC. The remuneration of the Executive Directors is allocated equally to the FMC and the IC.

The amounts reported for management purposes in the tables below are reconciled to the IFRS reported amounts on the following pages.

	Year ended 31 March 2022			Year ended 31 March 2021		
	FMC £m	**IC £m**	**Reportable segments Total £m**	FMC £m	IC £m	Reportable segments Total £m
External fee income	448.7	0.5	449.2	333.7	–	333.7
Inter-segmental fee	24.8	(24.8)	–	21.4	(21.4)	–
Other operating income	1.7	2.1	3.8	–	2.6	2.6
Fund management fee income	**475.2**	**(22.2)**	**453.0**	**355.1**	**(18.8)**	**336.3**
Net investment returns	–	485.7	485.7	–	445.1	445.1
Dividend income	38.0	–	38.0	33.4	–	33.4
Net fair value loss on derivatives	(0.4)	(11.8)	(12.2)	–	(7.3)	(7.3)
Total revenue	**512.8**	**451.7**	**964.5**	**388.5**	**419.0**	**807.5**
Interest expense	**(1.7)**	**(50.5)**	**(52.2)**	–	(55.5)	(55.5)
Staff costs	**(76.0)**	**(16.7)**	**(92.7)**	(63.3)	(12.4)	(75.7)
Incentive scheme costs	**(87.2)**	**(82.5)**	**(169.7)**	(73.1)	(30.4)	(103.5)
Other administrative expenses	**(61.7)**	**(19.4)**	**(81.1)**	(49.8)	(15.3)	(65.1)
Profit before tax	**286.2**	**282.6**	**568.8**	**202.3**	**305.4**	**507.7**

Reconciliation of amounts reported to the Executive Directors to the financial statements reported under IFRS
Included in the following tables are statutory adjustments made to the following:

- All income generated from the balance sheet investment portfolio is presented as net investment returns for reportable segments purposes, whereas under IFRS it is presented within gains on investments and other operating income. Total reportable segment figures are alternative performance measures ('APM')
- The structured entities controlled by the Group are presented as fair value investments for reportable segments (APM), whereas the statutory financial statements present these entities on a consolidated basis under IFRS

Consolidated income statement

Year ended 31 March 2022	Reportable segments £m	Consolidated entities £m	Financial statements £m
Fund management fee income	449.2	(19.8)	429.4
Other operating income	3.8	0.8	4.6
Fee and other income	**453.0**	**(19.0)**	**434.0**
Dividend income	38.0	(38.0)	–
Net fair value gain/(loss) on derivatives	(12.2)	4.8	(7.4)
Finance and Dividend income/(loss)	**25.8**	**(33.2)**	**(7.4)**
Net investment returns/gains on investments	**485.7**	**69.8**	**555.5**
Total revenue	**964.5**	**17.6**	**982.1**
Finance costs	**(52.2)**	**(0.9)**	**(53.1)**
Staff costs	(92.7)	0.3	(92.4)
Incentive scheme costs	(169.7)	–	(169.7)
Other administrative expenses	(81.1)	(19.9)	(101.0)
Administrative expenses	**(343.5)**	**(19.6)**	**(363.1)**
Share of results of joint ventures accounted for using equity method	**–**	**(0.5)**	**(0.5)**
Profit before tax	**568.8**	**(3.4)**	**565.4**
Tax charge	(30.8)	(0.3)	(31.1)
Profit/(loss) after tax from disposal groups held for sale	–	(9.2)	(9.2)
Profit after tax	**538.0**	**(12.9)**	**525.1**

Year ended 31 March 2021	Reportable segments £m	Consolidated entities £m	Financial statements £m
Fund management fee income	333.7	(8.7)	325.0
Other operating income	2.6	3.6	6.2
Fee and other income	**336.3**	**(5.1)**	**331.2**
Dividend income	33.4	(33.4)	–
Net fair value loss on derivatives	–	(9.4)	(9.4)
Finance and Dividend income/(loss)	**33.4**	**(42.8)**	**(9.4)**
Net investment returns/gains on investments	**445.1**	**62.3**	**507.4**
Total revenue	**814.8**	**14.4**	**829.2**
Finance costs	(62.8)	6.0	(56.8)
Staff costs	(75.7)	(0.1)	(75.8)
Incentive scheme costs	(103.5)	–	(103.5)
Other administrative expenses	(65.1)	(18.7)	(83.8)
Administrative expenses	**(244.3)**	**(18.8)**	**(263.1)**
Share of results of joint ventures accounted for using equity method	**–**	**0.2**	**0.2**
Profit before tax	**507.7**	**1.8**	**509.5**
Tax charge	(45.0)	(3.5)	(48.5)
Profit after tax	**462.7**	**(1.7)**	**461.0**

NOTES TO THE FINANCIAL STATEMENTS *continued*

4. Segmental reporting *continued*

Consolidated statement of financial position

	2022		
	Reportable segments £m	Consolidated entities £m	Financial statements £m
Non-current financial assets	2,728.4	4,246.0	6,974.4
Other non-current assets	193.3	4.0	197.3
Cash	761.5	230.3	991.8
Current financial assets	126.4	10.9	137.3
Other current assets	193.2	378.5	571.7
Total assets	**4,002.8**	**4,869.7**	**8,872.5**
Non-current financial liabilities	1,507.4	4,364.7	5,872.1
Other non-current liabilities	91.2	0.3	91.5
Current financial liabilities	256.4	104.6	361.0
Other current liabilities	152.8	393.3	546.1
Total liabilities	**2,007.8**	**4,862.9**	**6,870.7**
Equity	1,995.0	6.8	2,001.8
Total equity and liabilities	**4,002.8**	**4,869.7**	**8,872.5**

	2021		
	Reportable segments £m	Consolidated entities £m	Financial statements £m
Non-current financial assets	2,492.8	3,774.1	6,266.9
Other non-current assets	156.3	2.5	158.8
Cash	296.9	284.3	581.2
Current financial assets	108.9	65.2	174.1
Other current assets	139.3	143.6	282.9
Total assets	**3,194.2**	**4,269.7**	**7,463.9**
Non-current financial liabilities	1,407.7	3,770.9	5,178.6
Other non-current liabilities	50.8	(8.2)	42.6
Current financial liabilities	8.8	175.6	184.4
Other current liabilities	107.4	328.7	436.1
Total liabilities	**1,574.7**	**4,267.0**	**5,841.7**
Equity	1,619.5	2.7	1,622.2
Total equity and liabilities	**3,194.2**	**4,269.7**	**7,463.9**

Consolidated statement of cash flows

	2022		
	Reportable segments	Consolidated structured entities	Financial Statements
	£m	£m	£m
Profit before tax from continuing operations	**568.8**	**(3.4)**	**565.4**
Adjustments for:			
Fee and other operating Income	(453.0)	19.0	(434.0)
Net investment returns	(485.7)	(69.8)	(555.5)
Net fair value loss on derivatives	12.1	(4.8)	7.3
Impact of movement in foreign exchange rates	0.1	—	0.1
Interest expense	52.2	0.9	53.1
Depreciation, amortisation and impairment of property, equipment and intangible assets	19.5	—	19.5
Share based payment expense	29.6	—	29.6
Working capital changes:			
Increase in trade and other receivables	(21.5)	(11.0)	(32.5)
Increase/(Decrease) in trade and other payables	35.5	(62.9)	(27.4)
	(242.4)	**(132.0)**	**(374.4)**
Proceeds from sale of current financial assets and disposal groups held for sale	185.2	—	185.2
Purchase of current financial assets and disposal groups held for sale	(204.0)	—	(204.0)
Purchase of investments	(748.3)	(2,784.5)	(3,532.8)
Proceeds from sales and maturities of investments	958.8	2,785.0	3,743.8
Interest and dividend income received	100.3	159.5	259.8
Fee and other operating income received	387.8	5.2	393.0
Interest paid	(55.7)	(127.6)	(183.3)
Cash generated from/used in operations	**381.8**	**(94.5)**	**287.3**
Taxes paid	(43.9)	—	(43.9)
Net cash flows from/used in operating activities	**337.9**	**(94.5)**	**243.4**
Investing activities			
Purchase of intangible assets	(4.3)	—	(4.3)
Purchase of property, plant and equipment	(3.5)	—	(3.5)
Net cashflow from derivative financial instruments	17.3	5.1	22.4
Cashflow as a result of acquisition of subsidiaries	1.6	29.3	30.9
Net cash flows from investing activities	**11.1**	**34.4**	**45.5**
Financing activities			
Purchase of Own Shares	(20.9)	—	(20.9)
Payment of principal portion of lease liabilities	(4.1)	—	(4.1)
Proceeds from borrowings	413.5	—	413.5
Repayment of long-term borrowings	(111.5)	—	(111.5)
Dividends paid to equity holders of the parent	(165.7)	—	(165.7)
Net cash flows from financing activities	**111.3**	**–**	**111.3**
Net increase/(decrease) in cash and cash equivalents	**460.2**	**(60.0)**	**400.2**
Effects of exchange rate differences on cash and cash equivalents	4.4	6.0	10.4
Cash and cash equivalents at 1 April	296.9	284.3	581.2
Cash and cash equivalents at 31 March	**761.5**	**230.3**	**991.8**

NOTES TO THE FINANCIAL STATEMENTS *continued*

4. Segmental reporting *continued*

	2021		
	Reportable segments £m	Consolidated structured entities £m	Financial Statements £m
Profit before tax from continuing operations	**507.7**	**1.8**	**509.5**
Adjustments for:			
Fee and other operating Income	(336.3)	5.1	(331.2)
Net investment returns	(445.1)	(62.3)	(507.4)
Net fair value gains on derivatives	7.3	2.1	9.4
Interest expense	55.5	1.3	56.8
Depreciation, amortisation and impairment of property, equipment and intangible assets	19.2	–	19.2
Share based payment expense	26.9	–	26.9
Working capital changes:			
Increase in trade and other receivables	(6.6)	(28.8)	(35.4)
Increase/(Decrease) in trade and other payables	(32.4)	119.6	87.2
	(203.8)	**38.8**	**(165.0)**
Proceeds from sale of current financial assets and disposal groups held for sale	27.1	–	27.1
Purchase of current financial assets and disposal groups held for sale	(79.6)	–	(79.6)
Purchase of investments	(454.6)	(2,381.5)	(2,836.1)
Proceeds from sales and maturities of investments	402.8	2,435.7	2,838.5
Interest and dividend income received	86.6	170.5	257.1
Fee and other operating income received	305.2	(20.1)	285.1
Interest paid	(58.6)	(131.2)	(189.8)
Cash generated from operations	**25.1**	**112.2**	**137.3**
Taxes paid	(26.3)	–	(26.3)
Net cash flows from/used in operating activities	**(1.2)**	**112.2**	**111.0**
Investing activities			
Purchase of intangible assets	(3.9)	–	(3.9)
Purchase of property, plant and equipment	(6.9)	–	(6.9)
Net cashflow from derivative financial instruments	41.1	(0.5)	40.6
Cashflow as a result of acquisition of subsidiaries	–	34.9	34.9
Net cash flows from investing activities	**30.3**	**34.4**	**64.7**
Financing activities			
Purchase of Own Shares	–	–	–
Payment of principal portion of lease liabilities	(6.8)	–	(6.8)
Proceeds from borrowings	–	–	–
Repayment of long-term borrowings	(495.6)	–	(495.6)
Dividends paid to equity holders of the parent	(150.9)	–	(150.9)
Net cash flows used in financing activities	**(653.3)**	**–**	**(653.3)**
Net increase/(decrease) in cash and cash equivalents	(624.2)	146.6	(477.6)
Effects of exchange rate differences on cash and cash equivalents	(26.8)	(1.3)	(28.1)
Cash and cash equivalents at 1 April	947.9	139.0	1,086.9
Cash and cash equivalents at 31 March	**296.9**	**284.3**	**581.2**

Geographical analysis of non-current financial assets

Asset Analysis by Geography	Year ended 31 March 2022 £m	Year ended 31 March 2021 £m
Europe	3,613.8	3,220.9
Asia Pacific	244.0	247.0
North America	3,115.3	2,796.6
Total	**6,973.1**	**6,264.5**

Geographical analysis of Group revenue

Income Analysis by Geography	Year ended 31 March 2022 £m	Year ended 31 March 2021 £m
Europe	693.3	576.0
Asia Pacific	84.0	67.5
North America	204.8	185.7
Total	**982.1**	**829.2**

5. Financial assets

Accounting policy

Financial assets

Financial assets can be classified into the following categories: Amortised Cost, Fair Value Through Profit and Loss ('FVTPL') and Fair Value Through Other Comprehensive Income ('FVOCI'). The Group has classified all invested financial assets as FVTPL.

Financial assets at FVTPL are initially recognised and subsequently measured at fair value. A valuation assessment is performed on a recurring basis with gains or losses arising from changes in fair value recognised through net gains on investments in the consolidated income statement. Dividends or interest earned on the financial assets are also included in the net gains on investments.

Where the Group holds investments in a number of financial instruments such as debt and equity in a portfolio company, the Group views their entire investment as a unit of account for valuation purposes. Industry standard valuation guidelines such as the International Private Equity and Venture Capital ('IPEV') Valuation Guidelines - December 2018, allow for a level of aggregation where there are a number of financial instruments held within a portfolio company.

Recognition of financial assets

When the Group invests in the capital structure of a portfolio company, these assets are initially recognised and subsequently measured at fair value, and transaction costs are recognised in the consolidated income statement immediately.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when substantially all the risks and rewards of ownership of the asset are transferred to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying value amount and the sum of the consideration received and receivable, is recognised in profit or loss.

Offsetting of financial assets

Financial assets and liabilities are only offset, and the net amount presented in the statement of financial position when the Group has a legal right to offset the amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The Group does not currently offset any financial assets and liabilities.

Key sources of estimation uncertainty on financial assets

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction at the reporting date. The fair value of investments is based on quoted prices, where available. Where quoted prices are not available, the fair value is estimated in line with IFRS and industry standard valuation guidelines such as IPEV for direct investments in portfolio companies, and the Royal Institute of Chartered Surveyors Valuation – Global Standards 2020 for investment property. These valuation techniques can be subjective and include assumptions which are not supportable by observable data. Details of the valuation techniques and the associated sensitivities are further disclosed in this note on page 156.

Given the subjectivity of investments in private companies, senior and subordinated notes of CLO vehicles and investments in investment property, these are key sources of estimation uncertainty, and as such the valuations are approved by the relevant Fund Investment Committees and Group Valuation Committee. The unobservable inputs relative to these investments are further detailed below.

5. Financial assets *continued*

Fair value measurements recognised in the statement of financial position

The information set out below provides information about how the Group and Company determines fair values of various financial assets and financial liabilities, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

The following table summarises the valuation of the Group's financial assets and liabilities by fair value hierarchy:

	As at 31 March 2022				As at 31 March 2021			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Group	**£m**	**£m**	**£m**	**£m**	£m	£m	£m	£m
Financial Assets								
Investment in or alongside managed funds[1]	9.8	—	2,112.9	2,122.7	11.7	—	1,802.1	1,813.8
Investment in loans held in consolidated	—	4,467.4	145.2	4,612.6	—	3,978.3	168.6	4,146.9
Derivative assets	—	138.6	—	138.6	—	111.9	—	111.9
Investment in private companies[2]	0.4	—	122.7	123.1	—	—	234.6	234.6
Senior and subordinated notes of CLO	—	105.6	9.1	114.7	—	106.6	27.2	133.8
Disposal groups held for sale	12.7	—	89.2	101.9	—	—	57.4	57.4
Total assets	**22.9**	**4,711.6**	**2,479.1**	**7,213.6**	**11.7**	**4,196.8**	**2,289.9**	**6,498.4**
Financial Liabilities								
Borrowings and loans held in consolidated	—	(4,130.1)	(234.6)	(4,364.7)	—	(3,619.5)	(263.4)	(3,882.9)
Derivative liabilities	—	(156.3)	—	(156.3)	—	(99.9)	—	(99.9)
Disposal groups held for sale	—	—	(5.0)	(5.0)	—	—	(4.8)	(4.8)
Total liabilities	**—**	**(4,286.4)**	**(239.6)**	**(4,526.0)**	**—**	**(3,719.4)**	**(268.2)**	**(3,987.6)**

1. Level 3 Investments in or alongside managed funds includes £41.1m senior debt (2021: £36.0m), £1,487.7m subordinated debt and equity (2021: £1,355.5m), £215.1m of real estate assets (2021: £195.1m), and £369.0m private equity secondaries (2021: £215.5m).
2. Level 3 Investment in private companies includes £96.2m subordinated debt and equity (2021: £129.5m) and £26.5m of real estate assets (2021: £105.1m).

Fair value hierarchy

The following table summarises the valuation of the Company's financial assets and liabilities by fair value hierarchy.

	As at 31 March 2022				As at 31 March 2021			
Company	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total £m**	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial Assets								
Investment in or alongside managed funds[1]	110.7	—	160.7	271.4	136.2	—	179.8	316.0
Derivative assets	—	40.0	—	40.0	—	46.7	—	46.7
Investment in private companies	12.7	—	158.9	171.6	—	—	189.3	189.3
Senior and subordinated notes of CLO vehicles	—	—	0.2	0.2	—	—	9.2	9.2
Total assets	**123.4**	**40.0**	**319.8**	**483.2**	**136.2**	**46.7**	**378.3**	**561.2**
Financial Liabilities								
Derivative liabilities	—	56.7	—	56.7	—	(36.7)	—	(36.7)
Total liabilities	**—**	**56.7**	**—**	**56.7**	**—**	**(36.7)**	**—**	**(36.7)**

Valuations

Investment in or alongside managed funds

When fair values of publicly traded closed-ended funds and open-ended funds are based on quoted market prices in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy. The Group values these investments at bid price for long positions and ask price for short positions.

The Group also co-invests with funds, including credit and private equity secondary funds, which are not quoted in an active market. The Group considers the valuation techniques and inputs used by these funds to ensure they are reasonable, appropriate and consistent with the principles of fair value. The latest available NAV of these funds are generally used as an input into measuring their fair value. The NAV of the funds are adjusted, as necessary, to reflect restrictions on redemptions, and other specific factors relevant to the funds. In measuring fair value, consideration is also given to any transactions in the interests of the funds. The Group classifies these funds as Level 3.

Investment in private companies

The Group takes debt and equity stakes in private companies that are, other than on very rare occasions, not quoted in an active market and uses either a market-based valuation technique or a discounted cash flow technique to value these positions.

The Group's investments in private companies are held at fair value using the most appropriate valuation technique based on the nature, facts and circumstances of the private company. The first of two principal valuation techniques is a market comparable companies technique. The enterprise value ('EV') of the portfolio company is determined by applying an earnings multiple, taken from comparable companies, to the profits of the portfolio company. The Group determines comparable private and public companies, based on industry, size, location, leverage and strategy, and calculates an appropriate multiple for each comparable company identified. The second principal valuation technique is a discounted cashflow ('DCF') approach. Fair value is determined by discounting the expected future cashflows of the portfolio company to the present value. Various assumptions are utilised as inputs, such as terminal value and the appropriate discount rate to apply. Typically, the DCF is then calibrated alongside a market comparable companies approach. Alternate valuation techniques may be used where there is a recent offer or a recent comparable market transaction, which may provide an observable market price and an approximation to fair value of the private company. The Group classified these assets as Level 3.

Investment in loans held in consolidated structured entities

In the absence of quoted prices in an active market, the loan asset portfolios of the consolidated structured entities are valued using observable inputs such as recently executed transaction prices in securities of the issuer or comparable issuers and from independent loan pricing sources. To the extent that the significant inputs are observable the Group classifies these assets as Level 2 and other assets are classified as Level 3. Level 3 assets are valued using a discounted cashflow technique.

Derivative assets and liabilities

The Group uses market-standard valuation models for determining fair values of over-the-counter interest rate swaps, currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including both credit and debit valuation adjustments for counterparty and own credit risk, foreign exchange spot and forward rates and interest rate curves. For these financial instruments, significant inputs into models are market observable and are included within Level 2.

5. Financial assets *continued*

Senior and subordinated notes of CLO vehicles

The Group holds investments in the senior and subordinated notes of the CLOs it manages, predominately driven by European Union risk-retention requirements. The Group employs DCF analysis to fair value these investments, using several inputs including constant annual default rates, prepayments rates, reinvestment rates, recovery rates and discount rates.

The DCF analysis at the reporting date shows that the senior notes are typically expected to recover all contractual cashflows, including under stressed scenarios, over the life of the CLOs. Unobservable inputs are used in determining the fair value of subordinated notes, which are therefore classified as Level 3 instruments. Observable inputs are used in determining the fair value of senior notes and these instruments are therefore classified as Level 2.

Borrowings and loans held in consolidated credit funds

Rated debt liabilities of consolidated CLOs are generally valued at par plus accrued interest, which we assess as fair value, as evidenced by the general availability of market prices and discounting spreads for rated debt liabilities of CLOs. This is consistent with the valuation approach of the rated debt assets held in the unconsolidated CLOs. As a result we deem these liabilities as Level 2.

Unrated/subordinated debt liabilities of consolidated CLOs are valued directly in line with the fair value of the CLOs' underlying loan asset portfolios. These underlying assets comprise observable loan securities traded in active markets. The underlying assets are reported in both Level 2 and Level 3. As a result of this methodology deriving the valuation of unrated/subordinated debt liabilities from a combination of Level 2 and Level 3 asset values, we deem these liabilities to be Level 3.

Real estate assets

To the extent that the Group invests in real estate assets, whether through an investment in a managed fund or an investment in a private company, the underlying assets may be a debt instrument or property classified as investment property in accordance with IAS 40 'Investment Property'. The fair values of the directly held investment properties have been recorded based on independent valuations prepared by third-party real estate valuation specialists in line with the Royal Institution of Chartered Surveyors Valuation – Global Standards 2020. At the end of each reporting period, the Group reviews its assessment of the fair value of each property, taking into account the most recent independent valuations. The Directors determine a property value within a range of reasonable fair value estimates, based on information provided.

All resulting fair value estimates for properties are included in Level 3.

Reconciliation of Level 3 fair value measurements of financial assets

The following tables set out the movements in recurring financial assets valued using the Level 3 basis of measurement in aggregate. Within the income statement, realised gains and fair value movements are included within gains on investments, and foreign exchange gains/(losses) are included within finance costs.

Group	2022 Financial assets designated as FVTPL £m	2021 Financial assets designated as FVTPL £m
At 1 April	**2,289.9**	1,820.9
Total gains or losses in the income statement		
– Net investment return	**463.9**	390.8
– Foreign exchange	**8.4**	(96.2)
Purchases	**855.7**	490.4
Exit proceeds	**(1,105.0)**	(461.1)
Transfer between levels	**(33.8)**	145.1
At 31 March	**2,479.1**	**2,289.9**

Company	2022 Financial assets designated as FVTPL £m	2021 Financial assets designated as FVTPL £m
At 1 April	**378.3**	475.0
Total gains or losses in the income statement		
– Net investment return	**30.4**	56.1
– Foreign exchange	**(10.2)**	(14.6)
Purchases	**83.1**	87.2
Exit proceeds	**(158.2)**	(225.4)
Transfer between levels	**(3.6)**	—
At 31 March	**319.8**	**378.3**

Transfers in and out of Level 3 financial assets were due to changes to the observability of inputs used in the valuation of these assets

Reconciliation of Level 3 fair value measurements of financial liabilities

The following tables sets out the movements in reoccurring financial liabilities valued using the Level 3 basis of measurement in aggregate. Within the income statement, realised gains and fair value movements are included within gains on investments, and foreign exchange gains/(losses) are included within finance costs.

Group	2022 Financial liabilities designated as FVTPL £m	2021 Financial liabilities designated as FVTPL £m
At 1 April	**268.2**	—
Total gains or losses in the income statement		
– Fair value (losses)/gains	**(31.8)**	29.9
– Foreign exchange gains	**—**	21.0
Purchases	**25.9**	29.8
Disposal groups held for sale	**5.0**	4.8
Transfer between levels	**(27.7)**	182.7
At 31 March	**239.6**	**268.2**

Transfers in and out of Level 3 financial liabilities were due to changes to the observability of inputs used in the valuation of these liabilities

Valuation inputs and sensitivity analysis

The following table summarises the inputs and estimates used for items categorised in Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis:

5. Financial assets *continued*

Group Assets	Fair Value As at 31 March 2022 £m	Fair Value As at 31 March 2021 £m	Primary Valuation Technique[1]	Key Unobservable Inputs	Range	Weighted Average/ Fair Value Inputs	Sensitivity/ Scenarios	Effect on Fair Value[4] 31 March 2022 £m
Corporate - subordinated debt and equity[2]	1,598.4	1,485.0	Market Comparable Companies	Earnings Multiple	1.9x - 31.2x	15.2x	'+10% Earnings Multiple[2]	154.1
			Discounted Cash Flow	Discount rate	7.2% - 25.9%	9.9%	'-10% Earnings Multiple[2]	(154.3)
				Earnings Multiple	6.5x - 20.0x	13.8x		
Real Estate	316.3	357.6	Third-party Valuation	N/A	N/A	N/A	+10% Third-party	31.6
			LTV based impairment model	N/A	N/A	N/A	-10% Third-party	(31.6)
Strategic Equity	369.0	215.5	Third-party Valuation	N/A	N/A	N/A	+10% Third-party	36.9
							-10% Third-party	(36.9)
Corporate - Senior debt	41.1	36.0	Discounted cash flow	Probability of default	1.8% - 4.6%	1.9%	Upside Case	–
				Loss given default	19.4%	19.4%	Downside	(0.7)
				Maturity of loan	3 years	3 years		
				Effective interest rate	8.7% - 9.0%	8.7%		
Subordinated notes of CLO vehicles[3]	9.1	27.2	Scenario Analysis	Discount rate	11.5% - 13.25%	12.4%		
			Discounted Cash Flow	Next 12 months Annual Default Rate	3%	3%		
				Subsequent months Default Rate %	3.0%	3.0%	Upside Case[3]	18.7
							Downside Case[3]	(19.5)
				Prepayment rate %	20.0%	20.0%		
				Recovery rate %	75.0%	75.0%		
				Reinvestment price	99.5%	99.5%		
Investments in loans held in structured entities	145.2	168.6	Third-party Valuation	N/A	N/A	N/A	+10% Third-party	14.5
							-10% Third-party	(14.5)
Total assets	**2,479.1**	2,289.9						
Borrowings and loans held in structured entities	(234.6)	(263.4)	Third-party Valuation	N/A	N/A	N/A	+10% Third-party	(23.5)
							-10% Third-party	23.5
Disposal group held for sale	(5.0)	(4.8)						
Total liabilities	**(239.6)**	(268.2)						

1. Where the Group has co-invested with its managed funds, it is the type of the underlying investment, and the valuation techniques used for these underlying investments, that is set out here.
2. For investments valued using a DCF methodology (including Infrastructure investments) the imputed earnings multiple is used for this sensitivity analysis.
3. The sensitivity analysis is performed on the entire portfolio of subordinated notes of CLO vehicles that the Group has invested in with total value of £174.2m (2021: £163.4m). This value includes investments in CLOs that are not consolidated (2022: £9.1m (2021: £27.2m)) and investments in CLOs which are consolidated (2022: £165.3m (2021: £136.1m)). The upside case is based on the default rate being lowered to 1% p.a. for the next 24 months, keeping all other parameters consistent. The downside case is based on the probability of default being increased over the next twenty four months to 5% p.a., keeping all other parameters consistent.
4. The effect of fair value across the entire investment portfolio ranges from -£281.0m (downside case) to +£279.3m (upside case).

Derivative financial instruments

Accounting policy

Derivative financial instruments for economic hedging

The Group holds derivative financial instruments to hedge foreign currency and interest rate exposures. Derivatives are recognised at fair value determined using independent third-party valuations or quoted market prices. Changes in fair values of derivatives are recognised immediately in the consolidated income statement.

A derivative with a positive fair value is recognised as a financial asset while a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months from the reporting date, otherwise a derivative will be presented as a current asset or current liability.

Group	2022			2021		
	Contract or underlying principal amount	Fair values		Contract or underlying principal amount	Fair values	
		Asset	Liability		Asset	Liability
	£m	£m	£m	£m	£m	£m
Cross currency swaps	**306.1**	**28.4**	**(30.1)**	299.3	31.9	(35.0)
Forward foreign exchange contracts (excl those held in consolidated credit funds)	**1,113.6**	**4.7**	**(22.5)**	857.9	14.8	(1.7)
Forward foreign exchange contracts held in consolidated credit funds	**102.6**	**105.5**	**(103.7)**	76.1	65.2	(63.2)
Total	**1,522.3**	**138.6**	**(156.3)**	**1,233.3**	**111.9**	**(99.9)**

Company	2022			2021		
	Contract or underlying principal amount	Fair values		Contract or underlying principal amount	Fair values	
		Asset	Liability		Asset	Liability
	£m	£m	£m	£m	£m	£m
Cross currency swaps	**306.1**	**28.4**	**(30.1)**	299.3	31.9	(35.0)
Forward foreign exchange contracts	**1,580.3**	**11.7**	**(26.6)**	857.9	14.8	(1.7)
Total	**1,886.4**	**40.1**	**(56.7)**	**1,157.2**	**46.7**	**(36.7)**

The value of cash held in margin accounts and therefore pledged as collateral as at 31 March 2022 was £27.0m (31 March 2021: £26.8m). The counterparties were: Citigroup Global Markets Limited, Citibank NA, HSBC Bank London, Commonwealth Bank of Australia, Lloyds Bank Corporate Markets Plc, Royal Bank of Scotland Plc, Credit Agricole, and Société Générale Paris. All the Credit Support Annexes that have been agreed with our counterparties are fully compliant with European Market Infrastructure Regulation (EMIR).

There was no change in fair value related to credit risk, in relation to derivatives as at 31 March 2022 (31 March 2021: £nil).

Under the relevant International Swaps and Derivatives Association ('ISDA') Master Agreements in place with our counterparties, the close-out netting provision would result in all obligations under a contract with a defaulting party being terminated and there would be a subsequent combining of positive and negative replacement values into a single net payable or receivable. This reduces the credit exposure from gross to net.

6. Cash and cash equivalents

	Group		Company	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Cash and cash equivalents				
Cash at bank and in hand	**991.8**	581.2	**707.1**	264.3

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as shown above.

The Group's cash and cash equivalents include £230.3m (2021: £284.3m) of restricted cash, held principally by structured entities controlled by the Group. The Group does not have legal recourse to these balances as their sole purpose is to service the interests of the investors in these structured entities.

In the current year £11.1m cash and cash equivalents were included in disposal groups held for sale (2021: £0.4m) (note 29).

7. Financial liabilities

Accounting policy

Financial liabilities, which include borrowings and listed notes and bonds (with the exception of financial liabilities designated as FVTPL), are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Included within financial liabilities held at amortised cost is the Group's present value of its future lease payments. Lease liabilities are initially measured at the present value of all the future lease payments. The present value at the inception of the lease is determined by discounting all future lease payments at the Group's centrally determined incremental borrowing rate at the date of inception of the lease. In calculating the present value of lease payments, the Group uses its incremental borrowing rate because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Financial liabilities at FVTPL are initially recognised and subsequently measured at fair value on a recurring basis with gains or losses arising from changes in fair value and interest paid on the financial instruments recognised through gains on investments in the income statement. Interest paid on the financial instruments is included within net gains on investments. A financial instrument is designated as FVTPL if it is a derivative that is not designated and effective as a hedging instrument, or the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

Included within financial liabilities at FVTPL are derivative liabilities and other financial liabilities designated as FVTPL within structured entities controlled by the Group.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire.

Group	Interest rate %	Maturity	2022 Current £m	2022 Non-current £m	2021 Current £m	2021 Non-current £m
Liabilities held at amortised cost						
- Private placement	2.02% - 6.25%	2022 - 2029	**39.2**	**617.2**	113.6	628.5
- Listed notes and bonds	1.63% - 5.00%	2023 - 2030	**162.9**	**836.8**	—	582.7
- Unsecured bank debt[1]	SONIA +1.41%	2025	**(1.0)**	**(1.7)**	(1.1)	(2.3)
Total Liabilities held at amortised cost			**201.1**	**1,452.3**	112.5	1,208.9
Other financial liabilities	2.85% - 7.09%	2022 - 2031	**6.5**	**52.2**	3.7	55.0
Liabilities held at FVTPL:						
- Derivative financial liabilities			**153.4**	**2.9**	68.2	31.7
- Structured entities controlled by the Group	0.8%-8.9%	2028-2035	**—**	**4,364.7**	—	3,882.9
			361.0	**5,872.1**	**184.4**	**5,178.5**

Company	2022 Current £m	2022 Non-current £m	2021 Current £m	2021 Non-current £m
Liabilities held at amortised cost				
- Private placement	**39.2**	**617.2**	113.6	628.5
- Listed notes and bonds	**162.9**	**836.8**	—	582.7
- Unsecured bank debt[1]	**(1.0)**	**(1.7)**	(1.1)	(2.3)
Total Liabilities held at amortised cost	**201.1**	**1,452.3**	112.5	1,208.9
Other financial liabilities	**3.1**	**44.8**	1.0	47.4
Liabilities held at FVTPL				
- Derivative financial liabilities	**53.6**	**3.1**	5.1	31.6
	257.8	**1,500.2**	**118.6**	**1,287.9**

1. Unsecured bank debt includes associated fees amortised over the life of the facility.

The fair value of the Listed notes and bonds, being the market price of the outstanding bonds, is £956.4m (2021: £599.8m) . Private placements and unsecured bank debt is held at amortised cost which the Group has determined to be the fair value of these liabilities.

NOTES TO THE FINANCIAL STATEMENTS *continued*

7. Financial liabilities *continued*

Movement in financial liabilities arising from financing activities

The following tables sets out the movements in financial liabilities (other than lease liabilities and derivatives) arising from financing activities undertaken during the year.

	Group		Company	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
At 1 April	**1,321.4**	1,916.9	**1,321.4**	1,916.9
Proceeds from borrowings	**413.5**	—	**413.5**	—
Repayment of long term borrowings	**(111.5)**	(495.6)	**(111.5)**	(495.6)
Net interest movement	**4.2**	(3.1)	**4.2**	(3.1)
Foreign exchange movement	**25.8**	(96.8)	**25.8**	(96.8)
At 31 March	**1,653.4**	**1,321.4**	**1,653.4**	**1,321.4**

During the year, the Group issued a €500m sustainability-linked bond maturing in January 2030. The bond has an eight year term and an annual coupon of 2.5%. The proceeds will be used for general corporate purposes, including to repay certain existing debt facilities as they mature. The bond features a coupon adjustment based on the progress the Group makes in achieving its approved science-based targets (see page 40).

8. Profit of Parent Company

As permitted by section 408 of the Companies Act 2006, the income statement of the Parent Company is not presented as part of these financial statements. The Parent Company's profit for the year amounted to £46.7m (2021 : £203.0m).

9. Finance (loss)/income

Accounting policy

The Group earns interest on its bank deposits. Changes in the fair value of derivatives are recognised in the income statement as incurred.

	2022	2021
	£m	£m
Fair value movements on derivatives	**(7.4)**	(9.4)
	(7.4)	**(9.4)**

10. Net gains on investments

Accounting policy

The Group recognises net gains and losses on investments comprising realised and unrealised gains and losses from disposals and revaluations of financial assets and financial liabilities measured at fair value.

	2022	2021
	£m	£m
Financial Assets		
Change in fair value of financial instruments designated at FVTPL	**643.1**	1,207.0
Financial Liabilities		
Change in fair value of financial instruments designated at FVTPL	**(87.6)**	(699.6)
Net gains arising on investments	**555.5**	**507.4**

11. Finance costs

Accounting policy

Interest expense on the Group's debt, excluding financial liabilities within structured entities controlled by the Group, is recognised using the effective interest rate method based on the expected future cash flows of the liabilities over their expected life. Financial liabilities within structured entities controlled by the Group is accounted for within Net gains and losses arising on investment (see note 10).

Interest expense associated with lease obligations represents the unwinding of the lease liability discount, accounted for in accordance with IFRS 16 (see note 18).

Finance costs	**2022** **£m**	2021 £m
Interest expense recognised on financial liabilities held at amortised cost	**45.4**	52.2
Arrangement and commitment fees	**5.7**	3.3
Interest expense associated with lease obligations	**2.0**	1.3
	53.1	**56.8**

12. Profit for the year

Profit for the year has been arrived at after charging:

	2022 **£m**	2021 £m
Staff costs	**262.1**	179.3
Amortisation and depreciation	**18.1**	15.5
Operating lease expenses	**3.8**	2.3
Auditor's remuneration	**2.1**	1.7

Auditor's remuneration includes fees for audit and non-audit services payable to the Group's auditor, Ernst and Young LLP, and are analysed as below.

	2022 **£m**	2021 £m
ICG Group		
Audit fees		
Group audit of the annual accounts	**1.3**	1.1
The audit of subsidiaries' annual accounts	**0.5**	0.4
Total audit fees	**1.8**	**1.5**
Non audit fees		
Non audit fees in capacity as auditor	**0.2**	0.1
Other non audit fees	**–**	0.1
Total non audit fees	**0.2**	**0.2**
Total auditor's remuneration incurred by the Group	**2.0**	**1.7**

NOTES TO THE FINANCIAL STATEMENTS *continued*

13. Employees and Directors

Accounting policy

The Deal Vintage Bonus ('DVB') scheme forms part of the Group's Remuneration Policy for investment executives. DVB is reported within Wages and salaries.

Payments of DVB are made in respect of plan years, which are aligned to the Group's financial year. Payments of DVB are made only when the performance threshold for the plan year has been achieved on a cash basis and proceeds are received by the Group. An estimate of the DVB liability for a plan year is developed based on the following inputs: expected realisation proceeds; expected timing of realisations; and allocations of DVB to qualifying investment professionals. The Group accrues the estimated DVB cost associated with that plan year evenly over five years, reflecting the average holding period for the underlying investments. Payments of DVB are not subject to clawback.

	2022 £m	2021 £m
Directors' emoluments	**4.8**	**4.4**
Employee costs during the year including Directors:		
Wages and salaries	**229.9**	151.6
Social security costs	**26.2**	22.4
Pension costs	**6.0**	5.4
The monthly average number of employees (including Executive Directors) was:		
Investment Executives	**244**	207
Marketing and support functions	**260**	232
Executive Directors	**3**	3
	507	**442**

ICG plc, the Company, does not have any employees but relies on the expertise and knowledge of employees of ICG FMC Limited, Intermediate Capital Group Inc., Intermediate Capital Group SAS, Intermediate Capital Asia Pacific Limited and Intermediate Capital Group Polska Sp. z.o.o, subsidiaries of ICG plc.

Contributions to the Group's defined contribution pension schemes are charged to the consolidated income statement as incurred.

The performance related element included in employee costs is £169.7m (2021: £103.5m) which represents the annual bonus scheme, Omnibus Scheme and the DVB Scheme. Please refer to the report of the Remuneration Committee on page 93.

In addition, during the year, third-party funds have paid £62.0m (2021: £4.2m) to former employees and £123.2m (2021: £7.2m) to current employees, including Executive Directors, relating to distributions from investments in carried interest partnerships made by these employees in prior periods. Such amounts become due over time if, and when, specified performance targets are ultimately realised in cash by the funds and paid by the carried interest partnerships (CIPs) of the funds (see note 28). As these funds and CIPs are not consolidated, these amounts are not included in the Group's consolidated income statement.

14. Tax expense

Accounting policy

The tax expense comprises current and deferred tax.

Current tax assets and liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting periods, that are unpaid at the reporting date.

Deferred tax is provided in respect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction, other than a business combination, that affects neither the tax nor the accounting profit.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to be applied to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right of set off, when they relate to income taxes levied by the same tax authority and the Group intends to settle on a net basis.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to equity.

	2022 £m	2021 £m
Current tax:		
Current year	37.5	44.0
Prior year adjustment	(3.5)	(1.5)
	34.0	**42.5**
Deferred tax:		
Current year	1.9	10.1
Prior year adjustments	(4.8)	(4.1)
	(2.9)	**6.0**
Tax on profit on ordinary activities	**31.1**	**48.5**

The Group is an international business and operates across many different tax jurisdictions. Income and expenses are allocated to these jurisdictions based on transfer pricing methodologies set out both (i) in the laws of the jurisdictions in which the Group operates, and (ii) under guidelines set out by the Organisation for Economic Co-operation and Development (OECD).

The effective tax rate reported by the Group for the period ended 31 March 2022 of 5.5% (2021: 9.5%) is lower than the statutory UK corporation tax rate of 19%.

The FMC activities are subject to tax at the relevant statutory rates ruling in the jurisdictions in which the income is earned. The lower effective tax rate compared to the statutory UK rate is largely driven by the IC activities. The IC benefits from statutory UK tax exemptions on certain forms of income arising from both foreign dividend receipts and gains from assets qualifying for the substantial shareholdings exemption. The effect of these exemptions means that the effective tax rate of the Group is highly sensitive to the relative mix of IC income, and composition of such income, in any one period.

The Group's tax charge for the period ended 31 March 2022 includes certain items which relate to discussions with tax authorities ongoing during the year. Firstly, the UK companies in the Group concluded on a collaborative review with advisers and Her Majesty's Revenue & Customs (HMRC) relating to historic transfer pricing arrangements of the Group. The best estimate of the net settlement arising as a result of this review is included in the tax charge for the year. Secondly, a Luxembourg subsidiary of the Group was successful in the Luxembourg Court of Appeal in respect of a historic dispute over corporate income taxes due in previous years. The Group had previously provided for this corporate income tax which, following the Court's decision, has been released on the expectation that amounts previously paid on account of this liability will be refunded to the Group.

14. Tax expense *continued*

A reconciliation between the statutory UK corporation tax rate applied to the Group's profit before tax and the reported effective tax rate is provided below.

	2022 £m	2021 £m
Profit on ordinary activities before tax	**565.4**	509.5
Tax at 19% thereon	**107.4**	96.8
Effects of		
Prior year adjustment to current tax	**(3.5)**	(1.5)
Prior year adjustment to deferred tax	**(4.8)**	(4.1)
	99.1	**91.2**
Non-taxable and non-deductible items	**(2.5)**	(1.0)
Overseas tax suffered	**—**	0.2
Non-taxable Investment Company income	**(69.6)**	(44.2)
Trading income generated by overseas subsidiaries subject to different tax rates	**1.0**	2.3
Effect of changes in statutory rate changes	**6.4**	—
Release of Luxembourg tax provision	**(3.3)**	—
Tax charge for the period	**31.1**	**48.5**

Deferred tax

Deferred tax (asset)/liability **Group**	Investments £m	Share based payments and compensation deductible as paid £m	Derivatives £m	Other temporary differences £m	Total £m
As at 31 March 2020	2.1	(23.8)	9.4	3.1	(9.2)
Prior year adjustment	2.9	(0.1)	(6.2)	(0.7)	(4.1)
Reclassification to Current Tax	(1.2)	—	(1.4)	—	(2.6)
Charge / (Credit) to equity	—	(2.2)	—	—	(2.2)
Charge / (Credit) to income	8.1	1.3	(0.6)	1.3	10.1
As at 31 March 2021	**11.9**	**(24.8)**	**1.2**	**3.7**	**(8.0)**
Prior year adjustment	5.1	(0.5)	—	(9.4)	(4.8)
Impact of changes to statutory tax rates	8.7	(3.7)	(0.2)	1.6	6.4
Charge / (Credit) to equity	—	1.4	—	—	1.4
Charge / (Credit) to income	10.4	(10.5)	(1.8)	(2.6)	(4.5)
Movement in Foreign Exchange on retranslation	—	—	—	(0.4)	(0.4)
As at 31 March 2022	**36.1**	**(38.1)**	**(0.8)**	**(7.1)**	**(9.9)**

Deferred tax (asset)/liability **Company**	Investments £m	Share based payments and compensation deductible as paid £m	Derivatives £m	Other temporary differences £m	Total £m
As at 31 March 2020	5.1	(22.3)	9.4	(0.3)	(8.1)
Prior year adjustment	2.4	7.7	(6.2)	(2.5)	1.4
Reclassification to Current Tax	—	—	(1.4)	—	(1.4)
Charge / (Credit) to equity	—	2.9	—	—	2.9
Charge / (Credit) to income	(0.4)	1.0	(0.6)	2.8	2.8
As at 31 March 2021	**7.1**	**(10.7)**	**1.2**	**—**	**(2.4)**
Prior year adjustment	(0.1)	—	—	(1.6)	(1.7)
Impact of changes to statutory tax rates	2.1	(2.0)	(0.2)	(0.1)	(0.2)
Charge / (Credit) to income	(0.5)	4.5	(1.8)	1.2	3.4
As at 31 March 2022	**8.6**	**(8.2)**	**(0.8)**	**(0.5)**	**(0.9)**

Deferred tax (assets)/liabilities have been accounted for at the applicable tax rates enacted or substantively enacted, in each case in the relevant jurisdiction of the tax arising, at the reporting date. As at 31 March 2022 the value of losses unrecognised for deferred tax is £nil (2021: £0.2m value of losses unrecognized for deferred tax).

In its Budget held in March 2021, the UK Government announced that the UK rate of corporation tax will increase from 19% to 25% from 1 April 2023. In addition, as announced in the French Finance Bill 2021, the rate of corporation tax in France will decrease from 26.5% (27.5% where profits exceed €500,000) to 25% from 1 April 2022. These legislative changes have been substantively enacted, and these rates have been considered when calculating the closing deferred tax balances at the reporting date.

15. Dividends

Accounting policy

Dividends are distributions of profit to holders of Intermediate Capital Group plc's share capital and as a result are recognised as a deduction in equity. Final dividends are announced with the Annual Report and Accounts and are recognised when they have been approved by shareholders. Interim dividends are announced with the Half Year Results and are recognised when they are paid.

	2022		2021	
	Per share pence	£m	Per share pence	£m
Ordinary dividends paid				
Final	**39.0**	**112.1**	35.8	102.3
Interim	**18.7**	**53.6**	17.0	48.6
	57.7	**165.7**	52.8	150.9
Proposed final dividend	**57.3**	**162.0**	**39.0**	**111.5**

Of the £165.7m (2021: £150.9m) of ordinary dividends paid during the year, £6.0m (2021: £2.9m) were reinvested under the dividend reinvestment plan offered to shareholders.

16. Earnings per share

	Year ended 31 March 2022	Year ended 31 March 2021
Earnings	£m	£m
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to equity holders of the Parent	**526.8**	457.1
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**286,759,806**	285,154,566
Effect of dilutive potential ordinary share options	**4,194,481**	5,043,079
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**290,954,286**	**290,197,645**
Earnings per share (pence)	**183.7p**	160.3p
Diluted earnings per share (pence)	**181.1p**	157.5p

17. Intangible assets

Accounting policy

Business combinations

Business combinations are accounted for using the acquisition method. The acquisition method involves the recognition of all assets, liabilities and contingent liabilities of the acquired business at their fair value at the acquisition date.

The excess of the fair value at the date of acquisition of the cost of investments in subsidiaries over the fair value of the net assets acquired which is not allocated to individual assets and liabilities is determined to be goodwill. Goodwill is reviewed at least annually for impairment.

Investment management contracts

Intangible assets with finite useful lives that are acquired separately, including investment management contracts, are carried at cost less accumulated depreciation and impairment losses. These are measured at cost and are amortised on a straight line basis over the expected life of the contract.

Computer software

Research costs associated with computer software are expensed as they are incurred.

Other expenditure incurred in developing computer software is capitalised only if all of the following criteria are demonstrated:

- An asset is created that can be separately identified;
- It is probable that the asset created will generate future economic benefits; and
- The development cost of the asset can be measured reliably.

Following the initial recognition of development expenditure, the cost is amortised over the estimated useful life of the asset created, which is determined as three years. Amortisation commences on the date that the asset is brought into use. Work-in-progress assets are not amortised until they are brought into use and transferred to the appropriate category of intangible assets. Amortisation of intangible assets is included in administrative expenses in the income statement and detailed in note 12.

Impairment of non-financial assets and goodwill

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Group	Computer software 2022 £m	Computer software 2021 £m	Goodwill[1] 2022 £m	Goodwill[1] 2021 £m	Investment management contract 2022 £m	Investment management contract 2021 £m	Total 2022 £m	Total 2021 £m
Cost								
At 1 April	**20.8**	37.1	**4.3**	4.3	**25.5**	25.5	**50.6**	66.9
Reclassified[2]	**—**	—	**—**	—	**(0.3)**	—	**(0.3)**	—
Additions	**3.4**	4.0	**2.5**	—	**1.1**	—	**7.0**	4.0
Derecognised	**(3.8)**	(20.3)	**(2.4)**	—	**—**	—	**(6.2)**	(20.3)
Exchange differences	**0.1**	—	**(0.1)**	—	**—**	—	**—**	—
At 31 March	**20.5**	**20.8**	**4.3**	**4.3**	**26.3**	**25.5**	**51.1**	**50.6**
Depreciation								
At 1 April	**10.1**	23.5	**—**	—	**19.0**	16.7	**29.1**	40.2
Charge for the year	**6.1**	5.5	**—**	—	**2.6**	2.3	**8.7**	7.8
Derecognised	**(3.8)**	(18.9)	**—**	—	**—**	—	**(3.8)**	(18.9)
At 31 March	**12.4**	10.1	**—**	—	**21.6**	19.0	**34.0**	29.1
Net book value	**8.1**	**10.7**	**4.3**	**4.3**	**4.7**	**6.5**	**17.1**	**21.5**

1. Goodwill was acquired in the ICG-Longbow Real Estate Capital LLP business combination and represents a single cash generating unit. The recoverable amount of the real estate cash generating unit is based on fair value less costs to sell where the fair value equates to a multiple of adjusted net income, in line with the original consideration methodology. The significant headroom on the recoverable amount is not sensitive to any individual assumption.
2. During the current year the Group carried out a review of its intangible assets relating to investment management contracts. £0.3m was reclassified from intangible assets to financial assets.

Company	Computer software 2022 £m	Computer software 2021 £m	Investment management contract 2022 £m	Investment management contract 2021 £m	Total 2022 £m	Total 2021 £m
Cost						
At 1 April	**20.8**	37.1	**19.9**	19.9	**40.7**	57.0
Additions	**3.4**	—	**—**	—	**3.4**	—
Derecognised	**(3.8)**	4.0	**—**	—	**(3.8)**	4.0
At 31 March	**20.4**	**20.8**	**19.9**	**19.9**	**40.3**	**40.7**
Depreciation						
At 1 April	**10.2**	23.5	**13.4**	11.1	**23.6**	34.6
Charge for the year	**6.1**	5.5	**2.3**	2.3	**8.4**	7.8
Derecognised	**(3.8)**	(18.8)	**—**	—	**(3.8)**	(18.8)
At 31 March	**12.5**	10.2	**15.7**	13.4	**28.2**	23.6
Net book value	**7.9**	**10.6**	**4.2**	**6.5**	**12.1**	**17.1**

During the financial year ended 31 March 2022 the Group recognised an expense of £0.6 m (2021: £0.1m) in respect of research and development expenditure.

NOTES TO THE FINANCIAL STATEMENTS *continued*

18. Property, plant and equipment

Accounting policy

The Group's property, plant and equipment provide the infrastructure to enable the Group to operate. Assets are initially stated at cost, which includes expenditure associated with acquisition. The cost of the asset is recognised in the income statement as an amortisation charge on a straight line basis over the estimated useful life, determined as three years for furniture and equipment and five years for short leasehold premises. Right of Use ('ROU') assets are amortised over the full contractual lease term.

Group as a lessee

Included within the Group's property, plant and equipment are its ROU assets. ROU assets are the present value of the Group's global leases and comprise all future lease payments, and all expenditure associated with acquiring the lease. The Group's leases are primarily made up of its global offices. The Group has elected to capitalise initial costs associated with acquiring a lease before commencement as a ROU asset. The cost of the ROU asset is recognised in the income statement as an amortisation charge on a straight line basis over the life of the lease term.

Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its leasehold improvements and short-term leases (those that have a lease term of 12 months or less from the commencement date which do not contain a purchase option). The Group also applies the recognition exemption to leases that are considered to be low value. Leasehold improvements are amortised on a straight line basis over the lease term. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight line basis over the lease term.

	Furniture and equipment		ROU asset		Leasehold improvements		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Group	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m
Cost								
At 1 April	**3.8**	5.5	**73.0**	42.3	**10.6**	–	**87.4**	47.8
Reclassified[1]	**–**	–	**–**	(10.9)	**–**	10.9	**–**	–
Additions	**0.6**	2.3	**2.4**	56.0	**0.7**	4.9	**3.7**	63.2
Disposals	**–**	(4.1)	**(7.7)**	(14.4)	**–**	(5.2)	**(7.7)**	(23.7)
Exchange differences	**0.1**	0.1	**–**	–	**–**	–	**0.1**	0.1
At 31 March	**4.5**	**3.8**	**67.7**	**73.0**	**11.3**	**10.6**	**83.5**	**87.4**
Depreciation								
At 1 April	**1.6**	4.6	**17.7**	29.8	**1.1**	–	**20.4**	34.4
Reclassified[1]	**–**	–	**–**	(5.8)	**–**	5.8	**–**	–
Charge for the year	**1.2**	0.5	**7.3**	6.8	**0.9**	0.5	**9.4**	7.8
Disposals	**0.1**	(3.5)	**(6.8)**	(13.1)	**–**	(5.2)	**(6.7)**	(21.8)
At 31 March	**2.9**	1.6	**18.2**	17.7	**2.0**	1.1	**23.1**	20.4
Net book value	**1.6**	**2.2**	**49.5**	**55.3**	**9.3**	**9.5**	**60.4**	**67.0**

1. During the prior year, the Group carried out an assessment of its assets categorised as furniture and equipment and determined that those assets relating to computer software were more appropriately classified as intangible assets. These assets were transferred at book value and there was no profit or loss arising on transfer.

Company	Furniture and equipment 2022 £m	Furniture and equipment 2021 £m	ROU asset 2022 £m	ROU asset 2021 £m	Leasehold improvements 2022 £m	Leasehold improvements 2021 £m	Total 2022 £m	Total 2021 £m
Cost								
At 1 April	**2.6**	1.8	**50.9**	26.9	**8.9**	—	**62.4**	28.7
Reclassified[1]	**—**	—	**—**	(9.5)	**—**	9.5	**—**	—
Additions	**0.2**	2.2	**1.3**	47.9	**0.6**	4.6	**2.1**	54.7
Disposals	**—**	(1.4)	**(2.1)**	(14.4)	**—**	(5.2)	**(2.1)**	(21.0)
At 31 March	**2.8**	**2.6**	**50.1**	**50.9**	**9.5**	**8.9**	**62.4**	**62.4**
Depreciation								
At 1 April	**0.6**	1.5	**5.2**	19.7	**0.3**	—	**6.1**	21.2
Reclassified[1]	**—**	—	**—**	(4.2)	**—**	4.2	**—**	—
Charge for the year	**1.0**	0.5	**6.5**	2.8	**0.8**	0.3	**8.3**	3.6
Disposals	**—**	(1.4)	**(1.9)**	(13.1)	**—**	(4.2)	**(1.9)**	(18.7)
At 31 March	**1.6**	0.6	**9.8**	5.2	**1.1**	0.3	**12.5**	6.1
Net book value	**1.2**	**2.0**	**40.3**	**45.7**	**8.4**	**8.6**	**49.9**	**56.3**

1. During the prior year, the Company carried out an assessment of its assets categorised as furniture and equipment and determined that those assets relating to computer software were more appropriately classified as intangible assets. These assets were transferred at book value.

Group as Lessor

Accounting policy

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in other income in the consolidated income statement due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

The Group has entered into sub-lease agreements of certain office buildings (see Note 18 above). These leases have terms of between two and five years. Rental income recognised by the Group during the year was £0.3 m (2021: £0.8m). Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

Group	2022 £m	2021 £m
Within one year	**5.7**	0.3
After one year but not more than five years	**29.6**	2.3
At 31 March	**35.3**	**2.6**

19. Investment property

Accounting policy

The Group holds investment property for the development of the Group's long-term real assets strategy. Properties are being held with a purpose to earn rental income and/or for capital appreciation and are not occupied by the Group. IAS 40 Investment Property requires that the property be measured initially at cost, including transaction costs, and subsequently measured at fair value. The fair value of the investment properties has been recorded based on independent valuations prepared by third-party real estate valuation specialists in line with the Royal Institution of Chartered Surveyors Valuation – Global Standards 2020. A market and income approach was performed to estimate the fair value of the Group's investments. These valuation techniques can be subjective and include assumptions which are not supportable by observable data. Details of the valuation techniques and the associated sensitivities are further disclosed in note 5.

Group	2022 £m	2021 £m
Investment property at fair value		
At 1 April	**1.8**	8.1
Disposals	**–**	(6.3)
Fair value loss	**(0.3)**	–
Movement in control of subsidiary	**–**	56.7
Classified as held for sale or disposals	**–**	(56.7)
At 31 March	**1.5**	**1.8**

During the year, the Group held £59.3m (2021: £56.7m) investment property within disposal groups held for sale (see note 29).

20. Trade and other receivables

Accounting policy

Trade and other receivables represent amounts the Group is due to receive in the normal course of business and are held at amortised cost. Trade and other receivables excluding structured entities controlled by the Group include performance fees, which are considered contract assets under IFRS 15 and will only be received after realisation of the underlying assets, see note 3. Trade and other receivables within structured entities controlled by the Group relate principally to unsettled trades on the sale of financial assets.

Amounts owed by Group companies are non-interest bearing and repayable on demand. Trade and other receivables from Group entities are considered related party transactions as stated in note 27.

The carrying value of trade and other receivables reported within current assets approximates fair value as these are short-term and do not contain any significant financing components. The carrying value of trade and other receivables reported within non-current assets approximates fair value as these do not contain any significant financing components.

The Company has adopted the simplified approach to measuring the loss allowance as lifetime Expected Credit Loss (ECL), as permitted under IFRS 9. The ECL of trade and other receivables arising from transactions with Group entities or its affiliates are expected to be nil or close to nil. The assets do not contain any significant financing components, therefore the simplified approach is deemed most appropriate.

	Group		Company	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Trade and other receivables within structured entities controlled by the Group	**125.3**	99.5	**—**	—
Trade and other receivables excluding structured entities controlled by the Group	**155.0**	107.1	**6.9**	8.2
Amount owed by Group companies	**—**	—	**199.4**	704.2
Prepayments	**2.8**	8.6	**4.9**	4.2
Total current assets	**283.1**	**215.2**	**211.2**	**716.6**
Non-current assets				
Trade and other receivables excluding structured entities controlled by the Group	**91.1**	62.8	**7.4**	33.8
Amounts owed by Group companies	**—**	—	**566.7**	472.8
Total non-current assets	**91.1**	**62.8**	**574.1**	**506.6**

Non-current Trade and other receivables excluding structured entities controlled by the Group comprises performance-related fees (see note 2).

21. Trade and other payables

Accounting policy

Trade and other payables are held at amortised cost and represent amounts the Group is due to pay in the normal course of business. Other payables in the table below relate principally to unsettled trades on the purchase of financial assets within structured entities controlled by the Group. Accruals represent costs, including remuneration, that are not yet billed or due for payment, but for which the goods or services have been received. Amounts owed to Group companies are non-interest bearing and repayable on demand. The carrying value of trade and other payables approximates fair value as these are short-term and do not contain any significant financing components.

Trade and other payables from Group entities are considered related party transactions as stated in note 27.

	Group		Company	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Trade and other payables within structured entities controlled by the Group	**293.4**	315.9	**—**	—
Trade and other payables excluding structured entities controlled by the Group	**138.7**	110.1	**114.2**	114.8
Amounts owed to Group companies	**—**	—	**1,038.6**	1,165.7
Social security tax	**2.3**	1.3	**2.7**	1.5
Total current liabilities	**434.4**	**427.3**	**1,155.5**	**1,282.0**
Non-current liabilities				
Trade and other payables excluding structured entities controlled by the Group	76.4	41.9	76.4	41.9
Total non-current liabilities	**76.4**	**41.9**	**76.4**	**41.9**

Current Trade and other payables excluding structured entities controlled by the Group includes £69.4m (2021: £14.9m) in respect of Deal Vintage Bonus (DVB, see note 13) and non-current Trade and other payables excluding structured entities controlled by the Group is entirely comprised of amounts payable in respect of DVB.

22. Financial risk management

The Group has identified financial risk, comprising market and liquidity risk, as a principal risk. Further details are set out on page 57. The Group has exposure to market risk (including exposure to interest rates and foreign currency), liquidity risk and credit risk arising from financial instruments.

Interest rate risk

The Group's assets include both fixed and floating rate loans and non-interest-bearing equity investments.

The Group's operations are financed with a combination of its shareholders' funds, bank borrowings, private placement notes, public bonds, and fixed and floating rate notes. The Group manages its exposure to market interest rate movements by matching, to the extent possible, the interest rate profiles of assets and liabilities and by using derivative financial instruments.

The sensitivity of floating rate financial assets to a 100 basis points interest rate increase is £55.5m (2021: £43.8m) and the sensitivity of financial liabilities to a 100 basis point interest rate increase is £46.0m (2021: £37.6m). The Group's sensitivity to movements is calculated by applying 100 basis points sensitivity to interest rates to the Group's forecast model. There is an indirect exposure to interest rate risk through the impact on the performance of the portfolio companies of the funds that the Group has invested in, and therefore the fair valuations. There is no interest rate risk exposure on fixed rate financial assets or liabilities.

Exposure to interest rate risk

Group	2022 Floating £m	2022 Fixed £m	2022 Total £m	2021 Floating £m	2021 Fixed £m	2021 Total £m
Financial assets (excl investments in loans held in consolidated entities)	**889.6**	**2,824.7**	**3,714.3**	460.5	2,680.2	3,140.7
Investments in loans held in consolidated entities	**4,599.7**	**479.5**	**5,079.2**	3,916.0	338.0	4,254.0
Financial liabilities (excl borrowings and loans held in consolidated entities)	**—**	**(1,892.1)**	**(1,892.1)**	3.6	(1,576.9)	(1,573.3)
Borrowings and loans held in consolidated entities	**(4,604.1)**	**(374.5)**	**(4,978.6)**	(3,763.7)	(547.5)	(4,311.2)
	885.2	**1,037.6**	**1,922.8**	**616.4**	**893.8**	**1,510.2**

Foreign exchange risk

The Group is exposed to currency risk in relation to non-sterling currency transactions and the translation of non-sterling net assets. The Group's most significant exposures are to the euro and the US dollar. Exposure to market currency risk is managed by matching assets with liabilities to the extent possible and through the use of derivative instruments.

The Group regards its interest in overseas subsidiaries as long-term investments. Consequently, it does not normally hedge the translation effect of exchange rate movements on the financial statements of these businesses.

The Group is also exposed to currency risk arising on the translation of fund management fee income receipts, which are primarily denominated in euro and US dollar. Fund management fee income is hedged to provide more certainty over the value of future cash inflows.

The sensitivity to movements in exchange rates is assumed by applying a percentage measure, based on the volatility of the applicable currency, as defined in the Group's treasury policy, to the net currency asset or liability at the balance sheet date.

The effect of fluctuations in other currencies is considered by the Directors to be insignificant in the current and prior year. The net assets/(liabilities) by currency and the sensitivity of the balances to foreign exchange rates are shown below:

Market risk - Foreign exchange risk	2022 Net statement of financial Position exposure £m	Forward exchange contracts £m	Net exposure £m	Sensitivity to strengthening %	Increase in net assets £m
Sterling	**688.1**	**1,057.9**	**1,746.0**	**—**	**—**
Euro	**718.1**	**(624.3)**	**93.8**	**15 %**	**14.1**
US dollar	**326.9**	**(251.0)**	**75.9**	**20 %**	**15.2**
Other currencies	**207.4**	**(200.3)**	**7.1**	**10-25%**	**—**
	1,940.5	**(17.7)**	**1,922.8**	**—**	**29.3**

	2021 Net statement of financial Position exposure £m	Forward exchange contracts £m	Net exposure £m	Sensitivity to strengthening %	Increase in net assets £m
Sterling	353.5	960.8	1,314.3	—	—
Euro	791.8	(747.8)	44.0	15 %	6.6
US dollar	54.1	75.3	129.4	20 %	25.9
Other currencies	298.8	(276.3)	22.5	10-25%	—
	1,498.2	**12.0**	**1,510.2**		**32.5**

The weakening of the above currencies would have resulted in an equal but opposite impact, being a decrease in net assets.

22. Financial risk management *continued*

Liquidity risk

The Group manages its liquidity risk by maintaining headroom on its financing facilities, particularly its bank facilities.

The table below shows the liquidity profile of the Group's financial liabilities, based on contractual repayment dates of principal and interest payments. Future interest and principal cash flows have been calculated based on exchange rates and floating rate interest rates as at 31 March 2022. It is assumed that Group borrowings under its senior debt facilities remain at the same level as at 31 March 2022 until contractual maturity. Included in financial liabilities are contractual interest payments. All financial liabilities, excluding structured entities controlled by the Group, are held by the Company.

Liquidity profile

	Contractual maturity analysis				
	Less than one year	One to two two years	Two to five years	More than five years	Total
As at 31 March 2022	£m	£m	£m	£m	£m
Financial liabilities					
Private placements	**59.1**	**76.1**	**519.2**	**105.3**	**759.8**
Listed notes and bonds	**185.4**	**17.4**	**473.1**	**452.6**	**1,128.4**
Debt issued by controlled structured entities	**499.9**	**79.7**	**239.2**	**4,656.5**	**5,475.4**
Derivative financial instruments	**22.1**	**(2.5)**	**(4.7)**	**0.0**	**14.9**
	766.5	**170.7**	**1,226.8**	**5,214.4**	**7,378.5**

As at 31 March 2022 the Group has liquidity of £1,311.5m (2021: £846.9m) which consists of undrawn debt facility of £550m (2021: £550m) and £761.5m (2021: £296.9m) of unencumbered cash. Unencumbered cash excludes £230.3m (2021: £284.3m) of restricted cash held principally by structured entities controlled by the Group.

	Contractual maturity analysis				
	Less than one year	One to two two years	Two to five years	More than five years	Total
As at 31 March 2021	£m	£m	£m	£m	£m
Financial liabilities					
Private placements	138.5	59.0	503.4	171.7	872.6
Listed notes and bonds	14.9	174.9	20.7	432.4	642.9
Debt issued by controlled structured entities	69.4	69.4	208.2	4,329.3	4,676.3
Derivative financial instruments	(3.6)	26.3	0.0	0.0	22.7
	219.2	**329.6**	**732.3**	**4,933.4**	**6,214.5**

The Group's policy is to maintain continuity of funding. Due to the long-term nature of the Group's assets, the Group seeks to ensure that the maturity of its debt instruments is matched to the expected maturity of its assets.

Credit risk

Credit risk is the risk of financial loss to the Group as a result of a counterparty failing to meet its contractual obligations. This risk is principally in connection with the Group's investments.

This risk is mitigated by the disciplined credit procedures that the relevant Fund Investment Committees have in place prior to making an investment and the ongoing monitoring of investments throughout the ownership period. In addition, the risk of significant credit loss is further mitigated by the Group's policy to diversify its investment portfolio in terms of geography and industry sector and to limit the amount invested in any single company.

The Group is exposed to credit risk through its financial assets (see note 5) and investment in joint ventures.

Exposure to credit risk

	Group		Company	
	2022	2021[1]	**2022**	2021[1]
	£m	£m	**£m**	£m
Investment in private companies	**225.0**	292.0	**171.6**	189.3
Investment in managed funds	**2,122.7**	1,813.8	**271.4**	316.0
Senior and subordinated notes of CLO vehicles	**114.7**	133.8	**0.2**	9.2
Investments in loans held within consolidated entities	**4,612.6**	4,146.9	**—**	—
Derivatives assets	**138.6**	111.9	**40.0**	46.7
Investment in joint venture	**2.2**	2.8	**—**	—
	7,215.8	**6,501.2**	**483.2**	561.2

1 The 2021 comparable numbers included in this table have been updated to include all financial assets (see note 5). The impact of this change is to increase comparable balances as follows: Investment in private companies - £120.2m (Group) and £62.9m (Company); Investment in managed funds - £1.0m (Group); Senior and subordinated notes of CLO vehicles - £1.7m (Group); Derivatives assets - £111.9m (Group) and £46.7m (Company); and to reduce Investments in loans held within consolidated entities by £0.9m (Group).

The Group manages its operational cash balance by the regular forecasting of cashflow requirements, debt management and cash pooling arrangements. Credit risk exposure on cash and derivative instruments is managed in accordance with the Group's treasury policy which provides limits on exposures with any single financial institution. The Group's surplus cash is held in financial institutions rated AAA or above. Other credit exposures arise from outstanding derivatives with financial institutions rated from BBB to AAA, with 93% at institutions rated A- or above.

The Group is exposed to credit risk as a result of financing guarantees provided. The maximum exposure to guarantees is £7.4m (2021: £8.2m). No liability has been recognised in respect of these guarantees.

The Directors consider the Group's credit exposure to trade and other receivables and current assets held for sale to be low and as such no further analysis has been presented. The Directors consider the credit risk of the investments within the structured entities controlled by the Group to be low.

The Group's investments in CLOs and loans held within structured entities controlled by the Group principally comprise senior loans. The Group's exposure to the credit risk of this collateral, in these consolidated entities, is limited to its investment into these entities, which at 31 March 2022 was £426.0m (2021: £506.0m).

The carrying amount of financial assets represents the Directors' assessment of the maximum credit risk exposure of the Group and Company at the balance sheet date. Decreases in fair value during the year reflect the decline in prices on individual assets, as a result either of company specific or of general macroeconomic conditions.

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.

Other than the Group investments in CLOs and loans held within structured entities controlled by the Group, the Group has no direct exposure to defaulted and past due financial assets.

Capital management

Managing capital is the ongoing process of determining and maintaining the quantity and quality of capital appropriate for the Group and ensuring capital is deployed in a manner consistent with the expectations of our stakeholders. The primary objectives of the Group's capital management are (i) align the Group's interests with its clients, (ii) grow third-party fee income in the FMC and (iii) maintain robust capitalisation, including ensuring that the Group complies with externally imposed capital requirements by the Financial Conduct Authority (the FCA). The Group's strategy has remained unchanged from the year ended 31 March 2021.

(i) Regulatory capital requirements

The Group is required to hold capital resources to cover its regulatory capital requirements. The Group's capital for regulatory purposes comprises the capital and reserves of the Company, comprising called up share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity (see page 140). The full Pillar 3 disclosures are available on the Group's website: www.icgam.com.

NOTES TO THE FINANCIAL STATEMENTS *continued*

22. Financial risk management *continued*

(ii) Capital and risk management policies

The formal procedures for identifying and assessing risks that could affect the capital position of the Group are described in the Strategic Report on page 57. The capital structure of the Group consists of cash and cash equivalents, £991.8m (2021: £581.2m) (see note 6); debt, which includes borrowings, £1,653.4m, (2021: £1,321.4m) (see note 7) and capital and reserves of the Company, comprising called up share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity, £943.9m (2021 : £1,060.9m) (see page 140).

23. Called up share capital and share premium

Share capital represents the number of issued ordinary shares in Intermediate Capital Group plc multiplied by their nominal value of 26¼p each.

The Company has the authority limited by shareholder resolution to issue, buy back, or cancel ordinary shares in issue (including those held in trust, described below). New shares are issued when share options are exercised by employees. The Company has 294,285,804 authorised shares (2021: 294,276,532)

Group and Company	**Number of ordinary shares of 26¼p allotted, called up and fully paid**	**Share Capital £m**	**Share Premium £m**
1 April 2021	294,276,532	77.2	180.2
Shares Issued	9,272.0	0.1	0.1
31 March 2022	**294,285,804**	**77.3**	**180.3**

Group and Company	Number of ordinary shares of 26¼p allotted, called up and fully paid	Share Capital £m	Share Premium £m
1 April 2020	294,179,174	77.2	179.9
Shares issued	97,358	—	0.3
31 March 2021	**294,276,532**	**77.2**	**180.2**

24. Own shares reserve

Accounting policy

Own shares are recorded by the Group when ordinary shares are purchased in the market by ICG plc or through the ICG Employee Benefit Trust 2015 ('EBT').

The EBT is a special purpose vehicle, with the purpose of purchasing and holding shares of the Company for the hedging of future liabilities arising as a result of the employee share-based compensation schemes, (see note 25) in a way that does not dilute the percentage holdings of existing shareholders.

Own shares are held at cost and their purchase reduces the Group's net assets by the amount spent. When shares vest or are cancelled, they are transferred from own shares to the retained earnings reserve at their weighted average cost. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own shares.

The movement in the year is as follows:

	2022 £m	2021 £m	**2022 Number**	2021 Number
At 1 April	**82.2**	114.4	**8,389,246**	10,899,484
Purchased (ordinary shares of 26¼p)	**20.9**	—	**1,000,000**	—
Options/awards exercised	**(10.1)**	(32.2)	**(1,654,397)**	(2,510,238)
As at 31 March	**93.0**	**82.2**	**7,734,849**	**8,389,246**

The Company held 3,733,333 shares in the Own Share Reserve at 31 March 2022 and 31 March 2021 at a cost of £21.3m. These shares were purchased through a share buy back programme in prior years.

The number of shares held by the Group at the balance sheet date represented 2.6% (2021: 2.9%) of the Parent Company's allotted, called up and fully paid share capital.

25. Share based payments

Accounting policy

The Group issues compensation to its employees under equity settled share based payment plans.

Equity settled share based payments are measured at the fair value of the awards at grant date. The fair value includes the effect of non-market based vesting conditions. The fair value determined at the date of grant is expensed on a straight line basis over the vesting period.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

The total charge to the income statement for the year was £29.6m (2021: £26.9m) and this was credited to the share based payments reserve. Details of the different types of awards are as follows:

Intermediate Capital Group plc Omnibus Plan

The Omnibus Plan provides for two different award types to be made over ICG plc shares: Deferred Share Awards and PLC Equity Awards.

Deferred Share Awards

Awards are made after the end of the financial year (and in a small number of cases during the year) to reward employees for delivering cash profits, managing the cost base, and employing sound risk and business management. These share awards normally vest one-third at the end of the first, second and third years following the year of grant, unless the individual leaves for cause or to join a competitor. Dividend equivalents accrue to participants during the vesting period and are paid at the vesting date. Awards are based on performance against the individual's objectives. There are no further performance conditions.

PLC Equity Awards

Awards are made after the end of the financial year to reward employees, including Executive Directors, for increasing long-term shareholder value. These share awards normally vest one-third at the end of the third, fourth and fifth years following the year of grant, unless the individual leaves for cause or to join a competitor. Dividend equivalents accrue to participants during the vesting period and are paid at the vesting date. Awards are based on performance against the individual's objectives. There are no further performance conditions.

Share awards outstanding under the Omnibus Plan were as follows:

	Number		Weighted average fair value	
Deferred share awards	2022	2021	2022	2021
Outstanding at 1 April	**2,958,483**	2,829,014	**12.47**	11.33
Granted	**1,048,813**	1,512,583	**21.63**	13.07
Vested	**(1,537,016)**	(1,383,114)	**12.21**	10.80
Outstanding as at 31 March	**2,470,280**	**2,958,483**	**16.52**	**12.47**

	Number		Weighted average fair value	
PLC Equity awards	2022	2021	2022	2021
Outstanding at 1 April	**2,680,734**	3,333,119	**10.22**	8.74
Granted	**374,477**	429,746	**21.63**	13.08
Vested	**(916,001)**	(1,082,131)	**8.12**	6.78
Outstanding as at 31 March	**2,139,210**	**2,680,734**	**10.33**	**10.22**

The fair values of awards granted under the ICG plc Omnibus Plan are determined by the average share price for the five business days prior to grant.

25. Share based payments *continued*

FMC Equity Awards

FMC Equity Awards were awarded up until May 2017. Awards were made after the end of the financial year to incentivise those employees charged with accelerating the expansion of the Company's fund management business. The awards were over shares in the FMC and shares vested one-third in each of the first, second and third years following the year of grant subject to continuing service. A holding period applies until the third year following the year of grant, at which time all vested FMC shares are automatically 'exchanged' for Company shares of an equivalent value. The value of a share was determined by an independent valuation every year. Awards were based on performance against the individual's objectives. There are no further performance conditions.

There are no outstanding awards at 31 March 2021 and 31 March 2022.

	Number		Weighted average fair value	
FMC Equity awards	2022	2021	2022	2021
Outstanding at 1 April	–	11,104	–	700.0
Granted	–	–	–	–
Vesting	–	(11,104)	–	700.0
Outstanding as at 31 March	–	–	–	–

Intermediate Capital Group plc Buy Out Awards

Buy Out Awards are shares awarded to new employees in lieu of awards forfeited from their previous employment. These share awards shall vest or be forfeited according to the schedule and terms of the forfeited awards, and any performance conditions detailed in the individual's employment contract. Buy Out Awards may be cash settled.

Buy Out Awards outstanding were as follows:

	Number		Weighted average fair value	
Buy Out Awards	2022	2021	2022	2021
Outstanding as at 1 April	**245,423**	175,512	**12.06**	7.87
Granted	**33,965**	215,817	**13.85**	13.42
Vesting	**(123,448)**	(145,906)	**10.67**	9.10
Outstanding as at 31 March	**155,940**	**245,423**	**12.85**	**12.06**

The fair values of the Buy Out Awards granted are determined by the average share price for the five business days prior to grant.

Save As You Earn

The Group offers a Sharesave Scheme ('SAYE') to its UK employees. Options are granted at a 20% discount to the prevailing market price at the date of issue. Options to this equity-settled scheme are exercisable at the end of a three year savings contract. Participants are not entitled to dividends prior to the exercise of the options. The maximum amount that can be saved by a participant in this way is £6,000 in any tax year.

Fair value is measured using the Black–Scholes valuation model, which considers the current share price of the Group, the risk-free interest rate and the expected volatility of the share price over the life of the award. The expected volatility was calculated by analysing three years of historic share price data of the Group.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share awards and options at grant date, which is remeasured at each reporting date. The total amount to be expensed during the year is £187,660 (2021: £227,264).

	Number		Weighted average fair value	
Save As You Earn	2022	2021	2022	2021
Outstanding as at 1 April	**137,395**	244,446	**3.19**	2.79
Granted	**96,136**	–	**5.95**	3.26
Vesting	**(9,272)**	(92,240)	**2.27**	2.15
Forfeited	**(24,522)**	(14,811)	**3.35**	3.14
Outstanding as at 31 March	**199,737**	**137,395**	**4.54**	**3.19**

26. Financial commitments

As described in the Strategic Report, the Group invests balance sheet capital alongside the funds it manages to grow the business and create long-term shareholder value. Commitments are made at the time of a fund's launch and are drawn down with the fund as it invests. Commitments may increase where distributions made are recallable. At the balance sheet date the Group had undrawn commitments, which can be called on over the commitment period, as follows:

	2022 £m	2021 £m
ICG Europe Fund V	**27.8**	32.5
ICG Europe Fund VI	**95.5**	86.5
ICG Europe Fund VII	**44.8**	121.2
ICG Europe Fund VIII	**191.6**	—
ICG Mid-Market Fund	**34.6**	60.7
Intermediate Capital Asia Pacific Fund III	**42.6**	45.2
ICG Asia Pacific Fund IV	**31.2**	46.9
Nomura ICG Investment Business Limited Partnership A	**18.8**	19.8
ICG Strategic Secondaries Fund II	**12.9**	30.7
ICG Strategic Equity Fund III	**28.2**	44.4
ICG Strategic Equity Fund IV	**91.3**	145.1
ICG Recovery Fund II	**58.4**	76.2
ICG Senior Debt Partners	**—**	8.9
ICG Senior Debt Partners II	**5.4**	4.4
ICG Senior Debt Partners III	**5.5**	6.2
ICG Senior Debt Partners IV	**14.0**	17.5
ICG Senior Debt Partners IV - CIC	**1.3**	—
ICG North American Private Debt Fund	**30.4**	30.0
ICG North American Private Debt Fund II	**46.3**	56.8
ICG Centre Street Partnership	**—**	4.6
ICG-Longbow UK Real Estate Debt Investments V	**6.0**	13.1
ICG-Longbow UK Real Estate Debt Investments VI	**6.0**	25.0
ICG-Longbow Development Fund	**4.6**	4.0
ICG Infrastructure Equity Fund I	**128.8**	92.3
ICG Private Markets Pooling - Sale and Leaseback	**22.7**	44.2
	948.7	1,016.2

NOTES TO THE FINANCIAL STATEMENTS *continued*

27. Related party transactions

Subsidiaries

The Group is not deemed to be controlled or jointly controlled by a party directly or through intermediaries. The Group consists of the Parent Company, Intermediate Capital Group plc, incorporated in the UK, and its subsidiaries listed in note 28. All entities meeting the definition of a controlled entity as set out in IFRS 10 are consolidated within the results of the Group. All transactions between the Parent Company and its subsidiary undertakings are classified as related party transactions for the Parent Company accounts and are eliminated on consolidation. Significant transactions with subsidiary undertakings relate to dividends received, the aggregate amount received during the year is £163.0m (2021: £121.2m) and recharge of costs to a subsidiary, £166.7m (2021: £127.9m)

Associates and joint ventures

An associate is an entity over which the Group has significant influence, but not control, over the financial and operating policy decisions of the entity. As the investments in associates are held for venture capital purposes they are designated at fair value through profit or loss. A joint venture is an arrangement whereby the parties have joint control over the arrangements, see note 30. Where the investment is held for venture capital purposes they are designated as fair value through profit. These entities are related parties and the significant transactions with associates and joint ventures are as follows:

	2022 £m	2021 £m
Income statement		
Net gains on investments	**(15.8)**	(2.8)
	(15.8)	**(2.8)**

	2022 £m	2021 £m
Statement of financial position		
Trade and other receivables	**119.5**	84.3
Trade and other payables	**(60.4)**	(42.3)
	59.1	**42.0**

Unconsolidated structured entities

The Group has determined that, where the Group holds an investment, loan, fee receivable, guarantee or commitment with an investment fund, carried interest partnership or CLO, this represents an interest in a structured entity in accordance with IFRS 12 Disclosure of Interest in Other Entities (see note 31). The Group provides investment management services and receives management fees (including performance-related fees) and dividend income from these structured entities, which are related parties. Amounts receivable and payable from these structured entities arising in the normal course of business remain outstanding. At 31 March 2022, the Group's interest in and exposure to unconsolidated structured entities are as follows:

	2022 £m	2021 £m
Income statement		
Management Fees	**382.2**	268.9
Dividend Income	**3.4**	4.6
	385.6	**273.5**

	2022 £m	2021 £m
Statement of financial position		
Performance Fees Receivable	**91.0**	81.6
Trade and other receivables	**680.6**	381.9
Trade and other payables	**(621.1)**	(351.7)
	150.5	**111.8**

During the year the Group reduced its investment in a structured entity, ICG Alternative Credit (Jersey) CIP LP. The Group reassessed this entity for control under the rules of IFRS 10 and concluded that the Group no longer controlled the entity (see note 28).

Key management personnel

Key management personnel are defined as the Executive Directors. The Executive Directors of the Group are Vijay Bharadia, Benoît Durteste and Antje Hensel-Roth.

The compensation of key management personnel during the year was as follows:

	2022 £m	2021 £m
Short-term employee benefits	**3.5**	3.3
Post-employment benefits	**0.1**	0.1
Other long-term benefits	**1.5**	1.4
Share-based payment benefits	**6.9**	6.5
	12.0	**11.3**

Fees paid to Non-Executive Directors were as follows:

	2022 £000	2021 £000
Andrew Sykes	**132.3**	116.6
Amy Schioldager	**121.6**	121.6
Kathryn Purves	**113.8**	109.3
Lord Davies of Abersoch	**302.9**	275.0
Matthew Lester	**101.1**	—
Rosemary Leith	**101.1**	17.0
Rusty Nelligan	**113.8**	109.3
Stephen Welton	**88.8**	88.8
Virginia Holmes	**113.8**	109.3

The remuneration of Directors and key executives and Non-Executive Directors is determined by the Remuneration Committee having regard to the performance of individuals and market rates. The Remuneration Policy is described in more detail in the Remuneration Committee Report on page 93.

28. Subsidiaries

Accounting policy

Investment in subsidiaries
The Group consists of the Parent Company, Intermediate Capital Group plc, and its subsidiaries, described collectively herein as 'ICG' or the 'Group'. Investments in subsidiaries in the Parent Company statement of financial position are recorded at cost less provision for impairments or at fair value through profit or loss.

Critical judgement
A critical judgement for the Group is whether the Group controls an investee or fund and is required to consolidate the investee or fund into the results of the Group. Control is determined by the Directors' assessment of decision making authority, rights held by other parties, remuneration and exposure to returns.

When assessing whether the Group controls any fund it manages (or any entity associated with a fund) it is necessary to determine whether the Group acts in the capacity of principal or agent for the third-party investor. An agent is a party primarily engaged to act on behalf and for the benefit of another party or parties, whereas a principal is primarily engaged to act for its own benefit.

A critical judgement when determining that the Group acts in the capacity of principal or agent is the kick-out rights of the third-party fund investors. We have reviewed these kick-out rights, across each of the entities where the Group has an interest. Where fund investors have substantive rights to remove the Group as the investment manager it has been concluded that the Group is an agent to the fund and thus the fund does not require consolidation into the Group. We consider if the Group has significant influence over these entities and, where we conclude it does, we recognise them as associates. Where the conclusion is that the Group acts in the capacity of principal the fund has been consolidated into the Group's results.

Where the Group has Trust entities in investment deals or fund structures, a key judgement is whether the Trust is acting on behalf of the Group or another third party. Where the Trust is considered to act as an agent of the Group, the Trust and its related subsidiaries have been consolidated into the Group.

As a fund manager ICG participates in carried interest partnerships (CIPs), the participants of which are the Group, certain of the Group's employees and others connected to the underlying fund. These vehicles have two purposes: 1) to facilitate payments of carried interest from the fund to carried interest participants, and 2) to facilitate individual co-investment into the funds. The Directors have undertaken a control assessment of each CIP in accordance with IFRS10 and have considered whether the CIP participants were providing a service for the benefit of the Group. In undertaking this assessment the Directors took account of the following key considerations:

- the Group's exposure to the variable returns of the CIP is limited to the amounts allocated to the Group (see page 201). Such allocations are typically 20% or less of total returns realised by the CIP with the balance attributable to other participants
- CIPs are used to facilitate substantial co-investment by individuals in the underlying funds. These individuals are exposed to the risk of personal financial loss
- fund investors can, in certain conditions, veto changes in the key persons managing the fund

The Directors have assessed that certain CIPs are controlled, and they are included within the list of controlled structured entities below. The Directors conclude that other CIPs are not controlled by the Group.

The Group consists of a Parent Company, Intermediate Capital Group plc, incorporated in the UK, and a number of subsidiaries held directly or indirectly by ICG plc, which operate and are incorporated around the world. The subsidiary undertakings of the Group are shown below. All are wholly owned, and the Group's holding is in the ordinary share class, except where stated. The Companies Act 2006 requires disclosure of certain information about the Group's related undertakings. Related undertakings are subsidiaries, joint ventures and associates.

The registered office of all related undertakings at 31 March 2022 was Procession House, 55 Ludgate Hill, New Bridge Street, London EC4M 7JW, unless otherwise stated.

The financial year end of all related undertakings is 31 March, unless otherwise stated.

All entities are consolidated as at 31 March.

Directly held subsidiaries

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
ICG Carbon Funding Limited		England & Wales	Investment company	Ordinary shares	100%
ICG Debt Advisors (Cayman) Ltd	18	Cayman Islands	Advisory company	Ordinary shares	100%
ICG Financing (Ireland) Limited	17	Ireland	Special purpose vehicle	Ordinary shares	100%
ICG FMC Limited		England & Wales	Holding company	Ordinary shares	100%
ICG Global Investment UK Limited		England & Wales	Holding company	Ordinary shares	100%
ICG Japan (Funding 2) Limited		England & Wales	Holding company	Ordinary shares	100%
ICG Longbow Development (Brighton) Limited		England & Wales	Holding company	Ordinary shares	100%
ICG Longbow Richmond Limited		England & Wales	Holding company	Ordinary shares	100%
ICG Longbow Senior Debt I GP Limited		England & Wales	General partner	Ordinary shares	100%
ICG Re Holding (Germany) GmbH	4	Germany	Special purpose vehicle	Ordinary shares	100%
ICG Watch Jersey GP Limited	9	Jersey	General partner	Ordinary shares	100%
ICG-Longbow BTR Limited		England & Wales	Holding company	Ordinary shares	100%
Intermediate Capital Group Espana SL	34	Spain	Advisory company	Ordinary shares	100%
Intermediate Capital Investments Limited		England & Wales	Investment company	Ordinary shares	100%
Intermediate Capital Nominees Limited		England & Wales	Nominee company	Ordinary shares	100%
Intermediate Investments Jersey Limited	9	Jersey	Investment company	Ordinary shares	100%
LREC Partners Investments No. 2 Limited		England & Wales	Investment company	Ordinary shares	54.8%

NOTES TO THE FINANCIAL STATEMENTS *continued*

28. Subsidiaries *continued*

Indirectly held subsidiaries

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
ICG Alternative Credit (Cayman) GP Limited	19	Cayman Islands	General partner	Ordinary shares	100 %
ICG Alternative Credit (Jersey) GP Limited	9	Jersey	General partner	Ordinary shares	100 %
ICG Alternative Credit (Luxembourg) GP S.A.	11	Luxembourg	General partner	Ordinary shares	100 %
ICG Alternative Credit LLC	6	Delaware	Advisory company	Ordinary shares	100 %
ICG Alternative Credit Warehouse Fund I GP, LLC	21	Delaware	General partner	Ordinary shares	100 %
ICG Alternative Investment (Netherlands) B.V.	32	Netherlands	Advisory company	Ordinary shares	100 %
ICG Alternative Investment Limited		England & Wales	Advisory company	Ordinary shares	100 %
ICG Asia Pacific Fund III GP Limited	9	Jersey	General partner	Ordinary shares	100 %
ICG Asia Pacific Fund III GP LP	9	Jersey	Limited partner	N/A	— %
ICG Asia Pacific Fund IV GP LP SCSp	13	Luxembourg	Limited partner	N/A	— %
ICG Asia Pacific Fund IV GP S.à r.l.	13	Luxembourg	General partner	Ordinary shares	100 %
ICG Augusta Associates LLC	20	Delaware	General partner	Ordinary shares	100 %
ICG Augusta GP LP	33	Cayman Islands	Limited partner	N/A	— %
ICG Australia Senior Debt GP Limited	33	Cayman Islands	General partner	Ordinary shares	100 %
ICG Centre Street Partnership GP Limited	26	Jersey	General partner	Ordinary shares	100 %
ICG Debt Administration LLC	21	Delaware	Service company	Ordinary shares	100 %
ICG Debt Advisors LLC – Holdings Series	21	Delaware	Investment company	Ordinary shares	100 %
ICG Debt Advisors LLC - Manager Series	21	Delaware	Advisory company	Ordinary shares	100 %
ICG (DIFC) Limited	27	United Arab Emirates	Service company	Ordinary shares	100 %
ICG EFV MLP GP Limited		England & Wales	General partner	Ordinary shares	100 %
ICG EFV MLP Limited	26	Jersey	General partner	Ordinary shares	100 %
ICG Employee Benefit Trust 2015	22	Guernsey	N/A	Ordinary shares	100 %
ICG Enterprise Carry GP Limited	9	Jersey	General partner	Ordinary shares	100 %
ICG Enterprise Co-Investment GP Limited		England & Wales	General partner	Ordinary shares	100 %
ICG Europe Fund V GP Limited	26	Jersey	General partner	Ordinary shares	100 %
ICG Europe Fund V GP LP	26	Jersey	Limited partner	N/A	—
ICG Europe Fund VI GP Limited	26	Jersey	General partner	Ordinary shares	100 %
ICG Europe Fund VI GP Limited Partnership	26	Jersey	Limited partner	N/A	—
ICG Europe Fund VI Lux GP S.à r.l.	15	Luxembourg	General partner	Ordinary shares	100 %
ICG Europe Fund VII GP LP SCSp	14	Luxembourg	Limited partner	N/A	—
ICG Europe Fund VII GP S.à r.l.	14	Luxembourg	General partner	Ordinary shares	100 %
ICG Europe Fund VIII GP LP SCSp	16	Luxembourg	Limited partner	N/A	—
ICG Europe Fund VIII GP S.à r.l.	16	Luxembourg	General partner	Ordinary shares	100 %
ICG Europe Mid-Market Fund GP LP SCSp	14	Luxembourg	Limited partner	N/A	—
ICG Europe Mid-Market Fund GP S.à r.l.	14	Luxembourg	General partner	Ordinary shares	100 %
ICG Europe S.à r.l.	8	Luxembourg	Advisory company	Ordinary shares	100 %
ICG European Credit Mandate GP LP SCSp	14	Luxembourg	Limited partner	N/A	—
ICG European Credit Mandate GP S.à r.l.	14	Luxembourg	General partner	Ordinary shares	100 %
ICG European Fund 2006 B GP Limited	9	Jersey	General partner	Ordinary shares	100 %
ICG EXCELSIOR GP LP SCSp	16	Luxembourg	Limited partner	N/A	—
ICG Excelsior GP S.à r.l.	16	Luxembourg	General partner	Ordinary shares	100 %
ICG Executive Financing Limited	9	Jersey	Service company	Ordinary shares	100 %
ICG Fund Advisors LLC	21	Delaware	Advisory company	Ordinary shares	100 %
ICG Global Investment Jersey Limited	26	Jersey	Investment company	Ordinary shares	100 %
ICG Global Nominee Jersey Limited	26	Jersey	Special purpose vehicle	Ordinary shares	100 %

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
ICG Global Nominee Jersey 2 Limited	26	Jersey	Special purpose vehicle	Ordinary shares	100 %
ICG Infrastructure Equity Fund I GP LP SCSp	16	Luxembourg	Limited partner	N/A	—
ICG Infrastructure Equity Fund I GP S.a.r.l	16	Luxembourg	General partner	Ordinary shares	100 %
ICG Japan KK	30	Japan	Advisory company	Ordinary shares	100 %
ICG Life Sciences GP LP SCSp	13	Luxembourg	Limited partner	N/A	—
ICG Life Sciences GP S.à r.l.	13	Luxembourg	General partner	Ordinary shares	100 %
ICG Life Sciences SCSp	13	Luxembourg	Special purpose vehicle	Ordinary shares	100 %
ICG Longbow Development Debt Limited		England & Wales	Investment company	Ordinary shares	100 %
ICG - Longbow Fund V GP S.à r.l.	12	Luxembourg	General partner	Ordinary shares	100 %
ICG LP Secondaries Associates I LLC	20	Delaware	General partner	Ordinary shares	100 %
ICG LP Secondaries Fund Associates I S.a. r.l.	16	Luxembourg	General partner	Ordinary shares	100 %
ICG LP Secondaries I GP LP	20	Delaware	Limited partner	N/A	—
ICG LP Secondaries I GP LP SCSp	16	Luxembourg	Limited partner	N/A	—
ICG MF 2003 No. 3 EGP 1 Limited		England & Wales	General partner	Ordinary shares	100 %
ICG MF 2003 No.1 EGP 1 Limited		England & Wales	General partner	Ordinary shares	100 %
ICG MF 2003 No.1 EGP 2 Limited		England & Wales	General partner	Ordinary shares	100 %
ICG MF 2003 No.3 EGP 2 Limited		England & Wales	General partner	Ordinary shares	100 %
ICG NA Debt Co-Invest Limited		England & Wales	Investment company	Ordinary shares	100 %
ICG Nordic AB	24	Sweden	Advisory company	Ordinary shares	100 %
ICG North America Associates II LLC	21	Delaware	General partner	Ordinary shares	100 %
ICG North America Associates LLC	21	Delaware	General partner	Ordinary shares	100 %
ICG North America Holdings Limited	33	Cayman Islands	Investment company	Ordinary shares	100 %
ICG North American Private Debt (Offshore) GP Limited Partnership	33	Cayman Islands	Limited partner	N/A	— %
ICG North American Private Debt Fund GP LP	39	Delaware	Limited partner	N/A	— %
ICG North American Private Debt II (Offshore) GP LP	33	Cayman Islands	Limited partner	N/A	— %
ICG North American Private Debt II GP LP	39	Delaware	Limited partner	N/A	— %
ICG North American Private Equity Associates I LLC	36	Delaware	General partner	Ordinary shares	100 %
ICG North American Private Equity Debt Limited	9	Jersey	Special purpose vehicle	Ordinary shares	100 %
ICG North American Private Equity Fund I LP	36	Delaware	Special purpose vehicle	Ordinary shares	100 %
ICG North American Private Equity I GP LP	36	Delaware	Limited partner	N/A	— %
ICG Private Credit GP S.à r.l.	14	Luxembourg	General partner	Ordinary shares	100 %
ICG Private Markets General Partner SCSp	13	Luxembourg	General partner	Ordinary shares	100 %
ICG Private Markets GP S.à r.l.	13	Luxembourg	General partner	Ordinary shares	100 %
ICG RE Australia Group PTY Limited	28	Australia	Service company	Ordinary shares	100 %
ICG RE Capital Partners Australia PTY Limited	28	Australia	Advisory company	Ordinary shares	100 %
ICG RE Corporate Australia PTY Limited	28	Australia	Service company	Ordinary shares	100 %
ICG RE Funds Management Australia PTY Limited	28	Australia	Service company	Ordinary shares	100 %
ICG Real Estate Debt VI GP LP SCSp	13	Luxembourg	Limited partner	N/A	— %
ICG Real Estate Debt VI GP S.à r.l.	13	Luxembourg	General partner	Ordinary shares	100 %
ICG Real Estate E Debt Limited	9	Jersey	Special purpose vehicle	Ordinary shares	100 %
ICG Real Estate Fund I GP S.à r.l.	13	Luxembourg	General partner	Ordinary shares	100 %
ICG Real Estate Fund I Investment S.à.r.l.	13	Luxembourg	Special purpose vehicle	Ordinary shares	100 %
ICG Real Estate Fund I SCSp	13	Luxembourg	Special purpose vehicle	Ordinary shares	100 %
ICG Real Estate Senior Debt V GP S.à r.l.	13	Luxembourg	General partner	Ordinary shares	100 %
ICG Recovery Fund 2008 B GP Limited	9	Jersey	General partner	Ordinary shares	100 %
ICG Recovery Fund II GP LP SCSp	16	Luxembourg	Limited partner	N/A	—
ICG Recovery Fund II GP S.à r.l.	16	Luxembourg	General partner	Ordinary shares	100 %
ICG Senior Debt Partners	14	Luxembourg	General partner	Ordinary shares	100 %

NOTES TO THE FINANCIAL STATEMENTS *continued*

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
ICG Senior Debt Partners GP S.à r.l.	6	Luxembourg	General partner	Ordinary shares	100 %
ICG Senior Debt Partners Performance GP Limited	9	Jersey	General partner	Ordinary shares	100 %
ICG Senior Debt Partners UK GP Limited		England & Wales	General partner	Ordinary shares	100 %
ICG Strategic Equity Advisors LLC	21	Delaware	Advisory company	Ordinary shares	100 %
ICG Strategic Equity Associates II LLC	37	Delaware	General partner	Ordinary shares	100 %
ICG Strategic Equity Associates III LLC	20	Delaware	General partner	Ordinary shares	100 %
ICG Strategic Equity Associates IV LLC	37	Delaware	General partner	Ordinary shares	100 %
ICG Strategic Equity Associates IV S.à r.l	16	Luxembourg	General partner	Ordinary shares	100 %
ICG Strategic Equity III (Offshore) GP LP	33	Cayman Islands	Limited partner	N/A	—
ICG Strategic Equity III GP LP	37	Delaware	Limited partner	N/A	—
ICG Strategic Equity IV GP LP	37	Delaware	Limited partner	N/A	—
ICG Strategic Equity IV GP LP SCSp	16	Luxembourg	Limited partner	N/A	—
ICG Strategic Equity Side Car (Onshore) GP LP	37	Delaware	Limited partner	N/A	—
ICG Strategic Equity Side Car GP LP	33	Cayman Islands	Limited partner	N/A	—
ICG Strategic Equity Side Car II (Onshore) GP LP	37	Delaware	Limited partner	N/A	—
ICG Strategic Equity Side Car II GP LP	33	Cayman Islands	Limited partner	N/A	—
ICG Strategic Secondaries Carbon Associates LLC	39	Delaware	General partner	Ordinary shares	100 %
ICG Strategic Secondaries Carbon Fund (Offshore) GP LP	19	Cayman Islands	General partner	N/A	— %
ICG Strategic Secondaries II (Offshore) GP LP	33	Cayman Islands	Limited partner	N/A	— %
ICG Strategic Secondaries II GP LP	37	Delaware	Limited partner	N/A	— %
ICG Structured Special Opportunities GP Limited	33	Cayman Islands	General partner	Ordinary shares	100 %
ICG Total Credit (Global) GP, S.à r.l.	10	Luxembourg	General partner	Ordinary shares	100 %
ICG US Senior Loan Fund GP Ltd	33	Cayman Islands	General partner	Ordinary shares	100 %
ICG Velocity Co-Investor (Offshore) GP LP	33	Cayman Islands	Limited partner	N/A	— %
ICG Velocity Co-Investor Associates LLC	20	Delaware	General partner	Ordinary shares	100 %
ICG Velocity Co-Investor GP LP	37	Delaware	Limited partner	N/A	— %
ICG Velocity GP LP	37	Delaware	Limited partner	N/A	— %
ICG Velocity Partners Co-Investor Associates LLC	37	Delaware	General partner	Ordinary shares	100 %
ICG Watch Limited Partnership		England & Wales	Limited partner	N/A	— %
ICG-Longbow B Investments L.P.		England & Wales	Investment company	Ordinary shares	50 %
ICG-Longbow Development GP LLP		England & Wales	General partner	N/A	— %
ICG-Longbow Investment 3 LLP		England & Wales	Special purpose vehicle	N/A	— %
ICG-Longbow IV GP S.à r.l.	15	Luxembourg	General partner	Ordinary shares	100 %
ICG-Longbow Senior GP LLP		England & Wales	General partner	N/A	— %
Intermediate Capital Asia Pacific 2008 GP Limited	9	Jersey	General partner	Ordinary shares	100 %
Intermediate Capital Asia Pacific Limited	38	Hong Kong	Advisory company	Ordinary shares	100 %
Intermediate Capital Asia Pacific Mezzanine 2005 GP Limited	9	Jersey	General partner	Ordinary shares	100 %
Intermediate Capital Asia Pacific Mezzanine Opportunities 2005 GP Limited	9	Jersey	General partner	Ordinary shares	100 %
Intermediate Capital Australia PTY Limited	29	Australia	Advisory company	Ordinary shares	100 %
Intermediate Capital GP 2003 Limited	9	Jersey	General partner	Ordinary shares	100 %
Intermediate Capital GP 2003 No.1 Limited	9	Jersey	General partner	Ordinary shares	100 %
Intermediate Capital Group (Italy) S.r.l	23	Italy	Advisory company	Ordinary shares	100 %
Intermediate Capital Group (Singapore) Pte. Limited	1	Singapore	Advisory company	Ordinary shares	100 %
Intermediate Capital Group Benelux B.V.	32	Netherlands	Advisory company	Ordinary shares	100 %
Intermediate Capital Group Beratungsgesellschaft GmbH	3	Germany	Advisory company	Ordinary shares	100 %

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
Intermediate Capital Group Dienstleistungsgesellschaft mbH	3	Germany	Service company	Ordinary shares	100 %
Intermediate Capital Group Inc.	21	Delaware	Advisory company	Ordinary shares	100 %
Intermediate Capital Group Polska Sp. z.o.o	35	Poland	Service company	Ordinary shares	100 %
Intermediate Capital Group SAS	2	France	Advisory company	Ordinary shares	100 %
Intermediate Capital Inc	21	Delaware	Dormant	Ordinary shares	100 %
Intermediate Capital Managers (Australia) PTY Limited	31	Australia	Advisory company	Ordinary shares	100 %
Intermediate Capital Managers Limited		England & Wales	Advisory company	Ordinary shares	100 %
KIK Equity Co-Invest LLC	21	Delaware	General partner	Ordinary shares	100 %
Longbow Real Estate Capital LLP		England & Wales	Advisory company	N/A	— %
Sertic Deal Co S.à.r.l.	13	Luxembourg	Special purpose vehicle	Ordinary shares	100 %
Sertic Mezz Co S.à.r.l.	13	Luxembourg	Special purpose vehicle	Ordinary shares	100 %
Wise Living Homes Limited	5	England & Wales	Special purpose vehicle	Ordinary shares	83 %
Avanton Richmond Developments Limited	25	England & Wales	Special purpose vehicle	Ordinary shares	70 %
European Credit 2019 S.à r.l.		Luxembourg	Special purpose vehicle	Ordinary shares	100 %
Gil-bar Aggregator LP	39	Delaware	Special purpose vehicle	N/A	— %
Gil-bar Parent LLC	39	Delaware	Special purpose vehicle	N/A	— %
Gil-bar Optionco LLC	39	Delaware	Special purpose vehicle	N/A	— %
Gil-bar Holdco LLC	39	Delaware	Special purpose vehicle	N/A	— %
Gil-bar Industries LLC	39	Delaware	Special purpose vehicle	N/A	— %
Gil-bar Solutions LLC	39	Delaware	Special purpose vehicle	N/A	— %
GBHLS LLC	40	New York	Portfolio company	Ordinary shares	100 %
Metro Air Products, LLC	41	New York	Portfolio company	Ordinary shares	100 %
MIH Systems Group, LLC	41	New York	Portfolio company	Ordinary shares	100 %
APA LLC	42	Massachusetts	Portfolio company	Ordinary shares	100 %
Mechanical Technologies LLC	43	New Jersey	Portfolio company	Ordinary shares	100 %
Dynamic Equipment LLC	43	New Jersey	Portfolio company	Ordinary shares	100 %

NOTES TO THE FINANCIAL STATEMENTS *continued*

28. Subsidiaries *continued*

	Registered offices
1	#21-01, 20 Collyer Quay, 049319, Singapore
2	1 rue de la Paix, Paris, 75002, France
3	12th Floor, An der Welle 5, Frankfurt, 60322, Germany
4	12th Floor, Stockwerk, An der Welle 5, Frankfurt, 60322, Germany
5	17 Regan Way, Chetwynd Business Park, Chilwell, Nottingham, NG9 6RZ, England & Wales
6	2-4 Rue Eugène Ruppert, Grand Duchy of Luxembourg, L-2453, Luxembourg
7	2711 Centerville Road, Suite 400, Wilmington, New Castle County, DE, 19808, United States
8	32-36, boulevard d'Avranches L - 1160 Luxembourg, 1160, Luxembourg
9	44 Esplanade, St. Helier, JE4 9WG, Jersey
10	49 Avenue John F. Kennedy, Luxembourg, L-1855, Luxembourg
11	5 Allée Scheffer, Luxembourg, L-2520, Luxembourg
12	51, Avenue J.F. Kennedy, Luxembourg, L-1855, Luxembourg
13	6, rue Eugene Ruppert, Luxembourg, L-2453, Luxembourg
14	60, Avenue J.F. Kennedy, Luxembourg, L-1855, Luxembourg
15	6D Route de Trèves, Senningerberg, L-2633, Luxembourg
16	6H Route de Trèves, Senningerberg, L-2633, Luxembourg
17	6th Floor South Bank House, Barrow Street, Dublin 4, Ireland
18	75 Fort Street, Clifton House, c/o Estera Trust (Cayman) Limited, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands
19	c/o Maples Corporate Services Limited, PO Box 309,Ugland House, Grand Cayman, KY1-1104, Cayman Islands
20	c/o Maples Fiduciary Services (Delaware) Inc., Suite 302, 4001 Kennett Pike, Wilmington, DE, 19807, United States
21	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801, United States
22	c/o Zedra Trust Company (Guernsey) Limited, 3rd Floor, Cambridge House, Le Truchot, St Peter Port, GY1 1WD, Guernsey
23	Corso Giacomo Matteotti 3, Milan, 20121, Italy
24	David Bagares Gata 3, Stockholm, 111 38, Sweden
25	Ground Floor Office South, 51 Welbeck St, London, W1G 9HL, England, United Kingdom
26	IFC 1, The Esplanade, St. Helier, JE1 4BP, Jersey
27	Index Tower, Floor 4, Unit 404, Dubai International Financial Centre, Dubai, United Arab Emirates
28	Level 12, 167 Eagle St., Brisbane, QLD 4000, Australia
29	Level 18, 88 Phillip Street, Sydney, NSW 2000, Australia
30	Level 23, Otemachi Nomura Building, 2-1-1 Otemachi, Chiyoda-ku, Tokyo, 100-0004, Japan
31	Level 31, 88 Phillip Street, Sydney, NSW 2000, Australia
32	Paulus Potterstraat 20, 2hg., Amsterdam, 1071 DA, Netherlands
33	PO Box 309, Ugland House, C/o Maples Corporate Services Limited, Grand Cayman, KY1-1104, Cayman Islands
34	Serrano 30-3º, 28001 Madrid, Spain
35	Spark B, Aleja Solidarności 171, Warsaw, 00-877, Poland
36	Suite 210, 200 Bellevue Parkway, Wilmington, DE, 19809, United States
37	Suite 302, Maples Fiduciary Services (Delware) Inc., 4001 Kennett Pike, Wilmington, DE, 19807, United States
38	Suites 1301-02, 13/F, AIA Central, 1 Connaught Road Central, Hong Kong
39	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801, United States
40	5 West 19th Street, 7th Floor, New York, NY, United States, 10011
41	20 West 36th Street, Suite 700, New York, NY, United States, 10018
42	4 Campanelli Circle, Canton, MA 02021
43	10 Bloomfield Avenue, Pine Brook, NJ 07058

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

Name of subsidiary	Country of incorporation	% of ownership interests and voting rights 2022
ICG Newground RE Finance Trust1	Australia	100 %
ICG US CLO 2014-1, Ltd.	Cayman Islands	50 %
ICG US CLO 2014-2, Ltd.	Cayman Islands	72 %
ICG US CLO 2014-3, Ltd.	Cayman Islands	51 %
ICG US CLO 2015-1, Ltd.	Cayman Islands	50 %
ICG US CLO 2015-2R, Ltd.	Cayman Islands	83 %
ICG US CLO 2016-1, Ltd.	Cayman Islands	63 %
ICG US CLO 2017-1, Ltd.	Cayman Islands	60 %
ICG US CLO 2020-1, Ltd.	Cayman Islands	52 %
ICG US Senior Loan Fund	Cayman Islands	100 %
ICG Euro CLO 2021-1 DAC	Ireland	67 %
ICG Global Total Credit Fund 1 DAC	Ireland	37 %
ICG High Yield Bond Fund	Ireland	100 %
St. Paul's CLO II DAC	Ireland	85 %
St. Paul's CLO III-R DAC	Ireland	62 %
St. Paul's CLO VI DAC	Ireland	53 %
St. Paul's CLO VIII DAC	Ireland	53 %
St. Paul's CLO XI DAC	Ireland	57 %
ICG Enterprise Carry (1) LP	Jersey	100 %
ICG Enterprise Carry (2) LP	Jersey	50 %
ICG Total Credit (Global) SCA	Luxembourg	100 %

1. The Group's interest in ICG Global Total Credit Fund is held through ICG Total Credit (Global) S.C.A.

The structured entities controlled by the Group include £5,057.2m (2021: £4,513.6m) of assets and £4,992.8m (2021: £4,458.8m) of liabilities within 21 credit funds listed above. These assets are restricted in their use to being the sole means by which the related fund liabilities can be settled. All other assets can be accessed or used to settle the other liabilities of the Group without significant restrictions.

The Group has not provided contractual or non-contractual financial or other support to a consolidated structured entity during the period. It is not the current intention to provide such support, including the intention to assist the structured entity in obtaining financial support.

29. Disposal groups held for sale

Non-current and current financial assets held for sale and disposal groups

Accounting policy

Non-current and current financial assets held for sale and disposal groups

The Group may make an investment and hold the asset on its balance sheet prior to it being transferred into a fund, or sold to third-party investors. The assets are expected to be held for a period up to a year, during which the asset will be classified as held for sale. Where the investment is held through a controlled investee the investee entity is classified as a disposal group held for sale.

The conditions for disposal groups held for sale are regarded as met only when the asset is available for immediate sale, the Directors are committed to the sale, and the sale is expected to be completed within one year from the date of classification.

Disposal groups held for sale are recognised at the lower of fair value less cost to sell and their carrying amount as required by IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, except where the asset is a financial instrument or investment property. The measurement of these assets is determined by IFRS 9 Financial Instruments and IAS 40 Investment Property respectively. The Group's measurement of these assets is detailed in note 5.

Financial year ended 31 March 2022

During the year the Group acquired a controlling interest in four warehouse funds. The assets of three of these warehouse funds consisted of financial assets at fair value and cash, totalling £42.5m. The North America Private Equity Fund warehouse acquired a controlling interest in Gil-Bar Industries Incorporated. The underlying assets of Gil-Bar Industries Incorporated consisted of intangible assets, trade debtors and other balances associated with its business of providing heating and ventilation solutions. During the year the Group recognised £9.2m of losses relating to the operation of this entity.

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

Group	2022 £m	2021 £m
Non-current assets		
Intangible assets	**101.0**	–
Property, plant and equipment	**0.3**	–
Investment property	**59.3**	56.7
Financial assets at fair value	**36.9**	–
	197.5	**56.7**
Current assets		
Inventory	**0.8**	–
Cash	**11.1**	0.4
Trade and other receivables	**47.1**	–
Other debtors	**0.2**	0.3
	59.2	**0.7**
Non-current liabilities		
Financial liabilities at amotised cost	**70.8**	4.8
Other financial liabilities	**(9.7)**	–
	61.1	**4.8**
Current liabilities		
Trade and other payables	**36.0**	–
Other financial liabilities	**0.1**	–
	36.1	**–**
Statement of comprehensive income		
Sales	**122.8**	–
Cost of sales	**(88.2)**	–
Operating expenses	**(22.9)**	–
Depreciation and amortisation	**(6.6)**	–
Other expenses	**(10.5)**	–
Transaction costs	**(3.8)**	–
Loss after tax from disposal groups held for sale	**(9.2)**	**–**

NOTES TO THE FINANCIAL STATEMENTS *continued*

30. Associates and joint ventures

Accounting policy

Investment in associates
An associate is an entity over which the Group has significant influence, but no control, over the financial and operating policy decisions of the entity. As the investments in associates are held for venture capital purposes they are designated at fair value through profit or loss.

Investment in joint ventures
A joint venture is a joint arrangement whereby the parties that have joint control over the arrangement have rights to the net assets of the arrangements. The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting from the date on which the investee becomes a joint venture, except when the investment is held for venture capital purposes in which case they are designated as fair value through profit and loss. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost, and adjusted thereafter to recognise the Group's share of the joint venture's profit or loss.

The nature of some of the activities of the Group associates and joint ventures are investment related which are seen as complementing the Group's operations and contributing to achieving the Group's overall strategy. The remaining associates and joint ventures are portfolio companies not involved in investment activities.

Details of associates and joint ventures
Details of each of the Group's associates at the end of the reporting period are as follows:

Name of associate	Principal activity	Country of incorporation	Proportion of ownership interest/ voting rights held by the Group 2022	Income distributions received from associate 2022	Income distributions received from associate 2021
ICG Europe Fund V Jersey Limited[1]	Investment company	Jersey	20%	58.6	0.6
ICG Europe Fund VI Jersey Limited[1]	Investment company	Jersey	17%	114.2	25.9
ICG North American Private Debt Fund[2]	Investment company	United States of America	20%	5.4	6.0
ICG Asia Pacific Fund III Singapore Pte. Limited[3]	Investment company	Singapore	20%	32.1	2.1

All associates are accounted for at fair value.

1. The registered address for this entity is IFC 1 – The Esplanade, St Helier, Jersey JE1 4BP.
2. The registered address for this entity is 600, Lexington Avenue, 24th Floor, New York, NY 10022, United States of America.
3. The registered address for this entity is #13-01 One Raffles Place, Singapore, 048616.

The Group has a shareholding in each of these fund entities arising from its co-investment with the fund. The Group appoints the General Partner (GP) to each fund. The investors have substantive rights to remove the GP without cause. The Funds also each have an Advisory Council, nominated by the investors, whose function is to ensure that the GP is acting in the interest of investors. As the Group has a 17%–20% holding, and therefore significant influence in each entity, they have been considered as associates

Details of each of the Group's joint ventures at the end of the reporting period are as follows:

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

Nomura ICG KK is equity accounted as a joint venture in accordance with IFRS 11. Nomura ICG KK is not a portfolio company and was established to operate the Group's core business of fund management activities in Japan. Management therefore considers it more appropriate to equity account for this entity in the financial statements.

Brighton Marina Group Limited is accounted for at fair value in accordance with IAS28 and the Group's accounting policy in note 5 to the financial statements.

The Group holds 70% of the ordinary shares of Brighton Marina Group Limited and the management of this entity is jointly controlled with a third party who the Group does not control and therefore the Group is unable to execute decisions without the consent of the third party.

Significant restriction

There are no significant restrictions on the ability of associates and joint ventures to transfer funds to the Group other than having sufficient distributable reserves.

Summarised financial information for associates material to the reporting entity

The Group's only material associates are ICG Europe Fund V Jersey Limited and ICG Europe Fund VI Jersey Limited which are associates measured at fair value through profit and loss. The information below is derived from the IFRS financial statements of the entities. Materiality has been determined by the carrying value of the associate as a percentage of total Group assets.

The entities allow the Group to co-invest with ICG Europe Fund V, ICG Europe Fund VI and ICG Infrastructure Equity Fund I respectively, aligning interests with other investors. In addition to the returns on its co-investment the Group receives performance-related fee income from the funds (see note 3). This is industry standard and is in line with other funds in the industry.

	ICG Fund VI Jersey Limited		ICG Fund V Jersey Limited	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Current assets	**24.9**	11.8	**6.1**	8.6
Non-current assets	**1,910.0**	2,935.4	**122.5**	586.8
Current liabilities	**(49.7)**	(38.8)	**(1.6)**	(0.7)
	1,885.2	2,908.4	**127.0**	594.7
Revenue	**685.8**	876.8	**27.3**	25.2
Profit from continuing operations	**667.0**	862.8	**26.4**	23.6
Total comprehensive income	**667.0**	862.8	**26.4**	23.6

Summarised financial information for equity accounted joint ventures

Nomura ICG KK made a profit from continuing operations and total comprehensive income of £1.0m for the year ended 31 March 2022 (2021: £0.3m), of which the Group's share of results accounted for using the equity method is £0.5m for the year ended 31 March 2022 (2021: £0.2m).

31. Unconsolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. The Group has determined that it has an interest in a structured entity where the Group holds an investment, loan, fee receivable or commitment with an investment fund or CLO. Where the Group does not hold an investment in the structured entity, management has determined that the characteristics of control, in accordance with IFRS 10, are not met.

The Group, as fund manager, acts in accordance with the pre-defined parameters set out in various agreements. The decision-making authority of the Group and the rights of third parties are documented. These agreements include management fees that are commensurate with the services provided and performance fee arrangements that are industry standard. As such, the Group is acting as agent on behalf of these investors and therefore these entities are not consolidated into the Group's results. Consolidated structured entities are detailed in note 28.

At 31 March 2022, the Group's interest in and exposure to unconsolidated structured entities including outstanding management and performance fees are detailed in the table below, and recognised within financial assets at FVTPL and trade and other receivables in the statement of financial position:

						2022
	Investment in Fund	**Management fees receivable**	**Management fee rates**	**Performance fees receivable**	**Performance fee rates**	**Maximum exposure to loss**
Funds	**£m**	**£m**	**%**	**£m**	**%**	**£m**
CLOs	285.5	3.6	0.35% to 0.65%	–	0.05% to 0.20%	289.1
Credit Funds	162.0	9.7	0.40% to 1.50%	–	20% of returns in excess of 0% for Alternative Credit Fund only	171.7
Corporate Investment Funds	1,505.5	54.7	0.60% to 2.0%	86.1	20%–25% of total performance fee of 20% of profit over the threshold	1,646.3
Real Asset Funds	203.1	14.3	0.38% to 1.50%	0.1	20% of returns in excess of 9% IRR	217.5
Secondaries Funds	341.7	26.0	1.25% to 1.50%	4.9	10%–20% of total performance fee of 8%–20% of profit over the threshold	372.6
Total	**2,497.8**	**108.3**		**91.0**		**2,697.2**

						2021
	Investment in Fund	Management fees receivable	Management fee rates	Performance fees receivable	Performance fee rates	Maximum exposure to loss
Funds	£m	£m	%	£m		£m
CLOs	132.1	3.8	0.35% to 0.65%	–	0.05% to 0.20%	135.9
Credit Funds	16.0	11.1	0.40% to 1.50%	0.1	20% of returns in excess of 0% for Alternative Credit Fund only	27.1
Corporate Investment Funds	1,373.2	40.4	0.60% to 2.0%	58.6	20%–25% of total performance fee of 20% of profit over the threshold	1,472.3
Real Asset Funds	204.1	20.7	0.38% to 1.50%	–	20% of returns in excess of 9% IRR	224.8
Secondaries Funds	215.6	8.8	1.25% to 1.50%	4.1	10%–20% of total performance fee of 8%–20% of profit over the threshold	228.5
Total	**1,941.0**	**84.8**		**62.8**		**2,088.6**

The Group's maximum exposure to loss is equal to the value of any investments held and unpaid management fees and performance fees.

The Group has not provided non-contractual financial or other support to the unconsolidated structured entities during the year. It is not the current intention to provide such support, including the intention to assist the structured entity in obtaining financial support.

32. Contingent liabilities

The Parent Company and its subsidiaries may be party to legal claims arising in the course of business. The Directors do not anticipate that the outcome of any such potential proceedings and claims will have a material adverse effect on the Group's financial position and at present there are no such claims where their financial impact can be reasonably estimated. The Parent Company and its subsidiaries may be able to recover any monies paid out in settlement of claims from third parties.

There are no other material contingent liabilities.

33. Post balance sheet events

There have been no material events since the balance sheet date.