

Independent auditor's report to the members of Intermediate Capital Group plc

Opinion

In our opinion:

- Intermediate Capital Group plc's financial statements and Parent Company financial statements (the 'financial statements') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Intermediate Capital Group plc (the 'Parent Company') and its subsidiaries (together the 'Group') for the year ended 31 March 2023 which comprise:

Group	Parent Company
Consolidated income statement for the year ended 31 March 2023	Parent Company statement of financial position as at 31 March 2023
Consolidated statement of comprehensive income for the year ended 31 March 2023	Parent Company statement of cash flows for the year ended 31 March 2023
Consolidated statement of financial position as at 31 March 2023	Parent Company statement of changes in equity for the year ended 31 March 2023
Consolidated statement of cash flows for the year ended 31 March 2023	
Consolidated statement of changes in equity for the year ended 31 March 2023	
Related notes 1 to 34 to the financial statements, including a summary of significant accounting policies	

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

Basis for opinion

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

Independence

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

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

Conclusions relating to going concern

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

- obtaining an understanding of management and the Directors' processes for determining the appropriateness of the use of the going concern basis. This included discussions with management, corroborating our understanding with the Audit Committee and obtaining management's going concern assessment covering the period to 30 November 2024, which is eighteen months from the date these financial statements were authorised for issue;
- reviewing the Group's cashflow forecasts, considering if the appropriateness of the assumptions used in the models are appropriate to enable the Directors to make an assessment in respect of going concern, including the availability of existing and forecast cash resources and undrawn facilities;
- evaluating the regulatory capital and liquidity position of the Group, including reviewing the Internal Capital Adequacy and Risk Assessment ('ICARA'). This included verifying credit facilities available to the Group by obtaining third party confirmations;
- reviewing the appropriateness of the stress and reverse stress test scenarios, including assessing the completeness of the severe scenarios that consider the key risks identified by the Group, our understanding of the business and the external market environment. We also evaluated the analysis by testing the clerical accuracy and assessed the conclusions reached in the stress and reverse stress test scenarios;

- assessing the plausibility of available options to mitigate the impact of the key risks by comparing them to our understanding of the Group;
- performing enquires of management and those charged with governance to identify risks or events that may impact the Group's ability to continue as a going concern. We also reviewed the management paper approved by the Board, minutes of meetings of the Board and the Audit Committee and made enquiries of management and the Board; and
- assessed the appropriateness of the going concern disclosures by comparing them with management's assessment for consistency and for compliance with the relevant reporting requirements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for the period to 30 November 2024.

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

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

Overview of our audit approach

Audit scope

- The Group is managed principally from one location, with core business functions, including finance and operations, located in London. All key accounting records are maintained in the UK. The Group operates international offices in Europe, Asia and North America, which are primarily responsible for deal origination, marketing and investment portfolio monitoring.
- The Group comprises 248 consolidated subsidiaries, including 21 consolidated structured entities.
- The Group audit team based in London, performed audit procedures on all balances material to the Group and Parent Company financial statements.

Key audit matters

- Valuation of investments in portfolio companies and real estate assets (including those held via fund structures and assets held for sale)
- Valuation of investments in Collateralised Loan Obligations ('CLOs'), including debt (senior) and equity (subordinated) tranches and the assets and liabilities held by consolidated CLOs
- Calculation and recognition of management and performance fees

Materiality

- Overall Group materiality of £21.3m which represents 5% of normalised profit before tax. Normalised profit before tax is calculated as the sum of the 2023 Fund Management Company's ('FMC') profit before tax and an average of the Investment Company ('IC') profit/loss before tax for the past five financial years. Our basis for calculating materiality has been updated for the current year to reflect stakeholder focus on the FMC and accounts for year-on-year fluctuations within the IC's profit/loss before tax resulting from fluctuations in investment valuation gains/losses.

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

Tailoring the scope

Our assessment of audit risk and our evaluation of materiality determine our audit scope for the Group and Parent Company. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent Internal Audit results when assessing the level of work to be performed for the Group.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we performed direct audit procedures on all items material to the Group and Parent Company financial statements. Our Group testing covered account balances material to the Group including balances of entities within the United Kingdom, Luxembourg, United States of America and Jersey, which represent the principal business units within the Group. The audit scope of these legal entities may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

As part of our Group audit procedures, we also perform analytical review procedures, testing of consolidation journals and intercompany eliminations, and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

Involvement with component teams

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

Climate change

Stakeholders are increasingly interested in how climate change will impact the Group. The Group has determined that the most significant future impacts from climate change on their operations will be from the adverse effects of the underlying portfolio investments. This is explained on pages 30-49 in the Task Force for Climate related Financial Disclosures and on page 72 in the Managing Risk section. All of these disclosures form part of the 'Other information', rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on 'Other information'.

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in the General Information and basis of preparation section in Note 1 to the financial statements, on pages 150-151, their articulation of how climate change has been reflected in the financial statements, and how they have reflected the impact of climate change in their financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on assessing whether the effects of climate risks have been appropriately reflected by management in reaching their judgments and in relation to the assessment of the fair value of investments and the impact on performance fees. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, we have not identified the impact of climate change on the financial statements to be a key audit matter.

Key audit matters

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

Risk	Our response to the risk
<p>Valuation of investments in portfolio companies and real estate assets (including those held via fund structures and assets held for sale)</p> <p><i>In the Consolidated and Parent Company statements of financial position, the Group's investments in portfolio companies (co-investments or alongside funds managed by ICG) of £1,560.1m, (2022: £1,642.5m) are included in Financial assets at fair value. Assets held for sale of £158.6m (2022: £79.2m) are included in Disposal groups held for sale.</i></p> <p><i>Refer to the Audit Committee Report (page 84-89); Accounting policies and Note 5 of the financial statements (page 158-165)</i></p> <p>The Group's investment portfolio contains unquoted debt and equity securities, that are held either directly or through funds. These investments are held at fair value through profit and loss or investments held for sale in accordance with International Financial Reporting Standards ('IFRS') 5 – Non-current Assets Held for Sale and Discontinued Operations ('IFRS 5').</p> <p>The Group adopts a valuation methodology based on the International Private Equity and Venture Capital Valuation Guidelines 2022 ('IPEV guidelines') and Royal Institution of Chartered Surveyors ('RICS') in conformity with IFRS 13 – Fair Value Measurements ('IFRS 13') and IAS 40 – Investment Property ('ISA 40'). The Group predominantly applies either an earnings based valuation technique or discounted cash flow model ('DCF') to value non-real estate investments. For certain real estate strategies, the Group engages external valuers to perform valuations.</p> <p>Owing to the unquoted and illiquid nature of these investments, the assessment of fair valuation is subjective and requires several significant and complex judgements to be made by management. The exit value will be determined by the market at the time of realisation and therefore despite the valuation policy adopted and judgements made by management, the final sales value may differ materially from the valuation at the year end.</p> <p>There is the risk that inaccurate judgements made in the assessment of fair value could lead to the incorrect valuation of investments in portfolio companies. In turn, this could materially misstate the financial assets at fair value in the Consolidated and Parent Company Statements of Financial Position, and the Net gains on investments in the Consolidated income statement.</p> <p>There is also a risk that management may influence the judgements and estimations in respect of the portfolio companies' valuations in order to meet market expectations of the Group.</p>	<p>We have:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's processes and controls for the valuation of investments in portfolio companies (including co-investments or alongside funds managed by ICG) by performing walkthrough procedures, in which we evaluated the design effectiveness of controls. This included discussing with management the valuation governance structure and protocols around their oversight of the valuation process, including the Group Valuation Committee. • Compared management's valuation methodologies to IFRS and the relevant IPEV and RICS guidelines. We sought explanations from management where there were judgments applied in their application of the guidelines and assessed their appropriateness. • With the assistance of our valuations specialists, we formed an independent view on the appropriateness of the key assumptions and inputs used in the valuation of a sample of portfolio company and real estate investments, with reference to relevant industry and market valuation considerations and data points. We derived a range of acceptable fair values through our analysis including taking into account other qualitative risk factors, such as company specific risk factors. We compared these ranges to management's fair values and discussed our results with both management and the Audit Committee. • On a sample basis, we agreed key inputs in the valuation models to source data, including portfolio company financial information. We also performed procedures on key judgements made by management in the calculation of fair value: <ul style="list-style-type: none"> • 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. <p>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.</p> <p>We have considered the impact of climate change throughout our procedures performed on the valuation of portfolio companies, by challenging whether the valuation methodologies and assumptions used are appropriate.</p> <p>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.</p>

Key observations communicated to the Audit Committee

All valuations reviewed, were found to be materially carried in accordance with UK-adopted international accounting standards and the IPEV or RICS guidelines respectively.

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

Valuation of investments in Collateralised Loan Obligations ('CLOs'), including debt (senior) and equity (subordinated) tranches and the assets and liabilities held by consolidated CLOs

In the Consolidated and Parent Company statements of financial position, the Group's investments in CLO debt (senior) (2023: £105.8m, 2022: £105.6m) and equity (subordinated debt) tranches (2023: £7.5m, 2022: £12.2m), and investments held by consolidated CLOs (2023: £4,669.1m, 2022: £4,612.6m) are included in Financial assets at fair value. The liabilities held by consolidated CLOs (2023: £4,572.7m, 2022: £4,364.7m) are included in Financial liabilities at fair value.

Refer to the Audit Committee Report (page 84-89); Accounting policies and Note 5 of the Financial Statements (page 158-165)

The Group holds investments in CLOs in both the debt and equity tranches. These investments are accounted for at fair value through profit or loss. The Group consolidates the CLOs where it is deemed to have control in accordance with IFRS 10 – Consolidated financial statements ('IFRS 10').

In particular, significant judgements are required where there is limited market activity to provide reliable observable inputs.

There is the risk that inaccurate judgements made in the assessment of fair value could lead to the incorrect valuation of investments in CLOs which could materially misstate the Financial assets and Financial Liabilities at fair value in the Consolidated and Parent Company statements of financial position. In turn, this could materially misstate the Net gains on investments account in the Consolidated income statement.

There is also a risk that management may influence the judgements and estimations of the investments in CLO debt and equity tranches in order to meet market expectations of the Group.

Unconsolidated CLOs – Investments in Debt and Equity

We have:

- Obtained an understanding of management's processes and controls for the valuation of CLOs by performing walkthrough procedures, in which we evaluated the design effectiveness of controls;
- Agreed each tranche size to observable market data (i.e., Fitch Ratings);
- Obtained the available observable market data (i.e., Markit) and compared it to management's fair valuations for positions with observable inputs;
- Formed an independent range of fair values for a sample of the debt and equity tranches with the assistance of our valuation specialists where observable market data is not available. This included:
 - projecting cash flows using a cash flow model and market based assumptions such as default rates;
 - estimating a range of yields based on either recent trade data or comparable CLO securities;
 - performing independent comparative calculations using the cash flows and yields; and
 - recalculating the unrealised gain/loss on revaluation of investments impacting the Net gains on investments in the Consolidated income statement;
- Assessed the mathematical accuracy of the equity models; and
- Considered the impact of climate change throughout the procedures performed on the valuation by challenging whether the valuation methodologies and assumptions used remain appropriate.

Consolidated CLO balances

We have:

- Agreed consolidated balances to underlying administrator accounts;
- Reviewed the material assets and liabilities associated with each of the consolidated CLOs and tested the underlying balances;
- Obtained the available observable market data (i.e., Markit) and compared it to management's fair valuations for a sample of the financial assets and financial liabilities of the consolidated CLOs;
- Assessed the mathematical accuracy of the equity models; and
- Considered the impact of climate change throughout the procedures performed on the valuation by challenging whether the valuation methodologies and assumptions used remain appropriate.

Key observations communicated to the Audit Committee

The valuation of the CLOs, including debt and equity tranches reviewed by EY, were found to be carried materially in accordance with UK-adopted international accounting standards.

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

Risk	Our response to the risk
<p>Calculation and recognition of management fees and performance fees</p> <p><i>In the Consolidated income statement, management fees (2023: £481.6m, 2022: £429.4m), including performance fees (2023: £22.4m, 2022: £57.5m), are included in Fee and other operating income.</i></p> <p><i>Refer to the Audit Committee Report (page 84-89); Accounting policies and Note 3 of the Financial Statements (page 152)</i></p> <p>The Group manages funds across numerous domiciles and investment strategies and receives management fees and performance fees from its performance of investment management services for third-party money it manages.</p> <p>Management fees are calculated based on an agreed percentage of either committed capital, invested capital or net asset value ('NAV'), depending on the contractual agreement of the underlying fund. The calculations are prepared by third-party administrators or ICG. Due to the manual nature of the process, there is a risk that management fees are incorrectly calculated.</p> <p>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.</p> <p>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.</p> <p>In respect of performance fees, management must apply judgment in accordance with IFRS 15 – Revenue from contracts with customers ('IFRS 15') to determine whether it is highly probable that a significant reversal will not occur in the future. The following are identified as the key risks or judgments in respect of the recognition of performance fees:</p> <ul style="list-style-type: none"> • inappropriate judgments are made by management in the process, including whether a constraint is applied and in determining the forecast exit dates of underlying investments; • errors are made in performing complex manual calculations within the model; and • inappropriate inputs are used by management in the calculations. <p>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.</p>	<p>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.</p> <p>In respect of management fees, for a sample of funds, we:</p> <ul style="list-style-type: none"> • agreed the fee terms used in the calculation, to the terms as specified in the relevant legal agreements, for example the Investment Management Agreement or Limited Partnership Agreement; • validated key inputs, such as committed capital, invested capital or NAV, to supporting evidence; • tested the arithmetical accuracy of the calculations prepared by ICG or the third-party administrators by performing independent recalculations; • traced management fees received during the year to bank statements; • reconciled the closing management fee debtor in the statement of financial position; and • traced the year end debtor balance to post year end bank statements to assess recoverability. <p>In respect of performance fees, for a sample of funds, we:</p> <ul style="list-style-type: none"> • agreed contractual terms such as hurdle rates and percentage receivable to underlying legal agreements; • recalculated the waterfall to test management's judgment that the relevant hurdles are expected to be met where performance fees are being accrued; • challenged the reasonableness of forecast exit dates with reference to our work performed over valuations of the investment portfolio and our understanding of the investment life cycle; • tested the arithmetical accuracy of the calculations by performing independent recalculations; • assessed whether each payment of performance fees was a result of a triggering event, such as a realisation or refinancing and verified cash flows to bank statements; and • reconciled the closing performance fee debtor in the statement of financial position. <p>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.</p> <p>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.</p> <p>We have performed journal entry testing and have made enquiries of management in order to address the residual risk of management override.</p> <p>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.</p>

Key observations communicated to the Audit Committee

Our audit procedures did not identify any material matters regarding the calculation and recognition of management fees and performance fees. Revenue has been recorded in accordance with UK-adopted international accounting standards.

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

Our application of materiality

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

Materiality

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

We determined materiality for the Group to be £21.3m (2022: £28.3m), which is 5% of normalised profit before tax (2022: 5% of profit before tax). Normalised profit before tax is calculated as the sum of the 2023 FMC profit before tax and an average of the IC profit/loss before tax for the past five financial years. Our basis for calculating materiality has been updated in the current year to reflect fluctuations within the IC's profit/loss before tax resulting from fluctuations in investment valuation gains/losses. We believe that normalised profit before tax provides us with an appropriate basis for materiality due to stakeholder focus on the FMC and its contribution to business performance.

We determined materiality for the Parent Company to be £7.8m (2022: £9.4m), which is 1% (2022: 1%) of net assets.

During the course of our audit, we reassessed initial materiality based on 31 March 2023 normalised profit before tax, and net asset value in relation to the Parent Company, and adjusted our audit procedures accordingly.

Performance materiality

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

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgment was that performance materiality was 50% (2022: 50%) of our planning materiality, namely £10.6m (2022: £14.1m). We have set performance materiality at this percentage due to our observations of the control environment and the misstatements identified in the prior year. In determining performance materiality, we considered our risk assessments, together with our assessment of the Group's overall control environment.

Reporting threshold

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

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £1.1m (2022: £1.4m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Corporate Governance Statement

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

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

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 127;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 73;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 127;
- Directors' statement on fair, balanced and understandable set out on page 132;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 66;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 92; and;
- The section describing the work of the Audit Committee set out on pages 84-89

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 132, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

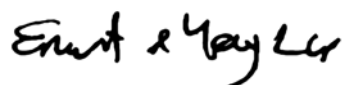
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the Parent Company on 21 July 2020 to audit the financial statements for the year ending 31 March 2021 and subsequent financial periods. Our appointment as auditor was approved by shareholders at the Annual General Meeting on 21 July 2020.
- The period of total uninterrupted engagement including previous renewals and reappointments is three years, covering the years ended 31 March 2021 to 31 March 2023.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

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



Ashley Coups (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

24 May 2023

Notes:

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

Consolidated income statement

For the year ended 31 March 2023

	Notes	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Fee and other operating income	3	483.6	434.0
Finance loss	8	(17.1)	(7.4)
Net gains on investments	10	172.5	555.5
Total Revenue		639.0	982.1
Other income	9	15.5	–
Finance costs	11	(64.6)	(53.1)
Administrative expenses	12	(343.3)	(363.1)
Share of results of joint ventures accounted for using the equity method	30	4.4	(0.5)
Profit before tax and discontinued operations		251.0	565.4
Tax charge	14	(29.4)	(31.1)
Profit after tax before discontinued operations		221.6	534.3
Profit/ (loss) after tax on discontinued operations	29	56.8	(9.2)
Profit for the year after discontinued operations		278.4	525.1
Attributable to:			
Equity holders of the parent		280.6	526.8
Non-controlling interests		(2.2)	(1.7)
		278.4	525.1
Earnings per share (pence)	16	98.2p	183.7p
Diluted earnings per share (pence)	16	97.0p	181.1p

Other than for amounts reported as discontinued operations, all activities represent continuing operations.

The accompanying notes 1 to 34 are an integral part of these financial statements.

Consolidated statement of comprehensive income

for the year ended 31 March 2023

Group	Notes	Year ended	Year ended
		31 March 2023	31 March 2022
		£m	£m
Profit after tax		278.4	525.1
Items that may be subsequently reclassified to profit or loss if specific conditions are met			
Exchange differences on translation of foreign operations		19.5	6.9
Deferred tax on equity investments translation		3.9	—
Total comprehensive income for the year		301.8	532.0
Attributable to:			
Equity holders of the parent		304.0	533.7
Non controlling interests		(2.2)	(1.7)
		301.8	532.0

The accompanying notes 1 to 34 are an integral part of these financial statements.

Consolidated statement of financial position

as at 31 March 2023

	Notes	31 March 2023 Group £m	31 March 2022 Group (Restated) ¹ £m
Non-current assets			
Intangible assets	17	14.9	17.1
Property, plant and equipment	18	88.2	60.4
Investment property	19	0.8	1.5
Investment in Joint Venture accounted for under the equity method	30	5.8	2.2
Trade and other receivables	20	37.1	91.1
Financial assets at fair value	5	7,036.6	6,973.1
Derivative financial assets	5	8.4	1.3
Deferred tax asset	14	17.6	25.0
		7,209.4	7,171.7
Current assets			
Trade and other receivables	20	232.0	283.1
Current tax debtor		57.0	31.9
Financial assets at fair value	5	4.7	–
Derivative financial assets	5	13.6	137.3
Cash and cash equivalents	6	957.5	991.8
		1,264.8	1,444.1
Assets of disposal groups held for sale	29	578.3	256.7
Total assets		9,052.5	8,872.5
Non-current liabilities			
Trade and other payables	21	71.1	76.4
Financial liabilities at fair value	5,7	4,572.7	4,364.7
Financial liabilities at amortised cost	7	1,478.2	1,452.3
Other financial liabilities	7	79.6	52.2
Derivative financial liabilities	5,7	0.9	2.9
Deferred tax liabilities	14	35.5	15.1
		6,238.0	5,963.6
Current liabilities			
Trade and other payables	21	471.4	434.4
Current tax creditor		14.8	14.5
Financial liabilities at amortised cost	7	58.5	201.1
Other financial liabilities	7	5.8	6.5
Derivative financial liabilities	5,7	14.8	153.4
		565.3	809.9
Liabilities of disposal groups held for sale	29	204.0	97.2
Total liabilities		7,007.3	6,870.7
Equity and reserves			
Called up share capital	23	77.3	77.3
Share premium account	23	180.9	180.3
Other reserves		19.0	0.2
Retained earnings		1,742.6	1,714.0
Equity attributable to owners of the Company		2,019.8	1,971.8
Non-controlling interest		25.4	30.0
Total equity		2,045.2	2,001.8
Total equity and liabilities		9,052.5	8,872.5

1. Retained earnings and Non-controlling interest have been restated. See Note 2 for more details.

The accompanying notes 1 to 34 are an integral part of these financial statements.

The financial statements of Intermediate Capital Group plc (Company Registration Number: 02234775) were approved and authorised for issue by the Board of Directors on 24 May 2023 and were signed on its behalf by:



William Rucker Chairman



Vijay Bharadia Chief Financial and Operating Officer

Consolidated statement of cash flows

For the year ended 31 March 2023

	Notes	Year ended 31 March 2023 Group £m	Year ended 31 March 2022 Group £m
Cash flows generated from operations		324.0	287.3
Taxes paid		(32.4)	(43.9)
Net cash flows from operating activities	32	291.6	243.4
Investing activities			
Purchase of intangible assets	17	(4.7)	(4.3)
Purchase of property, plant and equipment	18	(6.5)	(3.5)
Net cashflow from derivative financial instruments		(58.8)	22.4
Cashflow as a result of change in control of subsidiary		200.8	30.9
Net cash flows from investing activities		130.8	45.5
Financing activities			
Purchase of own shares		(38.9)	(20.9)
Payment of principal portion of lease liabilities		(6.8)	(4.1)
Proceeds from borrowings		—	413.5
Repayment of long-term borrowings		(194.6)	(111.5)
Dividends paid to equity holders of the parent	15	(236.4)	(165.7)
Net cash flows (used in)/generated from financing activities		(476.7)	111.3
Net (decrease)/increase in cash and cash equivalents		(54.3)	400.2
Effects of exchange rate differences on cash and cash equivalents		20.0	10.4
Cash and cash equivalents at 1 April	6	991.8	581.2
Cash and cash equivalents at 31 March	6	957.5	991.8

The Group's cash and cash equivalents include £407.5m (2022: £230.3m) of restricted cash held principally by structured entities controlled by the Group (see note 6).

The presentation of the consolidated statement of cash flows have been updated to improve the presentation of this information. The reconciliation of cash generated from/used in operations to profit before tax from continuing operations is now disclosed in note 32.

The accompanying notes 1 to 34 are an integral part of these financial statements.

Consolidated statement of changes in equity

For the year ended 31 March 2023

Group	Share capital (note 23) £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 ⁵ £m	Total £m	Non-controlling interest ³ £m	Total equity £m
Balance at 1 April 2022	77.3	180.3	5.0	67.5	(93.0)	20.7	1,688.9	1,946.7	55.1	2,001.8
Prior year adjustment ⁵	—	—	—	—	—	—	25.1	25.1	(25.1)	—
Balance at 1 April 2022 (as restated)	77.3	180.3	5.0	67.5	(93.0)	20.7	1,714.0	1,971.8	30.0	2,001.8
Profit after tax	—	—	—	—	—	—	280.6	280.6	(2.2)	278.4
Exchange differences on translation of foreign operations	—	—	—	—	—	19.5	—	19.5	—	19.5
Deferred tax on equity investments translation	—	—	—	—	—	3.9	—	3.9	—	3.9
Total comprehensive income/ (expense) for the year	—	—	—	—	—	23.4	280.6	304.0	(2.2)	301.8
Adjustment of non-controlling interest on disposal of subsidiary	—	—	—	—	—	—	(1.3)	(1.3)	(31.1)	(32.4)
Acquisition of non-controlling interest	—	—	—	—	—	—	—	—	28.7	28.7
Issue of share capital	0.0	—	—	—	—	—	—	0.0	—	0.0
Own shares acquired in the year	—	—	—	—	(38.9)	—	—	(38.9)	—	(38.9)
Options/awards exercised ⁴	—	0.6	—	(31.3)	28.5	—	(14.3)	(16.5)	—	(16.5)
Tax on options/awards exercised	—	—	—	(2.4)	—	—	—	(2.4)	—	(2.4)
Credit for equity settled share schemes	—	—	—	39.5	—	—	—	39.5	—	39.5
Dividends paid	—	—	—	—	—	—	(236.4)	(236.4)	—	(236.4)
Balance at 31 March 2023	77.3	180.9	5.0	73.3	(103.4)	44.1	1,742.6	2,019.8	25.4	2,045.2

Group	Share capital (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 ⁵	—	—	—	—	—	—	—	—	26.7	26.7
Own shares acquired in the year	—	—	—	—	(20.9)	—	—	(20.9)	—	(20.9)
Options/awards exercised ⁴	—	0.1	—	(27.8)	10.1	—	(9.8)	(27.4)	—	(27.4)
Tax on options/awards exercised	—	—	—	5.2	—	—	—	5.2	—	5.2
Credit for equity settled share schemes	—	—	—	29.6	—	—	—	29.6	—	29.6
Dividends paid	—	—	—	—	—	—	(165.7)	(165.7)	—	(165.7)
Balance at 31 March 2022⁵	77.3	180.3	5.0	67.5	(93.0)	20.7	1,714.0	1,971.8	30.0	2,001.8

1. The capital redemption reserve is a reserve created when a company buys its own shares which reduces its share capital. £1.4m of the balance relates to the conversion of ordinary shares and convertible shares into ordinary shares in 1994. The remaining £3.6m relates to the cancellation of treasury shares in 2015.

2. Other comprehensive income/(expense) reported in the foreign currency translation reserve represents foreign exchange gains and losses on the translation of subsidiaries reporting in currencies other than sterling.

3. The movement in the Group Own shares reserve in respect of Options/awards exercised, represents the employee shares vesting net of personal taxes and social security.

4. The associated personal taxes and social security liabilities are settled by the Group with the equivalent value of shares retained in the Own shares reserve.

5. Retained earnings and Non-controlling interest brought forward as at 1 April 2022 have been restated. See Note 2 for more details.

The accompanying notes 1 to 34 are an integral part of these financial statements.

Parent company statement of financial position

as at 31 March 2023

	Notes	31 March 2023 Company £m	31 March 2022 Company £m
Non-current assets			
Intangible assets	17	9.2	12.1
Property, plant and equipment	18	44.0	49.9
Investment in subsidiaries	28	1,868.9	1,871.4
Trade and other receivables	20	766.3	574.1
Financial assets at fair value	5	288.7	362.8
Derivative financial assets	5	8.4	2.1
Deferred tax asset	14	—	0.9
		2,985.5	2,873.3
Current assets			
Trade and other receivables	20	210.5	211.2
Current tax debtor		35.3	23.7
Financial assets at fair value	5	—	80.6
Derivative financial assets	5	13.6	37.9
Cash and cash equivalents	6	409.8	707.1
		669.2	1,060.5
Total assets		3,654.7	3,933.8
Non-current liabilities			
Trade and other payables	21	71.3	76.4
Financial liabilities at amortised cost	7	1,478.2	1,452.3
Other financial liabilities	7	39.3	44.8
Derivative financial liabilities	5,7	0.9	3.1
Deferred tax liabilities	14	2.9	—
		1,592.6	1,576.6
Current liabilities			
Trade and other payables	21	1,158.7	1,155.5
Financial liabilities at amortised cost	7	58.5	201.1
Other financial liabilities	7	4.3	3.1
Derivative financial liabilities	5,7	14.8	53.6
		1,236.3	1,413.3
Total liabilities		2,828.9	2,989.9
Equity and reserves			
Called up share capital	23	77.3	77.3
Share premium account	23	180.9	180.3
Other reserves		44.5	36.3
Retained earnings		523.1	650.0
Equity attributable to owners of the Company		825.8	943.9
Total equity		825.8	943.9
Total equity and liabilities		3,654.7	3,933.8

The Parent Company's total profit for the year was £109.5m (2022: Profit of £46.7m). The accompanying notes 1 to 34 are an integral part of these financial statements.

The financial statements of Intermediate Capital Group plc (Company Registration Number: 02234775) were approved and authorised for issue by the Board of Directors on 24 May 2023 and were signed on its behalf by:



William Rucker Chairman



Vijay Bharadia Chief Financial and Operating Officer

Parent company statement of cash flows

For the year ended 31 March 2023

	Notes	Year ended 31 March 2023 Company £m	Year ended 31 March 2022 Company £m
Cash flows used in operations		(314.3)	(60.7)
Taxes paid		(20.8)	(41.3)
Net cash flows used in operating activities	32	(335.1)	(102.0)
Investing activities			
Purchase of intangible assets	17	(3.6)	(3.4)
Purchase of property, plant and equipment	18	(0.7)	(2.6)
Net cashflow from derivative financial instruments		(58.8)	13.8
Cash paid in respect of group investing activities (acquisition of long-term assets)	20, 21	(216.6)	(561.9)
Cash received in respect of group investing activities (proceeds from long-term assets)	20, 21	109.5	145.9
Increase in amounts owed by subsidiaries	20, 21	(147.7)	(68.1)
Investment in subsidiaries		—	(231.7)
Net cash flows used in investing activities		(317.9)	(708.0)
Financing activities			
Payment of principal portion of lease liabilities		(4.1)	(3.6)
Proceeds from borrowings		—	413.5
Repayment of long-term borrowings		(194.6)	(111.5)
Dividends paid to equity holders of the parent	15	(236.4)	(165.7)
Increase in amounts owed to subsidiaries	20, 21	483.2	333.4
Repayment of amounts owed to subsidiaries	20, 21	(239.7)	(65.4)
Increase in amounts owed to subsidiaries (receipts of proceeds from long-term assets)	20, 21	543.8	848.4
Net cash flows from financing activities		352.2	1,249.1
Net (decrease)/increase in cash and cash equivalents		(300.8)	439.1
Effects of exchange rate differences on cash and cash equivalents		3.5	3.7
Cash and cash equivalents at 1 April	6	707.1	264.3
Cash and cash equivalents at 31 March	6	409.8	707.1

The presentation of the Parent Company statement of cash flows have been updated to improve the presentation of this information. The reconciliation of cash generated from/used in operations to profit before tax from continuing operations is disclosed in note 32. The prior year comparatives are consistent with those presented in the Parent Company statement of cash flows for the period to March 2022.

The accompanying notes 1 to 34 are an integral part of these financial statements.

Parent company statement of changes in equity

For the year ended 31 March 2023

Company	Share capital (note 23) £m	Share premium (note 23) £m	Capital redemption reserve ¹ £m	Share-based payments reserve (note 25) £m	Own shares ² (note 24) £m	Retained earnings £m	Total equity £m
Balance at 1 April 2022	77.3	180.3	5.0	52.6	(21.3)	650.0	943.9
Profit after tax	—	—	—	—	—	109.5	109.5
Total comprehensive income for the year						109.5	109.5
Issue of share capital	—	—	—	—	—	—	—
Options/awards exercised	—	0.6	—	(31.3)	—	—	(30.7)
Credit for equity settled share schemes	—	—	—	39.5	—	—	39.5
Dividends paid	—	—	—	—	—	(236.4)	(236.4)
Balance at 31 March 2023	77.3	180.9	5.0	60.8	(21.3)	523.1	825.8

Company	Share capital (note 23) £m	Share premium (note 23) £m	Capital redemption reserve ¹ £m	Share-based payments reserve (note 25) £m	Own shares ² (note 24) £m	Retained earnings £m	Total equity £m
Balance at 1 April 2021	77.2	180.2	5.0	50.8	(21.3)	769.0	1,060.9
Profit after tax	—	—	—	—	—	46.7	46.7
Total comprehensive income for the year						46.7	46.7
Issue of share capital	0.1	—	—	—	—	—	0.1
Options/awards exercised	—	0.1	—	(27.8)	—	—	(27.7)
Credit for equity settled share schemes	—	—	—	29.6	—	—	29.6
Dividends paid	—	—	—	—	—	(165.7)	(165.7)
Balance at 31 March 2022	77.3	180.3	5.0	52.6	(21.3)	650.0	943.9

1. The capital redemption reserve is a reserve created when a company buys its own shares which reduces its share capital. This reserve is not distributable to shareholders. £1.4m of the balance relates to the conversion of ordinary shares and convertible shares into ordinary shares in 1994. The remaining £3.6m relates to the cancellation of treasury shares in 2015.

2. The movement in the Parent Company Own shares reserve in respect of Options/awards exercised, represents the employee shares vesting net of personal taxes and social security.

The accompanying notes 1 to 34 are an integral part of these financial statements.

Notes to the financial statements

1. General information and basis of preparation

General information

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

The consolidated financial statements for the year to 31 March 2023 comprise the financial statements of the Parent Company and its consolidated subsidiaries (collectively, the 'Group'). The nature of the Group's operations and its principal activities are detailed in the Strategic Report.

Basis of preparation

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

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

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

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

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

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

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

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

Basis of consolidation

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

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

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

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

1. General information and basis of preparation *continued*

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

Critical judgement

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

- i. The Group's assessment as to whether it controls certain investee entities, including third-party funds and carried interest partnerships, and is therefore required to consolidate the investee, as detailed above. The Group's assessment of this critical judgement is discussed further in note 28.
- ii. The application of the Group's revenue recognition policy in respect of the performance fee component of management fees. Judgement is primarily applied in considering the timings of when expected performance conditions will be met and the appropriate constraint to be applied. The Group's assessment of this critical judgement is discussed further in note 3.

Key sources of estimation uncertainty

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

Critical judgements and key sources of estimation uncertainty are reviewed by the Audit Committee during the year and its involvement in the process is included in its report on page 84.

Foreign currencies

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

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

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

operation, exchange differences previously recognised in other comprehensive income are reclassified to the income statement.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of preparing the financial statements, as detailed in the Directors' report (page 127) and viability statement (page 73).

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

- The impact of conflict in Ukraine and the macro-inflationary backdrop on investment performance
- The impact on the Group's fee income. Specifically, performance-related revenue, as part of this assessment the Group performed additional sensitivity analysis around performance fees and the impact this would have on overall fee income. This is discussed in note 3
- The adequacy of the Group's capital and liquidity and potential shortfalls in access to capital. As at 31 March 2023 the Group has available liquidity of £1.1bn, including £550m of undrawn debt facilities. The macro-economic stress scenarios were in line with those used in the Internal Capital Adequacy and Risk Assessment ('ICARA') stress test and are discussed in the viability statement on page 73
- The operational resilience of the Group's critical functions and key service providers to maintain risk management and compliance, including IT, finance, treasury and operations
- The regulatory and legal environment and any potential conduct risks which could arise
- The appropriateness of valuation techniques applied to determine the fair value of investments that are not quoted in an active market. This is discussed further in note 5
- Those entities which are not controlled by the Group but where the Group has a joint venture relationship or has significant influence over an associate and whether they have the ability to continue as a going concern. These risks have been captured in the Group's overall fair value assessments of the underlying assets described in note 5

The Directors have concluded based on the above assessment that the preparation of the financial statements on a going concern basis, to 30 November 2024, an 18 month period from the date of signing of the financial statements, continues to be appropriate.

Notes to the financial statements *continued*

2. Changes in accounting policies and disclosures

New and amended standards and interpretations

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

IFRS/IAS		Accounting periods commencing on or after
IAS 8	Definition of Accounting Estimates	1 January 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024

Changes in significant accounting policies

No changes to significant accounting policies were implemented.

Group restatements

The Group has restated the Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity as a result of the reversal of an allocation of retained earnings to non-controlling interest. As a result of the reversal the following has been restated:

- Retained Earnings increased by £25.1m from £1,688.9m to £1,714.0m; and
- Non-controlling interest reduced by £25.1m from £55.1m to £30.0m.

3. Revenue

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

Type of contract/service	Year ended	Year ended
	31 March 2023	31 March 2022
	£m	£m
Management fees ¹	481.6	429.4
Other income	2.0	4.6
Fee and other operating income	483.6	434.0

1. Included within management fees is £22.4m (2022: £57.5m) of performance related fees.

Management fees

The Group earns management fees from its investment management services. Management fees are charged on third-party capital managed by the Group and are based on an agreed percentage of either committed capital, invested capital or NAV,

dependent on the fund. Management fees comprise both non-performance and performance-related fee elements related to one contract obligation. Non-performance-related management fees for the year of £459.2m (2022: £371.9m) are charged in arrears and are recognised in the period services are performed.

Performance-related management fees (performance fees) are recognised only to the extent it is highly probable that there will not be a significant reversal of the revenue recognised in the future. This is generally towards the end of the contract period or upon early liquidation of a fund. The estimate of performance fees is made with reference to the liquidation profile of the fund, which factors in portfolio exits and timeframes. For certain funds the estimate of performance fees is made with reference to specific requirements. A constraint is applied to the estimate to reflect uncertainty of future fund performance. Performance fees of £22.4m (2022: £57.5m) have been recognised in the year. Performance fees will only be crystallised and received in cash when the relevant fund performance hurdle is met.

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

Critical judgement

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

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

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

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

The weighted-average constraint at the reporting date is 43% (2022: 46%). If the average constraint were to increase by 10 percentage points to 53% (2022: 56%) this would result in a reduction in revenue of £1.13m (2022: £0.62m). Conversely, a 10% decrease in constraint would result in an increase in revenue of £1.13m (2022: £0.55m) being recognised in the income statement. In certain limited circumstances performance fees received may be subject to clawback provisions if the performance of the fund deteriorates materially following the receipt of performance fees.

4. Segmental reporting

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

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

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

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

The amounts reported for management purposes in the tables below are reconciled to the UK-adopted IAS reported amounts on the following pages.

	Year ended 31 March 2023			Year ended 31 March 2022		
	FMC	IC	Reportable segments Total	FMC	IC	Reportable segments Total
	£m	£m	£m	£m	£m	£m
External fee income	501.0	2.6	503.6	448.7	0.5	449.2
Inter-segmental fee	25.0	(25.0)	—	24.8	(24.8)	—
Other operating income	0.5	1.7	2.2	1.7	2.1	3.8
Fund management fee income	526.5	(20.7)	505.8	475.2	(22.2)	453.0
Net investment returns	—	102.3	102.3	—	485.7	485.7
Dividend income	40.2	—	40.2	38.0	—	38.0
Net fair value loss on derivatives	(26.8)	16.8	(10.0)	(0.4)	(11.8)	(12.2)
Total revenue	539.9	98.4	638.3	512.8	451.7	964.5
Interest income	—	13.9	13.9	—	—	—
Interest expense	(2.2)	(61.8)	(64.0)	(1.7)	(50.5)	(52.2)
Staff costs	(85.0)	(20.0)	(105.0)	(76.0)	(16.7)	(92.7)
Incentive scheme costs	(92.2)	(59.6)	(151.8)	(87.2)	(82.5)	(169.7)
Other administrative expenses	(49.8)	(23.5)	(73.3)	(61.7)	(19.4)	(81.1)
Profit before tax and discontinued operations	310.7	(52.6)	258.1	286.2	282.6	568.8

Reconciliation of APM amounts reported for management purposes to the financial statements reported under UK-adopted IAS

Included in the following tables are statutory adjustments made to the following:

- All income generated from the balance sheet investment portfolio is presented as net investment returns for reportable segments purposes, whereas under UK-adopted IAS it is presented within gains on investments and other operating income.
- The structured entities controlled by the Group are presented as fair value investments for reportable segments (APM), whereas the statutory financial statements present these entities on a consolidated basis under UK-adopted IAS. The impact of this consolidation on profit before tax is shown in the table on the following page.
- The warehouse funds, their investments and other current assets within controlled entities are presented as fair value investments for reportable segments (APM), whereas the statutory financial statement present these entities on a consolidated basis under UK-adopted IAS. The impact of this consolidation is disclosed within 'Gain/(loss) after tax from discontinued operations' on the following page with further detail in note 29.

Notes to the financial statements *continued*

4. Segmental reporting *continued*

Consolidated income statement

	Reportable segments £m	Consolidated entities £m	Financial statements £m
Year ended 31 March 2023			
Fund management fee income	503.6	(22.0)	481.6
Other operating income	2.2	(0.2)	2.0
Fee and other income	505.8	(22.2)	483.6
Dividend income	40.2	(40.2)	–
Net fair value loss on derivatives	(10.0)	(7.1)	(17.1)
Finance income/(loss)	30.2	(47.3)	(17.1)
Net investment returns/gains on investments	102.3	70.2	172.5
Total revenue	638.3	0.7	639.0
Other income	13.9	1.6	15.5
Finance costs	(64.0)	(0.6)	(64.6)
Staff costs	(105.0)	(0.1)	(105.1)
Incentive scheme costs	(151.8)	0.2	(151.6)
Other administrative expenses	(73.3)	(13.3)	(86.6)
Administrative expenses	(330.1)	(13.2)	(343.3)
Share of results of joint ventures accounted for using equity method	–	4.4	4.4
Profit before tax and discontinued operations	258.1	(7.1)	251.0
Tax charge	(28.8)	(0.6)	(29.4)
Profit after tax from discontinued operations	–	56.8	56.8
Profit after tax and discontinued operations	229.3	49.1	278.4

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

4. Segmental reporting *continued*

Consolidated statement of financial position

	2023		
	Reportable segments £m	Consolidated entities £m	Financial statements £m
Year ended 31 March 2023			
Non-current financial assets	2,642.2	4,402.8	7,045.0
Other non-current assets	158.4	6.0	164.4
Cash	550.0	407.5	957.5
Current financial assets	282.4	(264.1)	18.3
Other current assets	243.7	623.6	867.3
Total assets	3,876.7	5,175.8	9,052.5
Non-current financial liabilities	1,558.0	4,573.4	6,131.4
Other non-current liabilities	104.5	2.1	106.6
Current financial liabilities	79.1	—	79.1
Other current liabilities	157.7	532.5	690.2
Total liabilities	1,899.3	5,108.0	7,007.3
Equity	1,977.4	67.8	2,045.2
Total equity and liabilities	3,876.7	5,175.8	9,052.5

	2022		
	Reportable segments £m	Consolidated entities £m	Financial statements £m
Year ended 31 March 2022			
Non-current financial assets	2,728.4	4,246.0	6,974.4
Other non-current assets	193.3	4.0	197.3
Cash	761.5	230.3	991.8
Current financial assets	126.4	10.9	137.3
Other current assets	193.2	378.5	571.7
Total assets	4,002.8	4,869.7	8,872.5
Non-current financial liabilities	1,507.4	4,364.7	5,872.1
Other non-current liabilities	91.2	0.3	91.5
Current financial liabilities	256.4	104.6	361.0
Other current liabilities	152.8	393.3	546.1
Total liabilities	2,007.8	4,862.9	6,870.7
Equity	1,995.0	6.8	2,001.8
Total equity and liabilities	4,002.8	4,869.7	8,872.5

Notes to the financial statements *continued*

4. Segmental reporting *continued*

Consolidated statement of cash flows

	2023		
	Reportable segments	Consolidated structured entities	Financial Statements
	£m	£m	£m
Profit/(loss) before tax from continuing operations	258.1	(7.1)	251.0
Adjustments for non cash items:			
Fee and other operating (income)/expense	(505.8)	22.2	(483.6)
Net investment returns	(102.3)	(70.2)	(172.5)
Net fair value loss on derivatives	34.9	–	34.9
Impact of movement in foreign exchange rates	(24.9)	7.1	(17.8)
Interest income	(13.9)	(1.6)	(15.5)
Interest expense	64.0	0.6	64.6
Depreciation, amortisation and impairment of property, equipment and intangible assets	18.2	–	18.2
Share-based payment expense	39.5	–	39.5
Working capital changes:			
(Increase)/Decrease in trade receivables	(48.3)	36.3	(12.0)
Decrease in trade and other payables	(41.3)	(155.6)	(196.9)
Change in disposal groups held for sale	–	(8.8)	(8.8)
	(321.8)	(177.1)	(498.9)
Proceeds from sale of current financial assets and disposal groups held for sale	45.5	–	45.5
Purchase of current financial assets and disposal groups held for sale	(211.9)	–	(211.9)
Purchase of investments	(453.8)	(966.4)	(1,420.2)
Proceeds from sales and maturities of investments	689.4	1,032.8	1,722.2
Interest and dividend income received	106.8	256.0	362.8
Fee and other operating income received	573.3	14.6	587.9
Interest paid	(63.5)	(199.9)	(263.4)
Cash flow generated from/(used in) operations	363.9	(39.9)	324.0
Taxes paid	(32.4)	–	(32.4)
Net cash flows from/(used in) operating activities	331.5	(39.9)	291.6
Investing activities			
Purchase of intangible assets	(4.7)	–	(4.7)
Purchase of property, plant and equipment	(6.5)	–	(6.5)
Net cashflow from derivative financial instruments	(58.8)	–	(58.8)
Cashflow as a result of acquisition of subsidiaries	–	200.8	200.8
Net cash flows (used in)/from investing activities	(70.0)	200.8	130.8
Financing activities			
Purchase of Own Shares	(38.9)	–	(38.9)
Payment of principal portion of lease liabilities	(6.8)	–	(6.8)
Repayment of long-term borrowings	(194.6)	–	(194.6)
Dividends paid to equity holders of the parent	(236.4)	–	(236.4)
Net cash flows used in financing activities	(476.7)	–	(476.7)
Net (decrease)/increase in cash and cash equivalents	(215.2)	160.9	(54.3)
Effects of exchange rate differences on cash and cash equivalents	3.7	16.3	20.0
Cash and cash equivalents at 1 April	761.5	230.3	991.8
Cash and cash equivalents at 31 March	550.0	407.5	957.5

4. Segmental reporting *continued*

	2022		
	Reportable segments	Consolidated structured entities	Financial Statements
	£m	£m	£m
Profit/(loss) before tax from continuing operations	568.8	(3.4)	565.4
Adjustments for non cash items:			
Fee and other operating (income)/expense	(453.0)	19.0	(434.0)
Net investment returns	(485.7)	(69.8)	(555.5)
Net fair value loss/(gains) on derivatives	12.1	(4.8)	7.3
Impact of movement in foreign exchange rates	0.1	–	0.1
Interest expense	52.2	0.9	53.1
Depreciation, amortisation and impairment of property, equipment and intangible assets	19.5	–	19.5
Share-based payment expense	29.6	0	29.6
Working capital changes:			
Increase in trade receivables	(21.5)	(11.0)	(32.5)
Increase/(Decrease) in trade and other payables	35.5	(62.9)	(27.4)
	(242.4)	(132.0)	(374.4)
Proceeds from sale of current financial assets and disposal groups held for sale	185.2	–	185.2
Purchase of current financial assets and disposal groups held for sale	(204.0)	–	(204.0)
Purchase of investments	(748.3)	(2,784.5)	(3,532.8)
Proceeds from sales and maturities of investments	958.8	2,785.0	3,743.8
Interest and dividend income received	100.3	159.5	259.8
Fee and other operating income received	387.8	5.2	393.0
Interest paid	(55.7)	(127.6)	(183.3)
Cash flow generated from/(used in) operations	381.8	(94.5)	287.3
Taxes paid	(43.9)	–	(43.9)
Net cash flows from/(used in) operating activities	337.9	(94.5)	243.4
Investing activities			
Purchase of intangible assets	(4.3)	–	(4.3)
Purchase of property, plant and equipment	(3.5)	–	(3.5)
Net cashflow from derivative financial instruments	17.3	5.1	22.4
Cashflow as a result of acquisition of subsidiaries	1.6	29.3	30.9
Net cash flows from investing activities	11.1	34.4	45.5
Financing activities			
Purchase of Own Shares	(20.9)	–	(20.9)
Payment of principal portion of lease liabilities	(4.1)	–	(4.1)
Proceeds from borrowings	413.5	–	413.5
Repayment of long-term borrowings	(111.5)	–	(111.5)
Dividends paid to equity holders of the parent	(165.7)	–	(165.7)
Net cash flows from financing activities	111.3	–	111.3
Net increase/(decrease) in cash and cash equivalents	460.2	(60.0)	400.2
Effects of exchange rate differences on cash and cash equivalents	4.4	6.0	10.4
Cash and cash equivalents at 1 April	296.9	284.3	581.2
Cash and cash equivalents at 31 March	761.5	230.3	991.8

Notes to the financial statements *continued*

4. Segmental reporting *continued*

Geographical analysis of non-current financial assets at fair value

Asset Analysis by Geography	Year ended 31 March 2023	Year ended 31 March 2022
	£m	£m
Europe	3,730.3	3,613.8
Asia Pacific	247.2	244.0
North America	3,059.1	3,115.3
Total	7,036.6	6,973.1

Geographical analysis of Group revenue

Income Analysis by Geography	Year ended 31 March 2023	Year ended 31 March 2022
	£m	£m
Europe	415.3	693.3
Asia Pacific	58.6	84.0
North America	165.1	204.8
Total	639.0	982.1

5. Financial assets and liabilities

Accounting policy

Financial assets

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

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

Where the Group holds investments in a number of financial instruments such as debt and equity in a portfolio company, the Group views their entire investment as a unit of account for valuation purposes. Industry standard valuation guidelines such as the International Private Equity and Venture Capital ('IPEV') Valuation Guidelines - December 2022, allow for a level of aggregation where there are a number of financial instruments held within a portfolio company.

Recognition of financial assets

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

Derecognition of financial assets

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

Key sources of estimation uncertainty on financial assets

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction at the reporting date. The fair value of investments is based on quoted prices, where available. Where quoted prices are not available, the fair value is estimated in line with IFRS and industry standard valuation guidelines such as IPEV for direct investments in portfolio companies, and the Royal Institute of Chartered Surveyors Valuation – Global Standards 2020 for investment property. These valuation techniques can be subjective and include assumptions which are not supportable by observable data. Details of the valuation techniques and the associated sensitivities are further disclosed in this note on page 164.

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

5. Financial assets and liabilities *continued*

Fair value measurements recognised in the statement of financial position

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

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

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

Group	As at 31 March 2023				As at 31 March 2022			
	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	7.2	1.8	2,144.3	2,153.3	9.8	—	2,112.9	2,122.7
Investments in loans held within structured entities controlled by the Group	—	4,101.4	567.7	4,669.1	—	4,467.4	145.2	4,612.6
Derivative assets	—	22.0	—	22.0	—	138.6	—	138.6
Investment in private companies ²	—	—	100.4	100.4	—	—	122.7	122.7
Investment in public companies	5.1	—	—	5.1	0.4	—	—	0.4
Senior and subordinated notes of CLO vehicles	—	105.8	7.5	113.3	—	105.6	9.1	114.7
Disposal groups held for sale	—	—	163.2	163.2	12.7	—	89.2	101.9
Total assets	12.3	4,231.0	2,983.1	7,226.4	22.9	4,711.6	2,479.1	7,213.6
Financial Liabilities								
Liabilities of consolidated credit funds	—	(4,508.0)	(64.7)	(4,572.7)	—	(4,130.1)	(234.6)	(4,364.7)
Derivative liabilities	—	(15.7)	—	(15.7)	—	(156.3)	—	(156.3)
Disposal groups held for sale	—	—	—	—	—	—	(5.0)	(5.0)
Total liabilities	—	(4,523.7)	(64.7)	(4,588.4)	—	(4,286.4)	(239.6)	(4,526.0)

1. Level 3 Investments in or alongside managed funds includes £47.8m senior debt (2022: £41.1m), £1,319.8m subordinated debt and equity (2022: £1,487.7m), £284.5m of real estate assets (2022: £215.1m), and £492.2m private equity secondaries (2022: £369.0m).

2. Level 3 Investment in private companies includes £91.3m subordinated debt and equity (2022: £96.2m) and £9.1m of real estate assets (2022: £26.5m).

Notes to the financial statements *continued*

5. Financial assets and liabilities *continued*

Fair value hierarchy

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

Company	As at 31 March 2023				As at 31 March 2022			
	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	7.2	–	171.6	178.8	110.7	–	160.7	271.4
Derivative assets	–	22.0	–	22.0	–	40.0	–	40.0
Investment in private companies	–	–	86.1	86.1	12.7	–	158.9	171.6
Senior and subordinated notes of CLO vehicles	–	–	23.8	23.8	–	–	0.2	0.2
Total assets	7.2	22.0	281.5	310.7	123.4	40.0	319.8	483.2
Financial Liabilities								
Derivative liabilities	–	15.7	–	15.7	–	56.7	–	56.7
Total liabilities	–	15.7	–	15.7	–	56.7	–	56.7

Valuations

Valuation process

The Group Valuation Committee ('GVC') oversees the valuation processes and provides independent review of the methodologies, models and assumptions used to value the Level 3 assets and liabilities, in accordance with the principles and guidelines set out in the Group Valuation Policy, and to assess the reasonableness of the resulting fair value measurement. The GVC reviewed valuations on a quarterly basis and reports to the Audit Committee semi-annually. The GVC is independent of the boards of directors of the funds and no member of the GVC is a member of either the Group's investment teams or Investment Committees ('IC's').

Valuation methodologies are identified for each category of Level 3 assets, based on the specific characteristics of each asset and liability and considering factors such as the nature, complexity, and risk profile of the investment. Each asset is attributable to a fund or investment strategy managed by the Group.

The IC of that fund or strategy is responsible for the review, challenge, and approval of the related funds' valuations of the assets managed by that strategy investment team. Sources of the valuation include the ICG investment team, third-party valuation services and third-party fund administrators. The IC provides those valuations to the Group, as an investor in the fund assets.

The IC is also responsible for escalating significant events regarding the valuation to the Group (as an investor in the fund assets), e.g. change in valuation methodologies, potential impairment events, material judgements etc.

The table in page 164 outlines in more detail the range of valuation techniques, as well as the key unobservable inputs for each category of Level 3 assets and liabilities.

Investment in or alongside managed funds

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

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

5. Financial assets and liabilities *continued*

Investment in private companies

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

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

Investment in public companies

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

Investment in loans held in consolidated structured entities

The loan asset portfolios of the consolidated structured entities are valued using observable inputs such as recently executed transaction prices in securities of the issuer or comparable issuers and from independent loan pricing sources. To the extent that the significant inputs are observable the Group classifies these assets as Level 2 and other assets are classified as Level 3. Level 3 assets are valued using a discounted cashflow technique and the key inputs under this approach are detailed on page 164.

Derivative assets and liabilities

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

Senior and subordinated notes of CLO vehicles

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

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

Liabilities of consolidated credit funds

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

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

Real estate assets

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

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

Notes to the financial statements *continued*

5. Financial assets and liabilities *continued*

Reconciliation of Level 3 fair value measurements of financial assets

The following tables set out the movements in recurring financial assets valued using the Level 3 basis of measurement in aggregate. Within the income statement, realised gains and fair value movements are included within gains on investments, and foreign exchange gains/(losses) are included within finance costs. Transfers between levels are determined based on the year-end valuation and therefore take place at the end of the reporting period.

Group	Investment in or alongside managed funds £m	Investment in loans held in consolidated entities £m	Investment in private companies £m	Senior and subordinated notes of CLO vehicles £m	Disposal groups held for sale £m	Total £m
At 1 April 2022	2,112.9	145.2	122.7	9.1	89.2	2,479.1
Total gains or losses in the income statement						
- Net investment return ²	172.9	(9.6)	(21.2)	(1.3)	(7.1)	133.7
- Foreign exchange	67.4	15.5	13.2	0.5	5.8	102.4
Purchases	416.2	60.2	6.7	–	158.7	641.8
Exit proceeds	(625.1)	(100.7)	(21.0)	(0.8)	(23.8)	(771.4)
Transfer between levels ¹	–	457.1	–	–	(59.6)	397.5
At 31 March 2023	2,144.3	567.7	100.4	7.5	163.2	2,983.1

1. During the year certain assets in Investments in loans held in consolidated entities were reassessed as Level 3 (from Level 2) and these changes are reported as a transfer in the year. Transfers out of Disposal groups held for sale represented the re-designation of an asset as Investment Property (see note 29)
2. Included within net investment returns are £141.8m of unrealised gains (which includes accrued interest).

Group	Investment in or alongside managed funds £m	Investment in loans held in consolidated entities £m	Investment in private companies £m	Senior and subordinated notes of CLO vehicles £m	Disposal groups held for sale £m	Total £m
At 1 April 2021	1,802.1	168.6	234.6	27.2	57.4	2,289.9
Total gains or losses in the income statement						
- Net investment return ²	455.9	(10.8)	17.7	(5.2)	6.3	463.9
- Foreign exchange	2.7	–	4.5	0.5	0.7	8.4
Purchases	680.4	54.8	0.4	13.2	106.9	855.7
Exit proceeds	(824.2)	(37.6)	(134.5)	(26.6)	(82.1)	(1,105.0)
Transfer between levels	(4.0)	(29.8)	–	–	–	(33.8)
At 31 March 2022	2,112.9	145.2	122.7	9.1	89.2	2,479.1

1. During the year certain assets in Investments in or alongside managed fund and Investments in loans held in consolidated entities were reassessed from Level 3 and these changes are reported as a transfer in the year
2. Included within net investment returns are £439.7m of unrealised gains (which includes accrued interest)

5. Financial assets and liabilities *continued*

Company	Investment in or alongside managed funds	Investment in private companies	Senior and subordinated notes of CLO vehicles	Total
	£m	£m	£m	£m
At 1 April 2022	160.7	158.9	0.2	319.8
Total gains or losses in the income statement				
- Net investment return	3.1	10.1	(0.2)	13.0
- Foreign exchange	5.9	18.6	—	24.5
Purchases	49.8	120.9	23.8	194.5
Exit proceeds	(47.9)	(222.4)	—	(270.3)
At 31 March 2023	171.6	86.1	23.8	281.5

Company	Investment in or alongside managed funds	Investment in private companies	Senior and subordinated notes of CLO vehicles	Total
	£m	£m	£m	£m
At 1 April 2021	176.3	192.8	9.2	378.3
Total gains or losses in the income statement				
- Net investment return	7.6	32.0	(9.3)	30.4
- Foreign exchange	(15.3)	4.8	0.3	(10.2)
Purchases	22.2	60.9	—	83.1
Exit proceeds	(30.1)	(128.1)	—	(158.2)
Transfer between levels	—	(3.6)	—	(3.6)
At 31 March 2022	160.7	158.9	0.2	319.8

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

Reconciliation of Level 3 fair value measurements of financial liabilities

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

During the year ended 31 March 2023 changes in the fair value of the assets of consolidated credit funds resulted in a reduction in the fair value of the financial liabilities of those consolidated credit funds, reported as a 'fair value gain' in the table below.

Group	2023	2022
	Financial liabilities designated as FVTPL £m	Financial liabilities designated as FVTPL £m
At 1 April	239.6	268.2
Total gains or losses in the income statement		
- Fair value gains	(178.2)	(31.8)
- Foreign exchange losses	12.8	—
Purchases	23.8	25.9
Disposal groups held for sale	(5.0)	5.0
Transfer between levels	(28.3)	(27.7)
At 31 March	64.7	239.6

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

Notes to the financial statements *continued*

5. Financial assets and liabilities *continued*

Valuation inputs and sensitivity analysis

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

Group Assets	Fair Value	Fair Value	Primary Valuation Technique ¹	Key Unobservable Inputs	Range	Weighted Average/ Fair Value Inputs	Sensitivity/ Scenarios	Effect on Fair Value ⁴ 31 March 2023	
	As at 31 March 2023 £m	As at 31 March 2022 £m							£m
Corporate - subordinated debt and equity ²	1,574.4	1,598.4	Market comparable companies	Earnings multiple	5.0x – 29.0x	15.1x	'+10% Earnings multiple ² '-10% Earnings multiple ²	192.5 (192.7)	
				Discounted cash flow	Discount rate	7.5% - 26.4%			10.4%
				Earnings multiple	6.6x – 19.8x	12.4x			
Real Assets	293.6	316.3	Third-party valuation LTV-based impairment model	N/A	N/A	N/A	+10% Third- party valuation -10% Third- party valuation	29.4 (29.4)	
				N/A	N/A	N/A			
Private Equity Secondaries	492.1	369.0	Third-party valuation	N/A	N/A	N/A	+10% Third- party valuation -10% Third- party valuation	49.2 (49.2)	
Corporate - Senior debt	47.8	41.1	Discounted cash flow	Probability of default	2.0%-5.4%	2.4%	Upside case Downside case	0.1 (0.8)	
				Loss given default	25.4%	25.4%			
				Maturity of loan	3 years	3 years			
				Effective interest rate	8.7%-9.5%	8.7%			
Subordinated notes of CLO vehicles ³	7.5	9.1	Discounted cash flow	Discount rate	13.0% - 14.0%	13.5%	Upside case ³ Downside case ³	21.6 (23.0)	
				Default rate	3% - 4.5%	3.4%			
				Prepayment rate %	15% -20%	18.9%			
				Recovery rate %	75.0%	75.0%			
				Reinvestment price	99.5%	99.5%			
Investments in loans held in structured entities	567.7	145.2	Third-party valuation	N/A	N/A	N/A	+10% Third- party valuation -10% Third- party valuation	56.8 (56.8)	
Total assets	2,983.1	2,479.1							
Liabilities of consolidated credit funds	(64.7)	(234.6)	Third-party valuation	N/A	N/A	N/A	+10% Third- party valuation -10% Third- party valuation	(6.5) 6.5	
Disposal group held for sale	–	(5.0)							
Total liabilities	(64.7)	(239.6)							

1. Where the Group has co-invested with its managed funds, it is the type of the underlying investment, and the valuation techniques used for these underlying investments, that is set out here.

2. For investments valued using a DCF methodology (including Infrastructure investments) the imputed earnings multiple is used for this sensitivity analysis.

3. The sensitivity analysis is performed on the entire portfolio of subordinated notes of CLO vehicles that the Group has invested in with total value of £182.8m (2022: £174.2m). This value includes investments in CLOs that are not consolidated (2023: £7.5m (2022: £9.1m)) and investments in CLOs which are consolidated (2023: £175.3m (2022: £165.3m)). The upside case is based on the default rate being lowered to 2.5% p.a. for the next 24 months, keeping all other parameters consistent. The downside case is based on the default rate being increased over the next 24 months to 6.5% p.a., keeping all other parameters consistent.

4. The effect of fair value across the entire investment portfolio ranges from -£345.4m (downside case) to +£343.0m (upside case) (2022: -£281.0m (downside case) to +£279.3m (upside case)).

5. Financial assets and liabilities *continued*

Derivative financial instruments

Accounting policy

Derivative financial instruments for economic hedging

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

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

Group	2023			2022		
	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	121.6	7.5	(8.5)	306.1	28.4	(30.1)
Forward foreign exchange contracts (excl those held in consolidated credit funds)	1,365.1	14.5	(7.2)	1,113.6	4.7	(22.5)
Forward foreign exchange contracts held in consolidated credit funds	—	—	—	102.6	105.5	(103.7)
Total	1,486.7	22.0	(15.7)	1,522.3	138.6	(156.3)

Company	2023			2022		
	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	121.6	7.5	(8.5)	306.1	28.4	(30.1)
Forward foreign exchange contracts	1,365.1	14.5	(7.2)	1,580.3	11.7	(26.6)
Total	1,486.7	22.0	(15.7)	1,886.4	40.1	(56.7)

The Group holds £8.5m of cash pledged as collateral by its counterparties as at 31 March 2023. As at 31 March 2022 the value of cash held in margin accounts and therefore pledged as collateral by the Group was £27.0m. The counterparties were: Citigroup Global Markets Limited, Citibank NA, Lloyds Bank Corporate Markets Plc and ANZ. All the Credit Support Annexes that have been agreed with our counterparties are fully compliant with European Market Infrastructure Regulation 'EMIR'.

There was no change in fair value related to credit risk, in relation to derivatives as at 31 March 2023 (31 March 2022: £nil).

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

Notes to the financial statements *continued*

6. Cash and cash equivalents

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Cash and cash equivalents				
Cash at bank and in hand	957.5	991.8	409.8	707.1

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

The Group's cash and cash equivalents include £407.5m (2022 : £230.3m) of restricted cash, held principally by structured entities controlled by the Group. The Group does not have legal recourse to these balances as their sole purpose is to service the interests of the investors in these structured entities.

In the current year £5.5m cash and cash equivalents were included in disposal groups held for sale (2022: £11.1m) (note 29).

7. Financial liabilities

Accounting policy

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

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

Financial liabilities at FVTPL are initially recognised and subsequently measured at fair value on a recurring basis with gains or losses arising from changes in fair value and interest paid on the financial instruments recognised through gains on investments in the income statement. Interest paid on the financial instruments is included within net gains on investments.

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

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

Group	Interest rate %	Maturity	2023		2022	
			Current £m	Non-current £m	Current £m	Non-current £m
Liabilities held at amortised cost						
- Private placement	2.02% - 6.25%	2023 - 2029	56.8	604.8	39.2	617.2
- Listed notes and bonds	1.63% - 2.5%	2027 - 2030	2.5	874.9	162.9	836.8
- Unsecured bank debt ¹	SONIA +1.40%	2026	(0.8)	(1.5)	(1.0)	(1.7)
Total Liabilities held at amortised cost			58.5	1,478.2	201.1	1,452.3
Other financial liabilities²	2.85% - 7.09%	2023 - 2034	5.8	79.6	6.5	52.2
Liabilities held at FVTPL:						
- Derivative financial liabilities			14.8	0.9	153.4	2.9
- Structured entities controlled by the Group	0.6% - 9.93%	2030-2036	—	4,572.7	—	4,364.7
			79.1	6,131.4	361.0	5,872.1

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

Company	Interest rate %	Maturity	2023		2022	
			Current £m	Non-current £m	Current £m	Non-current £m
Liabilities held at amortised cost						
- Private placement	2.02% - 6.25%	2023 - 2029	56.8	604.8	39.2	617.2
- Listed notes and bonds	1.63% - 2.5%	2027 - 2030	2.5	874.9	162.9	836.8
- Unsecured bank debt ¹	SONIA +1.40%	2026	(0.8)	(1.5)	(1.0)	(1.7)
Total Liabilities held at amortised cost			58.5	1,478.2	201.1	1,452.3
Other financial liabilities²	2.85% - 7.09%	2023 - 2034	4.3	39.3	3.1	44.8
Liabilities held at FVTPL						
- Derivative financial liabilities			14.8	0.9	53.6	3.1
			77.6	1,518.4	257.8	1,500.2

1. Unsecured bank debt represents the value of associated fees which are amortised over the life of the facility.

2. Lease liabilities

Other financial liabilities are lease liabilities. Details of the cash outflows related to leases are in the Consolidated statement of cash flows, interest expenses associated with lease liabilities are in note 11, the Right of Use ('ROU') assets and the income from subleasing ROU assets are in note 18.

The fair value of the Listed notes and bonds, being the market price of the outstanding bonds, is £613.1m (2022: £956.4m). Private placements and unsecured bank debt is held at amortised cost which the Group has determined to be the fair value of these liabilities.

Movement in financial liabilities arising from financing activities

The following tables sets out the movements in total liabilities held at amortised cost arising from financing activities undertaken during the year.

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
At 1 April	1,712.1	1,380.1	1,701.3	1,369.8
Proceeds from borrowings	—	413.5	—	413.5
Repayment of long term borrowings	(194.6)	(111.5)	(194.6)	(111.5)
Payment of principal portion of lease liabilities	(6.8)	(4.1)	(4.1)	(3.6)
Establishment of lease liability	33.0	2.1	—	1.4
Net interest movement	1.0	6.2	0.3	5.9
Foreign exchange movement	77.4	25.8	77.4	25.8
At 31 March	1,622.1	1,712.1	1,580.3	1,701.3

8. Finance loss

Accounting policy

Changes in the fair value of derivatives used for economic hedging are recognised as finance income/loss (as appropriate) in the income statement as incurred.

	2023 £m	2022 £m
Fair value movements on derivatives	(17.1)	(7.4)
	(17.1)	(7.4)

Notes to the financial statements *continued*

9. Other income

Accounting policy

The Group earns interest on its bank deposits. These amounts are recognised as income on receipt.

	2023	2022
	£m	£m
Interest income on bank deposits	15.5	—
	15.5	—

10. Net gains on investments

Accounting policy

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

	2023	2022
	£m	£m
Financial assets		
Change in fair value of financial instruments designated at FVTPL	167.6	643.1
Financial liabilities		
Change in fair value of financial instruments designated at FVTPL	4.9	(87.6)
Net gains arising on investments	172.5	555.5

11. Finance costs

Accounting policy

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

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

	2023	2022
	£m	£m
Finance costs		
Interest expense recognised on financial liabilities held at amortised cost	57.3	45.4
Arrangement and commitment fees	4.7	5.7
Interest expense associated with lease obligations	2.6	2.0
	64.6	53.1

12. Administrative expenses

Further detail in respect of material administrative expenses reported on the income statement is set out below:

	2023 £m	2022 £m
Staff costs	256.7	262.1
Amortisation and depreciation	18.2	18.1
Operating lease expenses	2.8	3.8
Auditor's remuneration	2.3	2.1

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

	2023 £m	2022 £m
ICG Group		
Audit fees		
Group audit of the annual accounts	1.5	1.3
The audit of subsidiaries' annual accounts	0.4	0.5
Total audit fees	1.9	1.8
Non audit fees		
Non audit fees in capacity as auditor	0.3	0.2
Other non audit fees	0.1	—
Total non audit fees	0.4	0.2
Total auditor's remuneration incurred by the Group	2.3	2.0

Notes to the financial statements *continued*

13. Employees and Directors

Accounting policy

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

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

	2023	2022
	£m	£m
Directors' emoluments	4.9	4.8
Employee costs during the year including Directors:		
Wages and salaries	228.7	229.9
Social security costs	20.5	26.2
Pension costs	7.5	6.0
Total employee costs (note 12)	256.7	262.1
The monthly average number of employees (including Executive Directors) was:		
Investment Executives	268	244
Marketing and support functions	293	260
Executive Directors	3	3
	564	507

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

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

The performance related element included in employee costs is £151.6m (2022: £169.7m) which represents the annual bonus scheme, Omnibus Scheme, the Growth Incentive Scheme and the DVB Scheme. Please refer to the report of the Remuneration Committee on page 97.

In addition, during the year, third-party funds have paid £46.0m (2022: £62.0m) to former employees and £93.4m (2022: £123.2m) to current employees, including Executive Directors, relating to distributions from investments in carried interest partnerships made by these employees in prior periods. Such amounts become due over time if, and when, specified performance targets are ultimately realised in cash by the funds and paid by the carried interest partnerships ('CIPs') of the funds (see note 28). As these funds and CIPs are not consolidated, these amounts are not included in the Group's consolidated income statement.

14. Tax expense

Accounting policy

The tax expense comprises current and deferred tax.

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

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

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

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

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

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

	2023 £m	2022 £m
Current tax:		
Current year	16.9	37.5
Prior year adjustment	(9.7)	(3.5)
	7.2	34.0
Deferred tax:		
Current year	14.1	1.9
Prior year adjustments	8.1	(4.8)
	22.2	(2.9)
Tax on profit on ordinary activities	29.4	31.1

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

The effective tax rate reported by the Group for the period ended 31 March 2023 of 11.7% (2022: 5.5%) is lower than the statutory UK corporation tax rate of 19%.

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

Due to the application of tax law requiring a degree of judgement, the accounting thereon involves a level of estimation uncertainty which tax authorities may ultimately dispute. Tax liabilities are recognised based on the best estimates of probable outcomes and with regard to external advice where appropriate. The principal factors which may influence the Group's future tax rate are changes in tax legislation in the territories in which the Group operates, the relative mix of FMC and IC income, the mix of income and expenses earned and incurred by jurisdiction and the timing of recognition of available deferred tax assets and liabilities. The Group accounts for future legislative change, to the extent that is enacted at the reporting date, in its recognition of deferred tax.

Notes to the financial statements *continued*

14. Tax expense *continued*

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

	2023 £m	2022 £m
Profit on ordinary activities before tax	251.0	565.4
Tax at 19% thereon	47.7	107.4
Effects of		
Prior year adjustment to current tax	(9.6)	(3.5)
Prior year adjustment to deferred tax	8.1	(4.8)
	46.2	99.1
Non-taxable and non-deductible items	(0.3)	(2.5)
Non-taxable investment company income	(22.5)	(69.6)
Trading income generated by overseas subsidiaries subject to different tax rates	4.0	1.0
Effect of changes in statutory rate changes	2.0	6.4
Release of Luxembourg tax provision	—	(3.3)
Tax charge for the period	29.4	31.1

Deferred tax

Deferred tax (asset)/liability Group	Investments £m	Share based payments and compensation deductible as paid £m	Derivatives £m	Other temporary differences £m	Total £m
As at 31 March 2021	11.9	(24.8)	1.2	3.7	(8.0)
Prior year adjustment	5.1	(0.5)	—	(9.4)	(4.8)
Impact of changes to statutory tax rates	8.7	(3.7)	(0.2)	1.6	6.4
Charge / (Credit) to equity	—	1.4	—	—	1.4
Charge / (Credit) to income	10.4	(10.5)	(1.8)	(2.6)	(4.5)
Movement in Foreign Exchange on retranslation	—	—	—	(0.4)	(0.4)
As at 31 March 2022	36.1	(38.1)	(0.8)	(7.1)	(9.9)
Prior year adjustment	2.0	0.2	—	7.4	9.6
Impact of changes to statutory tax rates	0.3	(1.1)	0.4	1.0	0.6
Charge / (Credit) to equity	2.2	3.4	—	—	5.6
Charge / (Credit) to income	5.2	(0.7)	1.6	8.0	14.1
Movement in foreign exchange on retranslation	—	—	—	(0.4)	(0.4)
Reclassification to current tax	—	—	—	(1.7)	(1.7)
As at 31 March 2023	45.8	(36.3)	1.2	7.2	17.9

Deferred tax (asset)/liability Company	Investments £m	Share based payments and compensation deductible as paid £m	Derivatives £m	Other temporary differences £m	Total £m
As at 31 March 2021	7.1	(10.7)	1.2	—	(2.4)
Prior year adjustment	(0.1)	—	—	(1.6)	(1.7)
Impact of changes to statutory tax rates	2.1	(2.0)	(0.2)	(0.1)	(0.2)
Charge / (Credit) to income	(0.5)	4.5	(1.8)	1.2	3.4
As at 31 March 2022	8.6	(8.2)	(0.8)	(0.5)	(0.9)
Prior year adjustment	—	—	—	0.6	0.6
Impact of changes to statutory tax rates	0.2	(0.3)	0.4	0.5	0.8
Charge / (Credit) to income	(0.5)	0.2	1.6	1.1	2.4
As at 31 March 2023	8.3	(8.3)	1.2	1.7	2.9

14. Tax expense continued

During the year deferred tax assets that reversed, due to timing differences, were mainly due to the utilisation of tax losses and unpaid interest expense in the Group's US business. As set out in the table above in column 'Share based payments and compensation deductible as paid', deferred tax assets at the reporting date were solely due to employee remuneration schemes in the UK and US.

The Group has undertaken a review of the level of recognition of deferred tax assets and is satisfied they are recoverable and therefore have been recognised in full.

Deferred tax (assets)/liabilities have been accounted for at the applicable tax rates enacted or substantively enacted, in the relevant jurisdictions at the reporting date. There are no deferred tax assets recognised on the basis of losses.

In its March 2021 Budget, the UK Government announced that the UK rate of corporation tax would increase from 19% to 25% from 1 April 2023. This legislative change has been substantively enacted, and has been considered when calculating the closing deferred tax balances at the reporting date.

The OECD Pillar II proposals for a global minimum tax rate of 15% are due to be implemented from 1 April 2024 (financial year ending 31 March 2025). The Group has performed an impact analysis and does not expect the implementation to be significant. It is expected that the IASB will treat any impact as a 'permanent in-the-year' difference for financial year ending 31 March 2025 onwards.

15. Dividends

Accounting policy

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

	2023		2022	
	Per share pence	£m	Per share pence	£m
Ordinary dividends paid				
Final	57.3	164.4	39.0	112.1
Interim	25.3	72.0	18.7	53.6
	82.6	236.4	57.7	165.7
Proposed final dividend	52.2	148.8	57.3	162.0

Of the £236.4m (2022: £165.7m) of ordinary dividends paid during the year, £4.3m (2022: £6.0m) were reinvested under the dividend reinvestment plan offered to shareholders.

Notes to the financial statements *continued*

16. Earnings per share

	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Earnings		
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to equity holders of the Parent	280.6	526.8
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	285,613,961	286,759,806
Effect of dilutive potential ordinary share options	3,698,954	4,194,481
Weighted average number of ordinary shares for the purposes of diluted earnings per share	289,312,915	290,954,286
Earnings per share (pence)	98.2p	183.7p
Diluted earnings per share (pence)	97.0p	181.1p

17. Intangible assets

Accounting policy

Business combinations

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

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

Investment management contracts

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

Computer software

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

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

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

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

Impairment of non-financial assets and goodwill

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

17. Intangible assets continued

Group	Computer software		Goodwill ¹		Investment management contract		Total	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Cost								
At 1 April	20.5	20.8	4.3	4.3	26.3	25.5	51.1	50.6
Reclassified ²	–	–	–	–	–	(0.3)	–	(0.3)
Additions	4.7	3.4	–	2.5	–	1.1	4.7	7.0
Derecognised ³	(0.3)	(3.8)	–	(2.4)	(7.1)	–	(7.4)	(6.2)
Exchange differences	0.1	0.1	–	(0.1)	(0.1)	–	–	–
At 31 March	25.0	20.5	4.3	4.3	19.1	26.3	48.4	51.1
Amortisation								
At 1 April	12.4	10.1	–	–	21.6	19.0	34.0	29.1
Charge for the year	4.0	6.1	–	–	2.7	2.6	6.7	8.7
Derecognised	–	(3.8)	–	–	(7.2)	–	(7.2)	(3.8)
At 31 March	16.4	12.4	–	–	17.1	21.6	33.5	34.0
Net book value	8.6	8.1	4.3	4.3	2.0	4.7	14.9	17.1

1. Goodwill was acquired in the ICG-Longbow Real Estate Capital LLP business combination and represents a single cash generating unit. The recoverable amount of the real estate cash generating unit is based on fair value less costs to sell where the fair value equates to a multiple of adjusted net income, in line with the original consideration methodology. The significant headroom on the recoverable amount is not sensitive to any individual assumption.

2. During the prior year, the Group carried out a review of its intangible assets relating to investment management contracts. £0.3m was reclassified from intangible assets to financial assets.

3. Investment management contracts derecognised represented fully amortised balances.

Company	Computer software		Investment management contract		Total	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Cost						
At 1 April	20.4	20.8	19.9	19.9	40.3	40.7
Additions	3.6	3.4	–	–	3.6	3.4
Derecognised	(0.2)	(3.8)	(1.6)	–	(1.8)	(3.8)
At 31 March	23.8	20.4	18.3	19.9	42.1	40.3
Amortisation						
At 1 April	12.5	10.2	15.7	13.4	28.2	23.6
Charge for the year	4.0	6.1	2.3	2.3	6.3	8.4
Derecognised	–	(3.8)	(1.6)	–	(1.6)	(3.8)
At 31 March	16.5	12.5	16.4	15.7	32.9	28.2
Net book value	7.3	7.9	1.9	4.2	9.2	12.1

During the financial year ended 31 March 2023, the Group recognised an expense of £0.5m (2022: £0.6m) in respect of research and development expenditure.

Notes to the financial statements *continued*

18. Property, plant and equipment

Accounting policy

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

Group as a lessee

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

Short-term leases and leases of low value assets

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

	Furniture and equipment		ROU asset		Leasehold improvements		Total	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Group								
Cost								
At 1 April	4.5	3.8	67.7	73.0	11.3	10.6	83.5	87.4
Additions	3.1	0.6	33.8	2.4	3.4	0.7	40.3	3.7
Disposals	(0.4)	—	(11.7)	(7.7)	—	—	(12.1)	(7.7)
Exchange differences	0.3	0.1	0.2	—	—	—	0.5	0.1
At 31 March	7.5	4.5	90.0	67.7	14.7	11.3	112.2	83.5
Depreciation								
At 1 April	2.9	1.6	18.2	17.7	2.0	1.1	23.1	20.4
Charge for the year	1.4	1.2	9.1	7.3	1.0	0.9	11.5	9.4
Disposals	(0.1)	0.1	(10.5)	(6.8)	—	—	(10.6)	(6.7)
At 31 March	4.2	2.9	16.8	18.2	3.0	2.0	24.0	23.1
Net book value	3.3	1.6	73.2	49.5	11.7	9.3	88.2	60.4

	Furniture and equipment		ROU asset		Leasehold improvements		Total	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Company								
Cost								
At 1 April	2.8	2.6	50.1	50.9	9.5	8.9	62.4	62.4
Additions	0.3	0.2	—	1.3	0.4	0.6	0.7	2.1
Disposals	—	—	(2.6)	(2.1)	—	—	(2.6)	(2.1)
At 31 March	3.1	2.8	47.5	50.1	9.9	9.5	60.5	62.4
Depreciation								
At 1 April	1.6	0.6	9.8	5.2	1.1	0.3	12.5	6.1
Charge for the year	0.8	1.0	4.0	6.5	0.8	0.8	5.6	8.3
Disposals	—	—	(1.6)	(1.9)	—	—	(1.6)	(1.9)
At 31 March	2.4	1.6	12.2	9.8	1.9	1.1	16.5	12.5
Net book value	0.7	1.2	35.3	40.3	8.0	8.4	44.0	49.9

18. Property, plant and equipment *continued*

Group as Lessor

Accounting policy

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

The Group has entered into sub-lease agreements of certain office buildings (see note 18 above). These leases have terms of between two and five years. Rental income recognised by the Group during the year was £0.4m (2022: £0.3m). Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

Group	2023 £m	2022 ¹ £m
Within one year	0.4	0.4
After one year but not more than five years	0.8	1.1
At 31 March	1.2	1.5

1. The prior year figures have been re-presented to £0.4m receivable within one year, £1.1m receivable from one to five years.

19. Investment property

Accounting policy

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

Group	2023 £m	2022 £m
Investment property at fair value		
At 1 April	1.5	1.8
Fair value loss	(0.7)	(0.3)
At 31 March	0.8	1.5

During the year, the Group held £284.0m (2022: £59.3m) of investment property within disposal groups held for sale (see note 29).

Notes to the financial statements *continued*

20. Trade and other receivables

Accounting policy

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

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

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

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

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Trade and other receivables within structured entities controlled by the Group	43.7	125.3	—	—
Trade and other receivables excluding structured entities controlled by the Group	178.3	155.0	33.2	6.9
Amount owed by Group companies	—	—	169.2	199.4
Prepayments	10.0	2.8	8.1	4.9
Total current trade and other receivables	232.0	283.1	210.5	211.2
Non-current assets				
Trade and other receivables excluding structured entities controlled by the Group	37.1	91.1	7.6	7.4
Amounts owed by Group companies	—	—	758.7	566.7
Total non-current trade and other receivables	37.1	91.1	766.3	574.1

Non-current trade and other receivables excluding structured entities controlled by the Group comprises performance-related fees (see note 3).

21. Trade and other payables

Accounting policy

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

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

Key sources of estimation uncertainty on trade and other payables excluding structured entities controlled by the Group.

Payables related to the DVB scheme (see note 13) are critical estimates based on the expected realisation proceeds; expected timing of realisations; and allocations of DVB to executives.

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Trade and other payables within structured entities controlled by the Group	328.1	293.4	—	—
Trade and other payables excluding structured entities controlled by the Group	140.2	138.7	121.2	114.2
Amounts owed to Group companies	—	—	1,035.0	1,038.6
Social security tax	3.1	2.3	2.5	2.7
Total current trade and other payables	471.4	434.4	1,158.7	1,155.5
Non-current liabilities				
Trade and other payables excluding structured entities controlled by the Group	71.1	76.4	71.3	76.4
Total non-current trade and other payables	71.1	76.4	71.3	76.4

Current trade and other payables excluding structured entities controlled by the Group includes £31.4m (2022: £69.4m) in respect of DVB, (see note 13) and non-current Trade and other payables excluding structured entities controlled by the Group is entirely comprised of amounts payable in respect of DVB (2022: all DVB).

22. Financial risk management

The Group has identified financial risk, comprising market and liquidity risk, as a principal risk. Further details are set out on page 69. The Group has exposure to market risk (including exposure to interest rates and foreign currency), liquidity risk and credit risk arising from financial instruments.

Interest rate risk

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

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

The sensitivity of floating rate financial assets to a 100 basis points interest rate increase is £56.5m (2022: £55.5m) and to a decrease is £(56.5)m (2022: £(55.5)m). The sensitivity of financial liabilities to a 100 basis point interest rate increase is £47.1m (2022: £46.0m) and to a decrease is £(47.1)m (2022: £(46.0)m). These amounts would be reported within Net gains on investments. There is an indirect exposure to interest rate risk through the impact on the performance of the portfolio companies of the funds that the Group has invested in, and therefore the fair valuations. There is no interest rate risk exposure on fixed rate financial assets or liabilities.

Notes to the financial statements *continued*

22. Financial risk management *continued*

Exposure to interest rate risk

Group	2023			2022		
	Floating £m	Fixed £m	Total £m	Floating ¹ £m	Fixed ¹ £m	Total £m
Financial assets (excl investments in loans held in consolidated entities)	744.4	3,049.1	3,793.5	995.2	2,719.1	3,714.3
Investments in loans held in consolidated entities	4,901.1	253.9	5,155.0	4,599.7	479.5	5,079.2
Financial liabilities (excl borrowings and loans held in consolidated entities)	—	(1,929.2)	(1,929.2)	—	(1,892.1)	(1,892.1)
Borrowings and loans held in consolidated entities	(4,706.6)	(371.5)	(5,078.1)	(4,604.1)	(374.5)	(4,978.6)
	938.9	1,002.3	1,941.2	990.8	932.0	1,922.8

1. The prior year has been re-presented, the Group previously reported £889.6m of floating rate financial assets and £2,824.7m of fixed rate financial assets, an increase of £105.6m and a decrease of £105.6m respectively.

Foreign exchange risk

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

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

The Group is also exposed to currency risk arising on the translation of fund management fee income receipts, which are primarily denominated in euro and US dollar.

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

Market risk - Foreign exchange risk	2023				
	Net statement of financial Position exposure £m	Forward exchange contracts £m	Net exposure £m	Sensitivity to strengthening %	Increase in net assets £m
Sterling	726.8	772.7	1,499.5	—	—
Euro	552.0	(259.3)	292.7	15 %	43.9
US dollar	564.5	(324.9)	239.6	20 %	47.9
Other currencies	195.6	(182.2)	13.4	10-25%	—
	2,038.9	6.3	2,045.2	—	91.8

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

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

22. Financial risk management *continued*

Liquidity risk

The Group makes commitments to its managed funds in advance of that capital being invested. These commitments are typically drawn over a five-year investment period (see note 26 for outstanding commitments). Funds typically have a 10-year contractual life. The Group manages its liquidity risk by maintaining headroom on its financing facilities, particularly its bank facilities.

The table below shows the liquidity profile of the Group's financial liabilities, based on contractual repayment dates of principal and interest payments. Future interest and principal cash flows have been calculated based on exchange rates and floating rate interest rates as at 31 March 2023. It is assumed that Group borrowings under its senior debt facilities remain at the same level as at 31 March 2023 until contractual maturity. Included in financial liabilities are contractual interest payments. All financial liabilities, excluding structured entities controlled by the Group, are held by the Company.

Liquidity profile

	Contractual maturity analysis				Total £m
	Less than one year £m	One to two years £m	Two to five years £m	More than five years £m	
As at 31 March 2023					
Financial liabilities					
Private placements	78.2	273.5	282.2	106.7	740.6
Listed notes and bonds	18.1	18.1	486.8	461.5	984.5
Debt issued by controlled structured entities	176.3	204.6	2,430.4	3,748.0	6,559.3
Derivative financial instruments	(1.6)	(3.1)	(4.4)	0.0	(9.1)
Other financial liabilities	8.5	11.3	32.0	46.1	97.9
	279.5	504.4	3,227.0	4,362.3	8,373.2

Other financial liabilities are lease liabilities.

As at 31 March 2023 the Group has liquidity of £1,099.9m (2022: £1,311.5m) which consists of undrawn debt facility of £550m (2022: £550m) and £549.9m (2022: £761.5m) of unencumbered cash. Unencumbered cash excludes £407.6m (2022: £230.3m) of restricted cash held principally by structured entities controlled by the Group.

	Contractual maturity analysis				Total £m
	Less than one year £m	One to two years £m	Two to five years £m	More than five years £m	
As at 31 March 2022					
Financial liabilities					
Private placements	59.1	76.1	519.2	105.3	759.8
Listed notes and bonds	185.4	17.4	473.1	452.6	1,128.4
Debt issued by controlled structured entities	499.9	79.7	239.2	4,656.5	5,475.3
Derivative financial instruments	22.1	(2.5)	(4.7)	0.0	14.9
Other financial liabilities ¹	8.4	7.8	21.4	28.9	66.5
	774.9	178.5	1,248.2	5,243.3	7,445.0

1. Disclosure now includes liquidity profile of Other Financial Liabilities and the prior year has been re-presented accordingly.

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

Credit risk

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

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

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

Notes to the financial statements *continued*

22. Financial risk management *continued*

Exposure to credit risk

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Investment in private companies	267.3	225.0	86.1	171.6
Investment in managed funds	2,153.4	2,122.7	178.8	271.4
Senior and subordinated notes of CLO vehicles	113.3	114.7	23.8	0.2
Investments in loans held within consolidated entities	4,669.1	4,612.6	—	—
Derivatives assets	22.0	138.6	22.0	40.0
Investment in joint venture	5.8	2.2	—	—
	7,230.9	7,215.8	310.7	483.2

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

The Group is exposed to credit risk as a result of financing guarantees provided. The maximum exposure to guarantees is £7.9m (2022: £7.4m). No liability has been recognised in respect of these guarantees.

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

The Group's investments in CLOs and loans held within structured entities controlled by the Group principally comprise senior loans. The Group's exposure to the credit risk of this collateral, in these consolidated entities, is limited to its investment into these entities, which at 31 March 2023 was £339.4m (2022: £426.0m).

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

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

Capital management

Managing capital is the ongoing process of determining and maintaining the quantity and quality of capital appropriate for the Group and ensuring capital is deployed in a manner consistent with the expectations of our stakeholders. The primary objectives of the Group's capital management are (i) align the Group's interests with its clients, (ii) grow third-party fee income in the FMC and (iii) maintain robust capitalisation, including ensuring that the Group complies with externally imposed capital requirements by the Financial Conduct Authority (the FCA). The Group's strategy has remained unchanged from the year ended 31 March 2022.

(i) Regulatory capital requirements

The Group is required to hold capital resources to cover its regulatory capital requirements. The Group's capital for regulatory purposes comprises the capital and reserves of the Company, comprising called up share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity (see page 146). The full Pillar 3 disclosures are available on the Group's website: www.icgam.com.

(ii) Capital and risk management policies

The formal procedures for identifying and assessing risks that could affect the capital position of the Group are described in the Strategic Report on page 66. The capital structure of the Group under UK-adopted IAS consists of cash and cash equivalents, £957.5m (2022: £991.8m) (see note 6); debt, which includes borrowings, £1,536.7m, (2022: £1,653.4m) (see note 7) and the capital and reserves of the Company, comprising called up share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity, £825.8m (2022 : £943.9m). Details of the Reportable segment capital structure are set out in note 4.

23. Called up share capital and share premium

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

Under the Company's Articles of Association, any share in the Company may be issued with such rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise as the Company may from time to time by ordinary resolution determine or, in the absence of any such determination, as the Board may determine. All shares currently in issue are ordinary shares of 26¼p each carrying equal rights. The Articles of Association of the Company cannot be amended without shareholder approval.

The Directors may refuse to register any transfer of any share which is not a fully paid share, although such discretion may not be exercised in a way which the Financial Conduct Authority regards as preventing dealings in the shares of the relevant class or classes from taking place on an open and proper basis. The Directors may likewise refuse to register any transfer of a share in favour of more than four persons jointly.

The Company is not aware of any other restrictions on the transfer of ordinary shares in the Company other than:

- Certain restrictions that may from time to time be imposed by laws and regulations (for example, insider trading laws or the UK Takeover Code)
- Pursuant to the Listing Rules of the Financial Conduct Authority whereby certain employees of the Company require approval of the Company to deal in the Company's shares

The Company has the authority limited by shareholder resolution to issue, buy back, or cancel ordinary shares in issue (including those held in trust, described below). New shares are issued when share options are exercised by employees. The Company has 294,332,182 authorised shares (2022: 294,285,804)

Group and Company	Number of ordinary shares of 26¼p allotted, called up and fully paid	Share Capital £m	Share Premium £m
1 April 2022	294,285,804	77.3	180.3
Shares issued	46,378.0	—	0.6
31 March 2023	294,332,182	77.3	180.9

Group and Company	Number of ordinary shares of 26¼p allotted, called up and fully paid	Share Capital £m	Share Premium £m
1 April 2021	294,276,532	77.2	180.2
Shares issued	9,272	0.1	0.1
31 March 2022	294,285,804	77.3	180.3

Notes to the financial statements *continued*

24. Own shares reserve

Accounting policy

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

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

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

The movement in the year is as follows:

	2023 £m	2022 £m	2023 Number	2022 Number
1 April	93.0	82.2	7,734,849	8,389,246
Purchased (ordinary shares of 26¼p)	38.9	20.9	3,000,000	1,000,000
Options/awards exercised	(28.5)	(10.1)	(1,484,954)	(1,654,397)
As at 31 March	103.4	93.0	9,249,895	7,734,849

Of the total shares held by the Group, 3,733,333 shares were held by the Company in the Own Share Reserve at 31 March 2023 and 31 March 2022 at a cost of £21.3m. These shares were purchased through a share buy back programme in prior years.

The number of shares held by the Group at the balance sheet date represented 3.1% (2022: 2.6%) of the Parent Company's allotted, called up and fully paid share capital.

25. Share-based payments

Accounting policy

The Group issues compensation to its employees under both equity-settled and cash-settled share-based payment plans.

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

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

The total charge to the income statement for the year was £39.5m (2022: £29.6m) and this was credited to the share-based payments reserve. Details of the different types of awards are as follows:

Intermediate Capital Group plc Omnibus Plan

The Omnibus Plan provides for three different award types: Deferred Share Awards, PLC Equity Awards and Special Recognition Awards.

Deferred Share Awards

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

PLC Equity Awards

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

25. Share-based payments *continued*

Special Recognition Awards

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

Share awards outstanding under the Omnibus Plan were as follows:

	Number		Weighted average fair value	
	2023	2022	2023	2022
Deferred share awards				
Outstanding at 1 April	2,470,280	2,958,483	16.52	12.47
Granted	1,811,061	1,048,813	14.27	21.63
Vested	(1,316,825)	(1,537,016)	15.00	12.21
Outstanding as at 31 March	2,964,516	2,470,280	15.75	16.52
	Number		Weighted average fair value	
	2023	2022	2023	2022
PLC Equity awards				
Outstanding at 1 April	2,139,210	2,680,734	10.33	10.22
Granted	777,577	374,477	14.27	21.63
Vested	(774,535)	(916,001)	9.84	8.12
Outstanding as at 31 March	2,142,252	2,139,210	12.21	10.33
	Number		Weighted average fair value	
	2023	2022	2023	2022
Special Recognition Awards				
Outstanding as at 1 April	–	–	0.00	–
Granted	46,154	–	14.27	–
Vesting	–	–	0.00	–
Outstanding as at 31 March	46,154	–	14.27	–

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

Intermediate Capital Group plc Buy Out Awards

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

Buy Out Awards outstanding were as follows:

	Number		Weighted average fair value	
	2023	2022	2023	2022
Buy Out Awards				
Outstanding as at 1 April	155,940	245,423	12.85	12.06
Granted	1,294,801	33,965	12.68	13.85
Vesting	(366,768)	(123,448)	13.35	10.67
Outstanding as at 31 March	1,083,973	155,940	12.96	12.85

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

Notes to the financial statements *continued*

25. Share-based payments *continued*

Save As You Earn

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

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

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share awards and options at grant date, which is remeasured at each reporting date. The total amount to be expensed during the year is £210,031 (2022: £187,660).

Save As You Earn	Number		Weighted average fair value	
	2023	2022	2023	2022
Outstanding as at 1 April	199,737	137,395	4.54	3.19
Granted	–	96,136	–	5.95
Vesting	(46,378)	(9,272)	3.26	2.27
Forfeited	(49,541)	(24,522)	4.30	3.35
Outstanding as at 31 March	103,818	199,737	5.00	4.54

Growth Incentive Award

The Growth Incentive Award ('GIA') is a market-value share option. Grants of options are made following the end of the financial year to reward employees for performance and to enhance alignment of interests. The GIA is a right to acquire shares during the exercise period (seven years following the vesting date) for a price equal to the market value of those shares on the grant date. These options vest at the end of the third year following the year of grant, unless the individual leaves for cause or to join a competitor. Awards are based on performance against the individual's objectives..

Growth Incentive Award	Number		Weighted average fair value	
	2023	2022	2023	2022
Outstanding as at 1 April	–	–	–	–
Granted	463,000	–	3.13	–
Vesting	–	–	–	–
Forfeited	–	–	–	–
Outstanding as at 31 March	463,000	–	3.13	–

26. Financial commitments

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

	2023 £m	2022 £m
ICG Europe Fund V	29.9	27.8
ICG Europe Fund VI	82.0	95.5
ICG Europe Fund VII	111.7	44.8
ICG Europe Fund VIII	185.5	191.6
ICG Mid-Market Fund	25.1	34.6
Intermediate Capital Asia Pacific Fund III	45.4	42.6
ICG Asia Pacific Fund IV	93.5	31.2
Nomura ICG Investment Business Limited Partnership A	—	18.8
ICG Strategic Secondaries Fund II	33.1	12.9
ICG Strategic Equity Fund III	72.3	28.2
ICG Strategic Equity Fund IV	38.8	91.3
ICG Recovery Fund II	34.3	58.4
LP Secondaries	47.4	—
ICG Senior Debt Partners II	3.8	5.4
ICG Senior Debt Partners III	5.8	5.5
ICG Senior Debt Partners IV	7.3	15.3
Senior Debt Partners V	42.3	—
ICG North American Private Debt Fund	27.5	30.4
ICG North American Private Debt Fund II	27.9	46.3
ICG North American Credit Partners III	38.1	—
ICG-Longbow UK Real Estate Debt Investments V	0.2	6.0
ICG-Longbow UK Real Estate Debt Investments VI	13.9	6.0
ICG-Longbow Development Fund	6.8	4.6
ICG Infrastructure Equity Fund I	59.8	128.8
ICG Living	21.8	—
ICG Private Markets Pooling - Sale and Leaseback	35.9	22.7
ICG Sale & Leaseback II	17.0	—
	1,107.1	948.7

Notes to the financial statements *continued*

27. Related party transactions

Subsidiaries

The Group is not deemed to be controlled or jointly controlled by any party directly or through intermediaries. The Group consists of the Parent Company, Intermediate Capital Group plc, incorporated in the UK, and its subsidiaries listed in note 28. All entities meeting the definition of a controlled entity as set out in IFRS 10 are consolidated within the results of the Group. All transactions between the Parent Company and its subsidiary undertakings are classified as related party transactions for the Parent Company financial statements and are eliminated on consolidation. Significant transactions with subsidiary undertakings relate to dividends received, the aggregate amount received during the year is £386.6m (2022: £163.0m) and recharge of costs to a subsidiary of £168.5m (2022: £166.7m)

Associates and joint ventures

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

	2023 £m	2022 £m
Income statement		
Net losses on investments	(17.2)	(15.8)
	(17.2)	(15.8)

	2023 £m	2022 £m
Statement of financial position		
Trade and other receivables	66.8	119.5
Trade and other payables	(52.3)	(60.4)
	14.5	59.1

Unconsolidated structured entities

The Group has determined that, where the Group holds an investment, loan, fee receivable, guarantee or commitment with an investment fund, carried interest partnership or CLO, this represents an interest in a structured entity in accordance with IFRS 12 Disclosure of Interest in Other Entities (see note 31). The Group provides investment management services and receives management fees (including performance-related fees) and dividend income from these structured entities, which are related parties. Amounts receivable and payable from these structured entities arising in the normal course of business remain outstanding. At 31 March 2023, the Group's interest in and exposure to unconsolidated structured entities are as follows:

	2023 £m	2022 £m
Income statement		
Management fees	473.5	382.2
Performance fees	19.4	55.4
Dividend income	0.1	3.4
	493.0	441.0

	2023 £m	2022 £m
Statement of financial position		
Performance fees receivable	37.5	91.0
Trade and other receivables	781.9	680.6
Trade and other payables	(718.3)	(621.1)
	101.1	150.5

27. Related party transactions *continued*

Key management personnel

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

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

	2023	2022
	£m	£m
Short-term employee benefits	3.7	3.5
Post-employment benefits	0.1	0.1
Other long-term benefits	0.9	1.5
Share-based payment benefits	7.0	6.9
	11.7	12.0

Fees paid to Non-Executive Directors were as follows:

	2023	2022
	£000	£000
Andrew Sykes	290.5	132.3
Amy Schioldager	125.0	121.6
Kathryn Purves	134.5	113.8
Lord Davies of Abersoch	—	302.9
Matthew Lester	116.5	101.1
Rosemary Leith	113.9	101.1
Rusty Nelligan	108.5	113.8
Stephen Welton	90.5	88.8
Virginia Holmes	120.5	113.8
William Rucker	63.9	—

The remuneration of Directors and key executives and Non-Executive Directors is determined by the Remuneration Committee having regard to the performance of individuals and market rates. The Remuneration Policy is described in more detail in the Remuneration Committee Report on page 97.

Notes to the financial statements *continued*

28. Subsidiaries

Accounting policy

Investment in subsidiaries

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

Critical judgement

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

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

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

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

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

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

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

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

The registered office of all related undertakings at 31 March 2023 was Procession House, 55 Ludgate Hill, New Bridge Street, London EC4M 7JW, unless otherwise stated.

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

All entities are consolidated as at 31 March.

28. Subsidiaries *continued*

Directly held subsidiaries

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
ICG Carbon Funding Limited		England & Wales	Investment company	Ordinary shares	100 %
ICG Debt Advisors (Cayman) Ltd	4	Cayman Islands	Advisory company	Ordinary shares	100 %
ICG FMC Limited		England & Wales	Holding company	Ordinary shares	100 %
ICG Global Investment UK Limited		England & Wales	Holding company	Ordinary shares	100 %
ICG IC Holdco Limited		England & Wales	Holding company	Ordinary shares	100 %
ICG Japan (Funding 2) Limited		England & Wales	Holding company	Ordinary shares	100 %
ICG Longbow Development (Brighton) Limited		England & Wales	Holding company	Ordinary shares	100 %
ICG Longbow Richmond Limited		England & Wales	Holding company	Ordinary shares	100 %
ICG Longbow Senior Debt I GP Limited		England & Wales	General partner	Ordinary shares	100 %
ICG Re Holding (Germany) GmbH	11	Germany	Special purpose vehicle	Ordinary shares	100 %
ICG Watch Jersey GP Limited	19	Jersey	General partner	Ordinary shares	100 %
ICG-Longbow BTR Limited		England & Wales	Holding company	Ordinary shares	100 %
Intermediate Capital Group Espana SL	33	Spain	Advisory company	Ordinary shares	100 %
Intermediate Capital Investments Limited		England & Wales	Investment company	Ordinary shares	100 %
Intermediate Capital Nominees Limited		England & Wales	Nominee company	Ordinary shares	100 %
Intermediate Investments Jersey Limited	19	Jersey	Investment company	Ordinary shares	100 %
LREC Partners Investments No. 2 Limited		England & Wales	Investment company	Ordinary shares	54.8 %

Notes to the financial statements *continued*

28. Subsidiaries *continued*

Indirectly held subsidiaries

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
Avanton Richmond Developments Limited	7	England and Wales	Special purpose vehicle	Ordinary shares	70 %
ICG - Longbow Fund V GP S.à r.l.	26	Luxembourg	General Partner	Ordinary shares	100 %
ICG (DIFC) Limited	35	United Arab Emirates	Service company	Ordinary shares	100 %
ICG Alternative Credit (Cayman) GP Limited	5	Cayman Islands	General Partner	Ordinary shares	100 %
ICG Alternative Credit (Jersey) GP Limited	19	Jersey	General Partner	Ordinary shares	100 %
ICG Alternative Credit (Luxembourg) GP S.A.	25	Luxembourg	General Partner	Ordinary shares	100 %
ICG Alternative Credit LLC	38	United States	Advisory company	Ordinary shares	100 %
ICG Alternative Credit Warehouse Fund I GP, LLC	38	United States	General Partner	Ordinary shares	100 %
ICG Alternative Investment (Netherlands) B.V.	30	Netherlands	Advisory company	Ordinary shares	100 %
ICG Alternative Investment Limited		England and Wales	Advisory company	Ordinary shares	100 %
ICG Asia Pacific Fund III GP Limited	19	Jersey	General Partner	Ordinary shares	100 %
ICG Asia Pacific Fund III GP LP	19	Jersey	Limited Partner	N/A	– %
ICG Asia Pacific Fund IV GP LP SCSp	27	Luxembourg	Limited Partner	N/A	– %
ICG Asia Pacific Fund IV GP S.à r.l.	27	Luxembourg	General Partner	Ordinary shares	100 %
ICG Augusta Associates LLC	37	United States	General Partner	Ordinary shares	100 %
ICG Augusta GP LP	5	Cayman Islands	Limited Partner	N/A	– %
ICG Australian Senior Debt GP Limited	5	Cayman Islands	General Partner	Ordinary shares	100 %
ICG Centre Street Partnership GP Limited	18	Jersey	General Partner	Ordinary shares	100 %
ICG Debt Administration LLC	38	United States	Service company	Ordinary shares	100 %
ICG Debt Advisors LLC – Holdings Series	38	United States	Investment company	Ordinary shares	100 %
ICG Debt Advisors LLC - Manager Series	38	United States	Advisory company	Ordinary shares	100 %
ICG EFV MLP GP LIMITED		England and Wales	General Partner	Ordinary shares	100 %
ICG EFV MLP Limited	18	Jersey	General Partner	Ordinary shares	100 %
ICG Employee Benefit Trust 2015	12	Guernsey	N/A	Ordinary shares	100 %
ICG Enterprise Carry GP Limited	19	Jersey	General Partner	Ordinary shares	100 %
ICG Enterprise Co-Investment GP Limited		England and Wales	General Partner	Ordinary shares	100 %
ICG Europe Fund V GP Limited	18	Jersey	General Partner	Ordinary shares	100 %
ICG Europe Fund V GP LP	18	Jersey	Limited Partner	N/A	– %
ICG Europe Fund VI GP Limited	18	Jersey	General Partner	Ordinary shares	100 %
ICG Europe Fund VI GP Limited Partnership	18	Jersey	Limited Partner	N/A	– %
ICG Europe Fund VI Lux GP S.à r.l.	20	Luxembourg	General Partner	Ordinary shares	100 %
ICG Europe Fund VII GP LP SCSp	28	Luxembourg	Limited Partner	N/A	– %
ICG Europe Fund VII GP S.à r.l.	28	Luxembourg	General Partner	Ordinary shares	100 %
ICG Europe Fund VIII GP LP SCSp	29	Luxembourg	Limited Partner	N/A	– %
ICG Europe Fund VIII GP S.à r.l.	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG Europe Mid-Market Fund GP LP SCSp	28	Luxembourg	Limited Partner	N/A	– %
ICG Europe Mid-Market Fund GP S.à r.l.	28	Luxembourg	General Partner	Ordinary shares	100 %
ICG Europe Mid-Market Fund II GP S.à r.l.	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG Europe S.à r.l.	23	Luxembourg	Advisory company	Ordinary shares	100 %
ICG European Credit Mandate GP LP SCSp	28	Luxembourg	Limited Partner	N/A	– %
ICG European Credit Mandate GP S.à r.l.	28	Luxembourg	General Partner	Ordinary shares	100 %
ICG European Fund 2006 B GP Limited	19	Jersey	General Partner	Ordinary shares	100 %
ICG EXCELSIOR GP LP SCSp	29	Luxembourg	Limited Partner	N/A	– %
ICG Excelsior GP S.à r.l.	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG Executive Financing Limited	19	Jersey	Service company	Ordinary shares	100 %
ICG Fund Advisors LLC	38	United States	Advisory company	Ordinary shares	100 %

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
ICG Global Investment Jersey Limited	18	Jersey	Investment company	Ordinary shares	100 %
ICG Global Nominee Jersey 2 Limited	18	Jersey	Special purpose vehicle	Ordinary shares	100 %
ICG Global Nominee Jersey Limited	18	Jersey	Special purpose vehicle	Ordinary shares	100 %
ICG Infrastructure Equity Fund I GP LP SCSp	29	Luxembourg	Limited Partner	N/A	— %
ICG Infrastructure Equity Fund I GP S.a.r.l	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG Infrastructure Fund II GP S.à r.l	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG Japan Cayman Performance GP Limited	5	Cayman Islands	General Partner	Ordinary shares	100 %
ICG Japan KK	16	Japan	Advisory company	Ordinary shares	100 %
ICG Life Sciences GP LP SCSp	27	Luxembourg	Limited Partner	N/A	— %
ICG Life Sciences GP S.à r.l.	27	Luxembourg	General Partner	Ordinary shares	100 %
ICG Living GP S.a r.l.	22	Luxembourg	General Partner	Ordinary shares	100 %
ICG Longbow Development Debt Limited		England and Wales	Investment company	Ordinary shares	100 %
ICG LP Secondaries Associates I LLC	37	United States	General Partner	Ordinary shares	100 %
ICG LP Secondaries Fund Associates I S.a. r.l.	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG LP Secondaries I GP LP SCSp	29	Luxembourg	Limited Partner	N/A	— %
ICG MF 2003 No. 3 EGP 1 Limited		England and Wales	General Partner	Ordinary shares	100 %
ICG MF 2003 No.1 EGP 1 Limited		England and Wales	General Partner	Ordinary shares	100 %
ICG MF 2003 No.1 EGP 2 Limited		England and Wales	General Partner	Ordinary shares	100 %
ICG MF 2003 No.3 EGP 2 Limited		England and Wales	General Partner	Ordinary shares	100 %
ICG NA Debt Co-Invest Limited		England and Wales	Investment company	Ordinary shares	100 %
ICG Nordic AB	34	Sweden	Advisory company	Ordinary shares	100 %
ICG North America Associates II LLC	38	United States	General Partner	Ordinary shares	100 %
ICG North America Associates III LLC	38	United States	General Partner	Ordinary shares	100 %
ICG North America Associates LLC	38	United States	General Partner	Ordinary shares	100 %
ICG North American Private Debt (Offshore) GP Limited Partnership	5	Cayman Islands	Limited Partner	N/A	— %
ICG North American Private Debt Fund GP LP	38	United States	Limited Partner	N/A	— %
ICG North American Private Debt II (Offshore) GP LP	5	Cayman Islands	Limited Partner	N/A	— %
ICG North American Private Debt II GP LP	38	United States	Limited Partner	N/A	— %
ICG North American Private Equity I GP LP	36	United States	Limited Partner	N/A	— %
ICG Private Credit GP S.à r.l.	28	Luxembourg	General Partner	Ordinary shares	100 %
ICG Private Markets General Partner SCSp	27	Luxembourg	General Partner	N/A	— %
ICG Private Markets GP S.à r.l.	27	Luxembourg	General Partner	Ordinary shares	100 %
ICG RE AUSTRALIA GROUP PTY LTD	3	Australia	Service company	Ordinary shares	100 %
ICG RE CAPITAL PARTNERS AUSTRALIA PTY LTD	3	Australia	Advisory company	Ordinary shares	100 %
ICG RE CORPORATE AUSTRALIA PTY LTD	3	Australia	Service company	Ordinary shares	100 %
ICG RE FUNDS MANAGEMENT AUSTRALIA PTY LTD	3	Australia	Service company	Ordinary shares	100 %
ICG Real Estate Debt VI GP LP SCSp	22	Luxembourg	Limited Partner	N/A	— %
ICG Real Estate Debt VI GP S.à r.l.	22	Luxembourg	General Partner	Ordinary shares	100 %
ICG REO GP S.à r.l.	22	Luxembourg	General Partner	Ordinary shares	100 %
ICG Real Estate Senior Debt V GP S.à r.l.	27	Luxembourg	General Partner	Ordinary shares	100 %
ICG Recovery Fund 2008 B GP Limited	19	Jersey	General Partner	Ordinary shares	100 %
ICG Recovery Fund II GP LP SCSp	29	Luxembourg	Limited Partner	N/A	— %
ICG Recovery Fund II GP S.à r.l.	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG SDP LG	28	Luxembourg	General Partner	Ordinary shares	100 %
ICG Senior Debt Partners	28	Luxembourg	General Partner	Ordinary shares	100 %
ICG Senior Debt Partners GP S.à r.l.	21	Luxembourg	General Partner	Ordinary shares	100 %
ICG Senior Debt Partners Performance GP Limited	19	Jersey	General Partner	Ordinary shares	100 %

Notes to the financial statements *continued*

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
ICG Senior Debt Partners UK GP Limited		England and Wales	General Partner	Ordinary shares	100 %
ICG SLB GP II S.À R.L	22	Luxembourg	General Partner	Ordinary shares	100 %
ICG Strategic Equity Advisors LLC	38	United States	Advisory company	Ordinary shares	100 %
ICG Strategic Equity Associates II LLC	37	United States	General Partner	Ordinary shares	100 %
ICG Strategic Equity Associates III LLC	37	United States	General Partner	Ordinary shares	100 %
ICG STRATEGIC EQUITY ASSOCIATES IV LLC	37	United States	General Partner	Ordinary shares	100 %
ICG Strategic Equity Associates IV S.à r.l	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG Strategic Equity III (Offshore) GP LP	5	Cayman Islands	Limited Partner	N/A	– %
ICG Strategic Equity III GP LP	37	United States	Limited Partner	N/A	– %
ICG Strategic Equity IV GP LP	37	United States	Limited Partner	N/A	– %
ICG Strategic Equity IV GP LP SCSp	29	Luxembourg	Limited Partner	N/A	– %
ICG Strategic Equity Side Car (Onshore) GP LP	37	United States	Limited Partner	N/A	– %
ICG Strategic Equity Side Car GP LP	5	Cayman Islands	Limited Partner	N/A	– %
ICG Strategic Equity Side Car II (Onshore) GP LP	37	United States	Limited Partner	N/A	– %
ICG Strategic Equity Side Car II GP LP	5	Cayman Islands	Limited Partner	N/A	– %
ICG Strategic Secondaries Carbon (Offshore) GP LP	5	Cayman Islands	Limited Partner	N/A	– %
ICG Strategic Secondaries Carbon Associates LLC	38	United States	General Partner	Ordinary shares	100 %
ICG Strategic Secondaries II (Offshore) GP LP	5	Cayman Islands	Limited Partner	N/A	– %
ICG Strategic Secondaries II GP LP	37	United States	Limited Partner	N/A	– %
ICG Structured Special Opportunities GP Limited	5	Cayman Islands	General Partner	Ordinary shares	100 %
ICG Total Credit (Global) GP, S.à r.l.	24	Luxembourg	General Partner	Ordinary shares	100 %
ICG US Senior Loan Fund GP Ltd	5	Cayman Islands	General Partner	Ordinary shares	100 %
ICG Velocity Co-Investor (Offshore) GP LP	5	Cayman Islands	Limited Partner	N/A	– %
ICG Velocity Co-Investor Associates LLC	37	United States	General Partner	Ordinary shares	100 %
ICG Velocity Co-Investor GP LP	37	United States	Limited Partner	N/A	– %
ICG Velocity GP LP	37	United States	Limited Partner	N/A	– %
ICG-Longbow B Investments L.P.		England and Wales	Investment company	N/A	50 %
ICG-Longbow Development GP LLP		England and Wales	General Partner	N/A	– %
ICG-Longbow Investment 3 LLP		England and Wales	Special purpose vehicle	N/A	– %
ICG-Longbow IV GP S.à r.l.	20	Luxembourg	General Partner	Ordinary shares	100 %
ICG-LONGBOW SENIOR GP LLP		England and Wales	General Partner	N/A	– %
Intermediate Capital Asia Pacific 2008 GP Limited	19	Jersey	General Partner	Ordinary shares	100 %
Intermediate Capital Asia Pacific Limited	13	Hong Kong	Advisory company	Ordinary shares	100 %
Intermediate Capital Asia Pacific Mezzanine 2005 GP Limited	19	Jersey	General Partner	Ordinary shares	100 %
Intermediate Capital Asia Pacific Mezzanine Opportunities 2005 GP Limited	19	Jersey	General Partner	Ordinary shares	100 %
Intermediate Capital Australia PTY Limited	1	Australia	Advisory company	Ordinary shares	100 %
Intermediate Capital GP 2003 Limited	19	Jersey	General Partner	Ordinary shares	100 %
Intermediate Capital GP 2003 No.1 Limited	19	Jersey	General Partner	Ordinary shares	100 %
Intermediate Capital Group (Italy) S.r.l	15	Italy	Advisory company	Ordinary shares	100 %
Intermediate Capital Group (Singapore) Pte. Limited	32	Singapore	Advisory company	Ordinary shares	100 %
Intermediate Capital Group Benelux B.V.	30	Netherlands	Advisory company	Ordinary shares	100 %
Intermediate Capital Group Beratungsgesellschaft GmbH	11	Germany	Advisory company	Ordinary shares	100 %
Intermediate Capital Group Dienstleistungsgesellschaft mbH	11	Germany	Service company	Ordinary shares	100 %
Intermediate Capital Group Inc.	38	United States	Advisory company	Ordinary shares	100 %

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
Intermediate Capital Group Polska Sp. z.o.o	31	Poland	Service company	Ordinary shares	100 %
Intermediate Capital Group SAS	9	France	Advisory company	Ordinary shares	100 %
Intermediate Capital Inc	38	United States	Dormant	Ordinary shares	100 %
Intermediate Capital Managers (Australia) PTY Limited	2	Australia	Advisory company	Ordinary shares	100 %
Intermediate Capital Managers Limited		England and Wales	Advisory company	Ordinary shares	100 %
Longbow Real Estate Capital LLP		England and Wales	Advisory company	N/A	– %
Wise Living Homes Limited	6	England and Wales	Special purpose vehicle	Ordinary shares	83 %
Wise Limited Amber Langley Mill Limited	6	England and Wales	Special purpose vehicle	Ordinary shares	83 %
ICG Strategic Equity GP V Sarl	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG Life Sciences Debt Limited	19	Jersey	Special purpose vehicle	Ordinary shares	100 %
ICG Life Sciences Feeder SCSp	27	Luxembourg	Special purpose vehicle	N/A	– %
ICG Life Sciences SCSp	27	Luxembourg	Limited Partner	N/A	– %
ICG North American Private Equity Associates I LLC	36	United States	General Partner	Ordinary shares	100 %
ICG North American Private Equity Debt Limited	19	Jersey	Special purpose vehicle	Ordinary shares	100 %
ICG North American Private Equity Fund I LP	36	United States	Special purpose vehicle	N/A	– %
Seaway Buyer, LLC	38	United States	Special purpose vehicle	Ordinary shares	73 %
Seaway Parent, LLC	38	United States	Special purpose vehicle	Ordinary shares	73 %
Seaway Plastics Engineering, LLC	38	United States	Special purpose vehicle	Ordinary shares	73 %
Seaway Plastics Holdings, LLC	38	United States	Special purpose vehicle	Ordinary shares	73 %
Seaway Topco, LP	38	United States	Special purpose vehicle	N/A	– %
Seaway, Guarantor, LLC	38	United States	Special purpose vehicle	Ordinary shares	73 %
Sertic Deal Co S.à.r.l.	22	Luxembourg	Special purpose vehicle	Ordinary shares	100 %
Sertic Mezz Co S.à.r.l.	22	Luxembourg	Special purpose vehicle	Ordinary shares	100 %
Wright Engineered Plastics LLC	38	United States	Portfolio Company	Ordinary shares	73 %
Wright Plastics Holdings, Inc.	38	United States	Portfolio Company	Ordinary shares	73 %
ICG REO (EUR) SCSp	22	Luxembourg	Special purpose vehicle	N/A	– %
AG Thames Investment Limited	8	England and Wales	Special purpose vehicle	Ordinary shares	100 %
Chessington Propco Limited	17	Jersey	Special purpose vehicle	Ordinary shares	100 %
Crayford Holdco Limited	17	Jersey	Special purpose vehicle	Ordinary shares	100 %
Crayford Limited	17	Jersey	Special purpose vehicle	Ordinary shares	100 %
Harlow Holdco Limited	17	Jersey	Special purpose vehicle	Ordinary shares	100 %
Harlow Propco Limited	17	Jersey	Special purpose vehicle	Ordinary shares	100 %
ICG Metropolitan Co-invest SCSp	22	Luxembourg	Special purpose vehicle	N/A	– %
ICG Metropolitan Last Mile Management Limited	17	Jersey	Special purpose vehicle	Ordinary shares	100 %
ICG Real Estate E Debt Limited	19	Jersey	Special purpose vehicle	Ordinary shares	100 %
Metropolitan Investment S.à r.l.	22	Luxembourg	Special purpose vehicle	Ordinary shares	100 %
Metropolitan SCSp	22	Luxembourg	Special purpose vehicle	N/A	– %
MME Group International IC-DISC, Inc.	38	United States	Portfolio Company	Ordinary shares	73 %
MME Group LLC	38	United States	Portfolio Company	Ordinary shares	73 %
New Orbit Holdco Sarl	22	Luxembourg	Special purpose vehicle	Ordinary shares	80 %
New Orbit JVCo Sarl	22	Luxembourg	Special purpose vehicle	Ordinary shares	80 %
New Orbit PropCo 1 Sarl	22	Luxembourg	Special purpose vehicle	Ordinary shares	80 %
New Orbit PropCo 2 Sarl	22	Luxembourg	Special purpose vehicle	Ordinary shares	80 %
Sertic Agen SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Alfortville SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Auray SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Cestas SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Coignieres SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Corbas SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Croissy SCI	10	France	Special purpose vehicle	Ordinary shares	100 %

Notes to the financial statements *continued*

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
Sertic Démouville SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Drancy SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Fleury SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic French Mid Co 1 SNC	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic French Mid Co II SNC	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic French Mid Co III SNC	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic La Chapelle SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Lanester SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Le Meux SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Le Rheu SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Lisses SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Osny SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Perpignan SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Pontault Combault SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Raismes SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Saint Laurent SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Saint Pierre SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Saint-Mitre SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Scherwiller SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Valenton SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Vemars SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
ICG Seed Asset Founder LP Limited	19	Jersey	Special purpose vehicle	Ordinary shares	100 %

28. Subsidiaries *continued*

	Registered offices
1	Level 18, 88 Phillip Street, Sydney, NSW 2000, Australia
2	Level 31, 88 Phillip Street, Sydney, NSW 2000, Australia
3	Level 9, 88 Phillip Street, Sydney, NSW 2000, Australia
4	75 Fort Street, Clifton House, c/o Estera Trust (Cayman) Limited, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands
5	PO Box 309, Uglan House, C/o Maples Corporate Services Limited, Grand Cayman, KY1-1104, Cayman Islands
6	17 Regan Way, Chetwynd Business Park, Chilwell, Nottingham, NG9 6RZ, England & Wales
7	Ground Floor Office South, 51 Welbeck St, London, W1G 9HL, England, United Kingdom
8	6th Floor 140 London Wall, London, England, EC2Y 5DN
9	1 rue de la Paix, Paris, 75002, France
10	36 rue Scheffer 75116 Paris 16 France
11	12th Floor, An der Welle 5, Frankfurt, 60322, Germany
12	c/o Zedra Trust Company (Guernsey) Limited, 3rd Floor, Cambridge House, Le Truchot, St Peter Port, GY1 1WD, Guernsey
13	Suites 1301-02, 13/F, AIA Central, 1 Connaught Road Central, Hong Kong
14	6th Floor South Bank House, Barrow Street, Dublin 4, Ireland
15	Corso Giacomo Matteotti 3, Milan, 20121, Italy
16	Level 23, Otemachi Nomura Building, 2-1-1 Otemachi, Chiyoda-ku, Tokyo, 100-0004, Japan
17	12 Castle Street, St. Helier, JE2 3RT, Jersey
18	IFC 1, The Esplanade, St. Helier, JE1 4BP, Jersey
19	Ogier House, 44 The Esplanade, St. Helier, JE4 9WG, Jersey
20	12E, rue Guillaume Kroll, L - 1882 Luxembourg
21	2-4 Rue Eugène Ruppert, Grand Duchy of Luxembourg, L-2453, Luxembourg
22	3, rue Gabriel Lippmann, L - 5365 Munsbach, Luxembourg
23	32-36, boulevard d'Avranches L - 1160 Luxembourg, 1160, Luxembourg
24	49 Avenue John F. Kennedy, Luxembourg, L-1855, Luxembourg
25	5 Allée Scheffer, Luxembourg, L-2520, Luxembourg
26	5, Heienhaff, L - 1736 Senningerberg, Luxembourg
27	6, rue Eugene Ruppert, Luxembourg, L-2453, Luxembourg
28	60, Avenue J.F. Kennedy, Luxembourg, L-1855, Luxembourg
29	6H Route de Trèves, Senningerberg, L-2633, Luxembourg
30	Paulus Potterstraat 20, 2hg., Amsterdam, 1071 DA, Netherlands
31	Spark B, Aleja Solidarności 171, Warsaw, 00-877, Poland
32	#21-01, 20 Collyer Quay, 049319, Singapore
33	Serrano 30-3°, 28001 Madrid, Spain
34	David Bagares Gata 3, 111 38 Stockholm
35	Index Tower, Floor 4, Unit 404, Dubai International Financial Centre, Dubai, United Arab Emirates
36	c/o Intertrust Corporate Services Delaware LTD, Suite 210, 200 Bellevue Parkway, Wilmington, DE, 19809, United States
37	c/o Maples Fiduciary Services (Delaware) Inc., Suite 302, 4001 Kennett Pike, Wilmington, DE, 19807, United States
38	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801, United States

Notes to the financial statements *continued*

28. Subsidiaries *continued*

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

Name of subsidiary	Country of incorporation	% of ownership interests and voting rights
ICG Newground RE Finance Trust 1	Australia	100 %
ICG US CLO 2014-1, Ltd.	Cayman Islands	50 %
ICG US CLO 2014-2, Ltd.	Cayman Islands	72 %
ICG US CLO 2014-3, Ltd.	Cayman Islands	51 %
ICG US CLO 2015-1, Ltd.	Cayman Islands	50 %
ICG US CLO 2015-2R, Ltd.	Cayman Islands	83 %
ICG US CLO 2016-1, Ltd.	Cayman Islands	63 %
ICG US CLO 2017-1, Ltd.	Cayman Islands	60 %
ICG US CLO 2020-1, Ltd.	Cayman Islands	52 %
ICG US Senior Loan Fund	Cayman Islands	100 %
ICG Euro CLO 2021-1 DAC	Ireland	67 %
ICG Euro CLO 2023-1 DAC	Ireland	100 %
ICG High Yield Bond Fund	Ireland	100 %
St. Paul's CLO II DAC	Ireland	85 %
St. Paul's CLO III-R DAC	Ireland	62 %
St. Paul's CLO VI DAC	Ireland	53 %
St. Paul's CLO VIII DAC	Ireland	53 %
St. Paul's CLO XI DAC	Ireland	57 %
ICG Enterprise Carry (1) LP	Jersey	100 %
ICG Enterprise Carry (2) LP	Jersey	50 %
ICG Total Credit (Global) SCA	Luxembourg	100 %

The structured entities controlled by the Group include £5,160.8m (2022: £5,057.2m) of assets and £5,109.2m (2022: £4,992.8m) of liabilities within 21 funds listed above. These assets are restricted in their use to being the sole means by which the related fund liabilities can be settled. All other assets can be accessed or used to settle the other liabilities of the Group without significant restrictions.

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

28. Subsidiaries *continued*

Subsidiary audit exemption

For the period ended 31 March 2023, the following companies were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The member(s)¹ of the following companies have not required them to obtain an audit of their financial statements for the period ended 31 March 2023.

Company	Registered number	Member(s)
ICG FMC Limited	7266173	Intermediate Capital Group plc
ICG Global Investment UK Limited	7647419	Intermediate Capital Group plc
ICG Japan (Funding 2) Limited	9125779	Intermediate Capital Group plc
ICG Longbow Development (Brighton) Limited	8802752	Intermediate Capital Group plc
ICG Longbow Richmond Limited	11210259	Intermediate Capital Group plc
ICG Longbow BTR Limited	11177993	Intermediate Capital Group plc
ICG Longbow Senior Debt I GP Limited	2276839	Intermediate Capital Group plc
Intermediate Capital Investments Limited	2327070	Intermediate Capital Group plc
LREC Partners Investments No. 2 Limited	7428335	Intermediate Capital Group plc
ICG Longbow Development Debt Limited	9907841	ICG-Longbow Development GP LLP
Longbow Real Estate Capital LLP	OC328457	Intermediate Capital Group plc, ICG FMC Limited
ICG IC Holdco Limited	14542130	Intermediate Capital Group plc
ICG NA Debt Co-invest Limited	10091367	ICG Carbon Funding Limited
ICG-Longbow Development GP LLP	OC396833	Intermediate Capital Group plc, ICG FMC Limited
ICG-Longbow Investment 3 LLP	OC395389	ICG FMC Limited, Intermediate Capital Managers Limited
ICG-Longbow Senior GP LLP	OC427634	Intermediate Capital Group plc, ICG FMC Limited

1. Shareholders or Partners, as appropriate

Notes to the financial statements *continued*

29. Disposal groups held for sale and discontinued operations

Accounting policy

Non-current financial assets held for sale and disposal groups

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

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

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

The Group holds interests in various disposal groups held for sale assets ("Warehouse Funds"), of which some have subsidiaries which were acquired with a view to resale and are expected to be sold. These subsidiaries are therefore assessed as discontinued operations.

Financial year ended 31 March 2023

During the year the Group has acquired interests in disposal groups held for sale assets and discontinued operations. Other than as described below, all interests have been acquired at fair value and therefore no loss or gain has been recognised on acquisition.

Management have assessed that it is highly probable that all investments reported within disposal groups held for sale and discontinued operations will be realised within 12 months.

During the year, one of the Group's Warehouse Funds, the US Mid-Market ("USMM") Warehouse Fund, ceased to control its subsidiary Ambient Enterprises LLC ("Ambient" – formerly Gil-bar Parent LLC) and subsequently retained a financial asset in respect of its investment in Ambient. The Group recognised a profit of £3.5m relating to Ambient over the period of control. Ambient was deemed a discontinued operation until the USMM Warehouse Fund ceased control.

As part of the cessation of control, the USMM Warehouse Fund has valued its investment in Ambient in accordance with IFRS 9, applying IPEV guidelines, and this has resulted in the Group recognising a post-tax gain of £64m, comprising £3.5m gain on disposal and £60.5m net fair value gain, which is recorded in the Consolidated entities segments of our Consolidated income statement, within 'Profit after tax on discontinued operations' (see note 4).

In the next 12 months, Management intends to sell the Group's interest in the USMM Warehouse Fund to third-party investors investing into the fund. The Group has a debt interest in the USMM Warehouse Fund and expects to sell its interest in the fund at cost plus an interest charge, where cost represents the original cost of the USMM Warehouse Funds' investments. As a result, the Group expects to receive less than the current fair value of Ambient recognised in the USMM Warehouse Fund and consequently, under APM, the Group has not recognised the fair value gain reported under UK-adopted IAS. This is therefore not included within the Group's Reportable segment (see note 4).

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

The assets and liabilities of the discontinued operations and disposal groups held for sale together with their contribution to the Group's profit after tax are as follows:

Group	2023			2022		
	Discontinued Operations £m	Disposal Groups £m	Total £m	Discontinued Operations £m	Disposal Groups £m	Total £m
Non-current assets						
Intangible assets	92.4	—	92.4	101.0	—	101.0
Property, plant and equipment	7.2	—	7.2	0.3	—	0.3
Investment property	284.0	—	284.0	—	59.3	59.3
Financial assets at fair value	0.9	162.3	163.2	—	36.9	36.9
Other debtors	0.3	—	0.3	—	—	—
	384.8	162.3	547.1	101.3	96.2	197.5
Current assets						
Inventory	12.3	—	12.3	0.8	—	0.8
Cash	5.5	—	5.5	5.4	5.7	11.1
Trade and other receivables	12.2	—	12.2	47.1	—	47.1
Other debtors	1.2	—	1.2	0.2	—	0.2
	31.2	—	31.2	53.5	5.7	59.2
Non-current liabilities						
Financial liabilities at amortised cost	174.8	—	174.8	65.8	5.0	70.8
Deferred tax liability	—	14.0	14.0	—	—	—
Other financial liabilities	3.0	—	3.0	(9.7)	—	(9.7)
	177.8	14.0	191.8	56.1	5.0	61.1
Current liabilities						
Trade and other payables	6.1	—	6.1	35.8	0.2	36.0
Other financial liabilities	6.1	—	6.1	—	0.1	0.1
	12.2	—	12.2	35.8	0.3	36.1
Statement of comprehensive income						
Sales	69.2	—	69.2	122.8	—	122.8
Cost of sales	(55.6)	—	(55.6)	(88.2)	—	(88.2)
Gross profit	13.6	—	13.6	34.6	—	34.6
Net gains on investments	78.0	—	78.0	—	—	—
Operating expenses	(8.6)	—	(8.6)	(22.9)	—	(22.9)
Depreciation and amortisation	—	—	—	(6.6)	—	(6.6)
Other expenses	(12.2)	—	(12.2)	(10.5)	—	(10.5)
Transaction costs	—	—	—	(3.8)	—	(3.8)
Gain / (loss) before tax	70.8	—	70.8	(9.2)	—	(9.2)
Tax expense	(14.0)	—	(14.0)	—	—	—
Gain / (loss) after tax	56.8	—	56.8	(9.2)	—	(9.2)

Notes to the financial statements *continued*

30. Associates and joint ventures

Accounting policy

Investment in associates

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

Investment in joint ventures

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

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

Details of associates and joint ventures

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

Name of associate	Principal activity	Country of incorporation	Proportion of ownership interest/voting rights held by the Group		Income distributions received from associate	
			2023	2023	2022	2022
ICG Europe Fund V Jersey Limited ¹	Investment company	Jersey	20%	11	20%	58.6
ICG Europe Fund VI Jersey Limited ¹	Investment company	Jersey	17%	24.7	17%	114.2
ICG North American Private Debt Fund ²	Investment company	United States of America	20%	5.5	20%	5.4
ICG Asia Pacific Fund III Singapore Pte. Limited ³	Investment company	Singapore	20%	(1.2)	20%	32.1
Ambient Enterprises LLC ⁴	Investment company	United States of America	50%	—	—%	—
KIK Equity Co-invest LLC ⁴	Investment company	United States of America	25%	—	—%	—

During the year the Group's investments in Ambient Enterprises LLC (see note 29) and KIK Equity Co-invest LLC were assessed as associates. All associates are accounted for at fair value.

- The registered address for this entity is IFC 1 – The Esplanade, St Helier, Jersey JE1 4BP.
- The registered address for this entity is 600, Lexington Avenue, 24th Floor, New York, NY 10022, United States of America.
- The registered address for this entity is #13-01 One Raffles Place, Singapore, 048616.
- The registered address for this entity is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801, United States.

The Group has a shareholding in each of ICG Europe Fund V Jersey Limited, ICG Europe Fund VI Jersey Limited, ICG North American Private Debt Fund, ICG Asia Pacific Fund III Singapore Pte. Limited and KIK Equity Co-invest LLC arising from its co-investment with a fund. The Group appoints the General Partner (GP) to each of these fund. The investors have substantive rights to remove the GP without cause. The Funds also each have an Advisory Council, nominated by the investors, whose function is to ensure that the GP is acting in the interest of investors. As the Group has a 17%–25% holding, and therefore significant influence in each entity, they have been considered as associates

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

Name of associate	Accounting method	Principal activity	Country of incorporation	Proportion of ownership interest held by the Group	
				2023	2023
Nomura ICG KK	Equity	Advisory company	Japan	50 %	50 %
Brighton Marina Group Limited	Fair value	Investment	United Kingdom	70 %	50 %

30. Associates and joint ventures *continued*

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

Brighton Marina Group Limited is accounted for at fair value in accordance with IAS28 and IFRS9 and the Group's accounting policy in note 5 to the financial statements.

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

Significant restriction

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

Summarised financial information for associates material to the reporting entity

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

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

	ICG Fund VI Jersey Limited		ICG Fund V Jersey Limited	
	2023 £m	2022 £m	2023 £m	2022 £m
Current assets	8.1	24.9	3.8	6.1
Non-current assets	1,023.9	1,910.0	129.8	122.5
Current liabilities	(55.8)	(49.7)	(1.5)	(1.6)
	976.2	1,885.2	132.1	127.0
Revenue	47.3	685.8	(2.0)	27.3
Profit from continuing operations	23.2	667.0	(3.6)	26.4
Total comprehensive income	23.2	667.0	(3.6)	26.4

Summarised financial information for equity accounted joint ventures

Nomura ICG KK made a profit from continuing operations and total comprehensive income of £8.8m for the year ended 31 March 2023 (2022: £1.0m), of which the Group's share of results accounted for using the equity method is £4.4m for the year ended 31 March 2023 (2022: £0.5m).

Notes to the financial statements *continued*

31. Unconsolidated structured entities

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

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

At 31 March 2023, the Group's interest in and exposure to unconsolidated structured entities including outstanding management and performance fees are detailed in the table below, and recognised within financial assets at FVTPL and trade and other receivables in the statement of financial position:

Funds	2023						
	Investment in Fund £m	Management fees receivable £m	Management fee rates %	Performance fees receivable £m	Performance fee rates %	Maximum exposure to loss £m	
CLOs	298.3	4.1	0.19% to 0.50%	—	0.05% to 0.20%	302.4	
Credit Funds	65.9	8.6	0.29% to 1.50%	(0.3)	20% of returns in excess of 0% for Alternative Credit Fund only	74.2	
Corporate Investment Funds	1,341.5	55.9	0.43% to 1.50%	37.6	20%–25% of total performance fee of 20% of profit over the threshold	1,435.0	
Real Asset Funds	288.5	12.0	0.30% to 1.24%	—	20% of returns in excess of 9% IRR	300.5	
Secondaries Funds	441.1	20.2	0.75% to 1.37%	0.2	10%–20% of total performance fee of 8%–20% of profit over the threshold	461.5	
Total	2,435.3	100.8		37.5		2,573.6	

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

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

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

32. Net cash flows from operating activities

	Notes	Year ended 31 March 2023 Group £m	Year ended 31 March 2022 Group £m
Profit before tax from continuing operations		251.0	565.4
Adjustments for non cash items:			
Fee and other operating income	3	(483.6)	(434.0)
Net investment returns		(172.5)	(555.5)
Interest income		(15.5)	—
Net fair value loss on derivatives		34.9	7.3
Impact of movement in foreign exchange rates	7	(17.8)	0.1
Interest expense		64.6	53.1
Depreciation, amortisation and impairment of property, equipment and intangible assets	17, 18	18.2	19.5
Share-based payment expense	25	39.5	29.6
Working capital changes:			
Increase in trade and other receivables	20	(12.0)	(32.5)
Decrease in trade and other payables	21	(196.9)	(27.4)
Change in disposal groups held for sale		(8.8)	—
		(498.9)	(374.4)
Proceeds from sale of current financial assets and disposal groups held for sale		45.5	185.2
Purchase of current financial assets and disposal groups held for sale		(211.9)	(204.0)
Purchase of investments		(1,420.2)	(3,532.8)
Proceeds from sales and maturities of investments		1,722.2	3,743.8
Interest and dividend income received ¹		362.8	259.8
Fee and other operating income received		587.9	393.0
Interest paid		(263.4)	(183.3)
Cash flows generated from operations		324.0	287.3
Taxes paid		(32.4)	(43.9)
Net cash flows from operating activities		291.6	243.4

1. Comprises Interest income received of £322.6m (2022: £221.8m) and Dividend income received of £40.2m (2022: £38.0m).

Notes to the financial statements *continued*

32. Net cash flows from operating activities *continued*

	Notes	Year ended 31 March 2023 Company £m	Year ended 31 March 2022 Company £m
Profit before tax from continuing operations		51.5	23.8
Adjustments for non cash items:			
Fee and other operating income	3	(3.9)	(10.5)
Dividend income		(386.6)	(163.0)
Interest income		(53.7)	(50.5)
Net investment returns		(0.7)	(30.0)
Net fair value loss on derivatives		7.5	13.5
Impact of movement in foreign exchange rates	7	141.1	1.1
Interest expense		124.9	102.0
Depreciation, amortisation and impairment of property, equipment and intangible assets	17, 18	12.0	24.9
Write-down of intercompany loan balance		12.7	–
Share-based payment expense	25	39.5	29.6
Intragroup reallocation of incurred costs		(152.0)	(113.2)
Working capital changes:			
Decrease/(Increase) in trade and other receivables	20	4.5	(6.0)
(Decrease)/Increase in trade and other payables	21	(15.8)	23.5
		(219.0)	(154.8)
Proceeds from sale of current financial assets		34.2	158.4
Purchase of current financial assets		(134.6)	(165.1)
Purchase of investments		(73.1)	(29.9)
Proceeds from sales and maturities of investments		127.5	143.4
Interest received		6.0	9.8
Fee and other operating income received		5.0	26.7
Interest paid		(60.3)	(49.2)
Cash flows used in operations		(314.3)	(60.7)
Taxes paid		(20.8)	(41.3)
Net cash flows used in operating activities		(335.1)	(102.0)

33. Contingent liabilities

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

There are no other material contingent liabilities.

34. Post balance sheet events

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