Finance review

Increased earnings power and cash generation

"We are reporting growth across all key metrics for ICG. Our powerful financial model is creating long-term value for shareholders."

David Bicarregui
Chief Financial Officer

AUM

At 31 March 2025, AUM stood at $112bn and fee-earning AUM at $75bn. The bridge between AUM and fee-earning AUM is as follows:

$m	Structured Capital and Secondaries	Real Assets	Debt	Seed investments	Total
Fee-earning AUM	**36,086**	**7,711**	**31,330**	**–**	**75,127**
AUM not yet earning fees	3,882	1,222	14,970	–	20,074
Fee-exempt AUM	9,073	3,487	1,314	–	13,874
Balance sheet investment portfolio[1]	2,458	502	(57)	379	3,282
AUM	**51,499**	**12,922**	**47,557**	**379**	**112,357**

AUM is presented across three asset classes (previously four) with no change in measurement.
1. Includes elimination of CLO equity $630m (£488m) held by ICG already included within fee-earning AUM.

At 31 March 2025 we had $32bn of AUM available to deploy in new investments ('dry powder'), of which $20bn was not yet earning fees.

The presentation of our AUM has evolved compared to FY24. We are now showing three verticals (Structured Capital and Secondaries, Real Assets, and Debt) and within that, five asset classes (Structured Capital, Private Equity Secondaries, Real Assets, Private Debt, and Credit). The composition of Structured Capital and Secondaries is the same as what was previously called Structured and Private Equity; Real Assets remains unchanged; and Debt combines what was previously called Private Debt and Credit.

Business activity

Year ended 31 March 2025	Fundraising	Deployment[1]	Realisations[1,2]
Structured Capital and Secondaries	$13bn	$12bn	$2bn
Real Assets	$2bn	$2bn	$1bn
Debt[3]	$8bn	$4bn	$5bn
Total	**$24bn**	**$18bn**	**$9bn**

1 Direct investment funds; 2 Realisations of fee-earning AUM; 3 Includes Deployment and Realisations for Private Debt only.

The Board and management monitor the financial performance of the Group on the basis of Alternative Performance Measures (APM), which are non-UK-adopted IAS measures. The APM form the basis of the financial results discussed in this review, which the Board believes assist shareholders in assessing their investment and the delivery of the Group's strategy through its financial performance.The substantive difference between APM and UK-adopted IAS is the consolidation of funds, including seeded strategies, and related entities deemed to be controlled by the Group, which are included in the UK-adopted IAS consolidated financial statements at fair value but excluded for the APM in which the Group's economic exposure to the assets is reported.

Under IFRS 10, the Group is deemed to control (and therefore consolidate) entities where it can make significant decisions that can substantially affect the variable returns of investors. This has the impact of including the assets and liabilities of these entities in the consolidated statement of financial position and recognising the related income and expenses of these entities in the consolidated income statement.The Group's profit before tax on a UK-adopted IAS basis was in-line with prior period at £530.5m (FY24: £530.8m). On the APM basis it was below the prior period at £532.2m (FY24: £597.8m).

Details of these adjustments can be found in note 4 to the consolidated financial statements on pages 129 to 135.

Finance review continued

AUM and FY25 fundraising

AUM of $112bn

AUM ($m)	Structured Capital and Secondaries	Real Assets	Debt	Seed investments	Total
At 1 April 2024	40,872	10,815	46,246	499	98,432
Fundraising	13,247	2,256	8,149	–	23,652
Other additions	939	1,088	349	–	2,376
Realisations	(2,836)	(831)	(6,715)	–	(10,382)
Market and other movements	(899)	(401)	(456)	–	(1,756)
Balance sheet movement	176	(5)	(16)	(120)	35
At 31 March 2025	**51,499**	**12,922**	**47,557**	**379**	**112,357**
Change $m	10,627	2,107	1,311	(120)	13,925
Change %	26%	19%	3%	n/m	14%
Change % (constant exchange rate)[1]	26%	18%	3%	n/m	14%

Fee-earning AUM of $75bn

Fee-earning AUM ($m)	Structured Capital and Secondaries	Real Assets	Debt	Total
At 1 April 2024	**28,334**	**7,733**	**33,591**	**69,658**
Funds raised: fees on committed capital	9,868	1,336	–	11,204
Deployment of funds: fees on invested capital	2,114	581	6,432	9,127
Total additions	11,982	1,917	6,432	20,331
Realisations	(2,276)	(1,407)	(8,540)	(12,223)
Net additions/(realisations)	**9,706**	**510**	**(2,108)**	**8,108**
Stepdowns	(1,795)	(218)	–	(2,013)
FX and other	(159)	(314)	(153)	(626)
At 31 March 2025	**36,086**	**7,711**	**31,330**	**75,127**
Change $m	7,752	(22)	(2,261)	5,469
Change %	27%	–%	(7)%	8%
Change % (constant exchange rate)[1]	27%	(2)%	(7)%	8%

1. See page 28 for FX exposure of fee-earning AUM, fee income, FMC expenses and Balance sheet investment portfolio.

FY26 fundraising

At 31 March 2025, closed-end funds and associated SMAs that were actively fundraising included Europe IX; European Infrastructure II; and various other strategies. We expect to hold the final close for European Infrastructure II by June 2025. We anticipate launching LP Secondaries II during FY26. The timings of launches and closes depend on a number of factors, including the prevailing market conditions.

Group financial performance

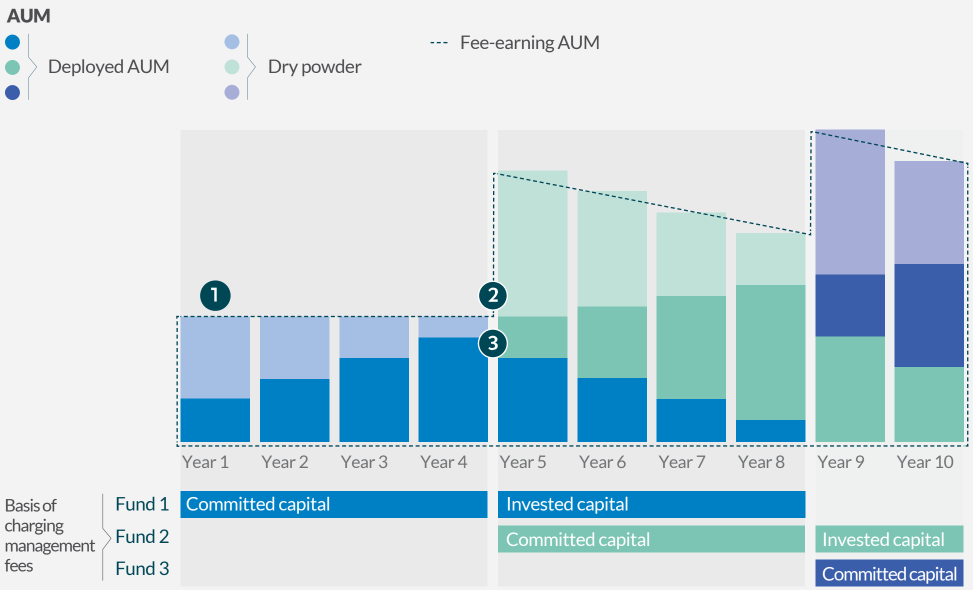
£m unless stated	Year ended 31 March 2024	Year ended 31 March 2025	Change %
Management fees	505.4	**603.8**	19%
of which catch-up fees	4.6	**61.8**	n/m
Performance fees	73.7	**86.2**	17%
Third-party fee income	**579.1**	**690.0**	**19%**
Other Fund Management Company income	72.9	**76.0**	4%
Fund Management Company revenue	**652.0**	**766.0**	**17%**
Fund Management Company operating expenses	(277.5)	**(304.6)**	10%
Fund Management Company profit before tax	**374.5**	**461.4**	**23%**
Fund Management Company operating margin	57.4%	**60.2%**	3%
Net investment return	**379.3**	**192.5**	**(49)%**
Other Investment Company Income	(31.3)	**(14.6)**	(53)%
Investment Company operating expenses	(100.4)	**(86.7)**	(14)%
Interest income	21.5	**19.2**	(11)%
Interest expense	(45.8)	**(39.6)**	(14)%
Investment Company profit before tax	**223.3**	**70.8**	**(68)%**
Group profit before tax	**597.8**	**532.2**	**(11)%**
Tax	(78.5)	**(79.8)**	2%
Group profit after tax	**519.3**	**452.4**	**(13)%**
Earnings per share	181.5p	**157.5p**	(13)%
Dividend per share	79.0p	**83.0p**	5%
Group operating cash flow	**359.0**	**518.0**	**44%**
Total available liquidity	£1.1bn	**£1.1bn**	(2)%
Balance sheet investment portfolio	£3.1bn	**£3.0bn**	(1)%
Total Balance Sheet Return	£426.3m	**£240.8m**	(44)%
Net gearing	0.38x	**0.25x**	(0.13)x
Net asset value per share[1]	790p	**859p**	9%

1. The number of shares used to calculate NAV per share has been adjusted to include shares held in the EBT, to reflect how the Group uses the EBT to neutralise the impact of share-based payments (a different basis to Group earnings per share). See page 26 for details. Prior period NAV per share figures have been adjusted to reflect this methodology.

Finance review continued

How fee-earning AUM develops in closed-end funds

A strategy charging fees on committed capital USD billions



1. Fees are charged on total committed capital during a fund's investment period. All commitments to the fund are charged fees from the date of the 'first close', irrespective of when the commitment is made. The first fee payment clients make can therefore include fees that relate to prior fiscal years. Those fees are booked in the year they are received and are referred to as '**catch-up fees**'.
2. Successor funds are launched typically once a fund is 85–90% invested.
3. At this point, the previous vintage of the fund 'steps down' to charge fees on invested capital, potentially with a reduction in fees of ~25bps. As the fund realises investments, the invested capital base is reduced.

A strategy charging fees on invested capital USD billions

1. Fees are charged on the original cost of total invested capital for the entirety of the fund's life. The fee-earning AUM therefore increases as capital is deployed, and reduces as the fund realises investments.
2. No 'step down' in fees when a successor fund is launched.

Group financial performance continued

Structured Capital and Secondaries
Overview

Seeding strategies	Scaling strategies	Flagship strategies
Life Sciences	European Mid-Market Asia Pacific Corporate LP Secondaries Core Private Equity	European Corporate Strategic Equity

	Year ended 31 March 2024	Year ended 31 March 2025	Year-on-year growth[1]	Last five years CAGR[1,2,5]
AUM	$40.9bn	**$51.5bn**	26%	29%
Structured Capital	$22.7bn	**$28.4bn**	25%	22%
Private Equity Secondaries	$18.2bn	**$23.1bn**	27%	43%
Fee-earning AUM	$28.3bn	**$36.1bn**	27%	24%
Structured Capital	$16.2bn	**$19.6bn**	20%	17%
Private Equity Secondaries	$12.1bn	**$16.5bn**	36%	36%
Fundraising	$5.4bn	**$13.2bn**	n/m	
Deployment	$1.7bn	**$11.6bn**	n/m	
Realisations[3]	$0.8bn	**$2.3bn**	n/m	
Effective management fee rate	1.24%	**1.25%**	+1bps	
Management fees	£284m	**£366m**	29%	22%
Performance fees	£53m	**£84m**	59%	28%
Balance sheet investment portfolio	£1.8bn	**£1.9bn**		
Total Balance Sheet Return[4]	£232.5m	**£151.8m**		16%

1. AUM on constant currency basis.
2. AUM calculation based on 31 March 2020 to 31 March 2025.
3. Realisations of fee-earning AUM.
4. NIR, including CLO dividends for Debt.
5. Five-year average for Total Balance Sheet Return.

Note: Growth calculations are performed using whole numbers for all metrics to ensure an accurate representation of the movements.

Performance of key funds

	Vintage	Total fund size[1]	Status	% deployed	Gross MOIC	Gross IRR	DPI
Structured Capital							
Europe VI	2015	€3.0bn	Realising		2.2x	23%	191%
Europe VII	2018	€4.5bn	Realising		2.0x	18%	67%
Europe VIII	2021	€8.1bn	Realising		1.3x	16%	11%
Europe IX			Fundraising				
Europe Mid-Market I	2019	€1.0bn	Realising		1.7x	25%	47%
Europe Mid-Market II	2023	€2.6bn	Investing	35%	1.1x	25%	–
Asia Pacific III	2014	$0.7bn	Realising		2.2x	18%	102%
Asia Pacific IV	2020	$1.1bn	Investing	76%	1.3x	13%	1%
Private Equity Secondaries							
Strategic Secondaries II	2016	$1.1bn	Realising		3.0x	46%	200%
Strategic Equity III	2018	$1.8bn	Realising		2.7x	34%	76%
Strategic Equity IV	2021	$4.3bn	Realising		1.5x	22%	3%
Strategic Equity V	2023	$7.7bn	Investing	39%	2.9x	>100%	–
LP Secondaries I	2022	$0.8bn	Investing	91%	2.3x	60%	31%

Key drivers

Business activity	Fundraising: European Corporate ($6.0bn), Strategic Equity ($5.8bn), Mid Market II ($1.4bn) Deployment: Mostly driven by European Corporate ($6.4bn) and Strategic Equity ($3.7bn) Realisations: European Corporate ($1.4bn), Strategic Equity ($0.7bn)
Fee income	Management fees: Increase largely driven by strong fundraising in Strategic Equity and Mid-Market. Catch-up fees of £49m (FY24: £3.7m), driven by Strategic Equity and Mid-Market Performance fees: Additional revenue accrued for Europe VII as it moved closer to its hurdle date
Balance sheet investment portfolio	Return largely driven by European Corporate
Fund performance	Year-on-year growth across key funds

1. Refers to commingled fund size.

Group financial performance continued

Real Assets
Overview

Seeding strategies	Scaling strategies	Flagship strategies
-	European Infrastructure Asia-Pacific Infrastructure Real Estate Equity Europe Real Estate Debt	-

	Year ended 31 March 2024	Year ended 31 March 2025	Year-on-year growth[1]	Last five years CAGR[1,2,5]
AUM	$10.8bn	**$12.9bn**	18%	18%
Fee-earning AUM	$7.7bn	**$7.7bn**	(2)%	14%
Fundraising	$1.0bn	**$2.3bn**	n/m	
Deployment	$2.2bn	**$2.4bn**	9%	
Realisations[3]	$0.9bn	**$1.4bn**	56%	
Effective management fee rate	0.94%	**0.97%**	+3bps	
Management fees	£56m	**£77m**	36%	25%
Performance fees	–	**–**		
Balance sheet investment portfolio	£0.4bn	**£0.4bn**		
Total Balance Sheet Return[4]	£44.2m	**£30.0m**		8%

1. AUM on constant currency basis.
2. AUM calculation based on 31 March 2020 to 31 March 2025.
3. Realisations of fee-earning AUM.
4. NIR, including CLO dividends for Debt.
5. Five-year average for Total Balance Sheet Return.

Note: Growth calculations are performed using whole numbers for all metrics to ensure an accurate representation of the movements.

Performance of key funds

	Vintage	Total fund size[1]	Status	% deployed	Gross MOIC	Gross IRR	DPI
Real Estate Partnership Capital IV	2015	£1.0bn	Realising		1.1x	4%	98%
Real Estate Partnership Capital V	2018	£0.9bn	Realising		1.2x	7%	50%
Real Estate Partnership Capital VI	2021	£0.6bn	Investing	83%	1.2x	10%	10%
Real Estate Debt Fund VII			Fundraising				
European Infra I	2020	€1.5bn	Realising		1.5x	21%	57%
European Infra II			Fundraising				
Infrastructure Asia			Fundraising				
Metropolitan II			Fundraising				
Strategic Real Estate I	2019	€1.2bn	Realising		1.2x	7%	6%
Strategic Real Estate II	2022	€0.7bn	Investing	70%	1.1x	9%	–

1. Refers to commingled fund size.

Key drivers

Business activity	Fundraising: Real Estate equity and debt strategies ($0.7bn) and Infrastructure Europe ($1.4bn) Deployment: Real Estate equity and debt strategies ($1.9bn), Infrastructure Europe ($0.5bn) Realisations: Real Estate equity and debt strategies ($1.1bn), Infrastructure Europe ($0.3bn)
Fee income	Management fees: Increase largely driven by strong fundraising in European Infrastructure including catch-up fees of £9m (FY24: £0m) Performance fees: No performance fees due to early stage of key carry-eligible funds
Balance sheet investment portfolio	Return mainly driven by Infrastructure Equity, positive NIR in Real Estate Equity as well while Real Estate Debt is flat YoY
Fund performance	European Infrastructure saw strong value creation in the year, other strategies broadly flat

Finance review continued

Group financial performance continued

Debt
Overview

Seeding strategies	Scaling strategies	Flagship strategies
-	North American Credit Partners ("NACP") Australian Loans Liquid Credit	Senior Debt Partners ("SDP") CLOs

	Year ended 31 March 2024	Year ended 31 March 2025	Year-on-year growth[1]	Last five years CAGR[1,2,5]
AUM	$46.2bn	**$47.6bn**	3%	10%
Private Debt	$28.3bn	**$29.7bn**	5%	17%
Credit	$17.9bn	**$17.9bn**	(1)%	3%
Fee-earning AUM	$33.6bn	**$31.3bn**	(7)%	7%
Private Debt	$15.9bn	**$13.5bn**	(15)%	11%
Credit	$17.7bn	**$17.8bn**	–	5%
Fundraising	$6.6bn	**$8.2bn**	23%	
Deployment	$3.8bn	**$3.5bn**	(8)%	
Realisations[3]	$4.3bn	**$8.5bn**	n/m	
Effective management fee rate	0.65%	**0.64%**	(1)bps	
Management fees	£165m	**£161m**	(3)%	12%
Performance fees	£21m	**£2m**	n/m	28%
Balance sheet investment portfolio	£0.4bn	**£0.4bn**		
Total Balance Sheet Return[4]	£57.9m	**£27.7m**		9%

1. AUM on constant currency basis.
2. AUM calculation based on 31 March 2020 to 31 March 2025.
3. Realisations of Fee-earning AUM.
4. NIR, including CLO dividends for Debt.
5. Five-year average for Total Balance Sheet Return.

Note: Growth calculations are performed using whole numbers for all metrics to ensure an accurate representation of the movements.

Performance of key funds

	Vintage	Total fund size[1]	Status	% deployed	Gross MOIC	Gross IRR	DPI
Private Debt							
Senior Debt Partners II	2015	€1.5bn	Realising		1.3x	8%	100%
Senior Debt Partners III	2017	€2.6bn	Realising		1.2x	6%	66%
Senior Debt Partners IV	2020	€5.0bn	Realising		1.2x	11%	44%
Senior Debt Partners V	2022	€7.3bn	Investing	49%	1.1x	17%	5%
North American Private Debt I	2014	$0.8bn	Realising		1.5x	16%	136%
North American Private Debt II	2019	$1.4bn	Realising		1.4x	12%	73%
North America Credit Partners III	2023	$1.9bn	Investing	30%	1.1x	19%	–%

1. Refers to commingled fund size.

Key drivers

Business activity	Fundraising: SDP ($4.9bn) and NACP ($0.3bn); CLOs ($1.8bn) and Liquid Credit ($1.0bn) Deployment: SDP ($2.7bn) and NACP ($0.4bn) Realisations: SDP($4.7bn) and NACP ($0.3bn); CLOs ($2.8bn) and Liquid Credit ($ 0.5bn) Net realisations of $2.1bn within Debt drove a reduction in FEAUM for the asset class
Fee income	Management fees: Lower than prior year owing to a reduction in FEAUM due to net realisation activity in SDP Performance fees: FY24 benefited from performance fees in Alternative Credit (£13m), which are earned every three years
Balance sheet investment portfolio	Includes the impact of the Group moving to a third-party valuer for its CLO equity during Q3, bringing the approach in line with wider market practice. Net effect of the assumptions applied by the third-party valuer increased the value of the CLO equity held on the balance sheet by £20m compared to the assumptions applied by the Company at 31 March 2024[1]

1. Further details of assumptions applied and sensitivities of the CLO equity valuation to these assumptions can be found in note 5 (IFRS) and in the Datapack (APM).

Finance review continued

Fund Management Company

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

Management fees

Management fees for the period totalled £603.8m (FY24: £505.4m), a year-on-year increase of 19% (8% excluding the impact of catch-up fees of £61.8m in FY25 and £4.6m in FY24). On a constant currency basis management fees increased 22% year-on-year.

The effective management fee rate on our fee-earning AUM at the period end was 0.97% (FY24: 0.92%).

Performance fees

Performance fees recognised for the year totalled £86.2m (FY24: £73.7m). The year-on-year increase was largely due to additional revenue accrued for Europe VII as it moved closer to its hurdle date. During the period the Group received realised performance fees of £60.3m and at 31 March 2025 had accrued performance fees receivable on its balance sheet of £108.4m (31 March 2024: £83.7m):

£m	
Accrued performance fees at 31 March 2024	**83.7**
Accruals during period	86.2
Received during period	(60.3)
FX and other movements	(1.2)
Accrued performance fees at 31 March 2025	**108.4**

Recognition of performance fees

In addition to management fees, the Group receives performance fees from certain funds if performance thresholds are met.

Performance fees are a relatively small but important part of the Group's revenue. The Group receives approximately 20–25% of performance fees from the funds that it manages, with the remainder going to the investment teams.

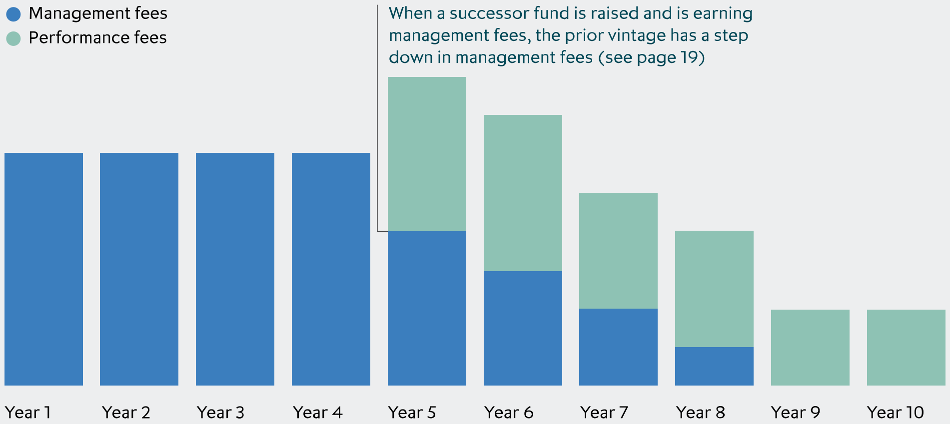
Over the medium term we expect performance fees to be ~10–15% of our total third-party fee income. Accrual of unrealised performance fees is a matter of judgement (see note 3 on page 128) and we take a conservative approach to minimise the possibility of any significant reversals.

Illustrative recognition of performance fee accrual under UK-adopted IAS for a fund that charges fees on committed capital

Performance fees are recognised only if it is highly probable that there will not be a significant reversal in the future. In practice recognition generally occurs after a number of realisations have been made. Timing of recognition depends on deployment, exits and fund performance.

Where the hurdle date is expected to be reached within 24 months of the year end, a constraint will be applied to the performance fee that is recognised but not yet paid. For FY25, this constraint was 53% (see page 128.

Certain funds that charge fees on invested capital also charge performance fees, which the Group benefits from. The process for recognising performance fees in these funds is the same as outlined above, and the illustrative profile in the graph would change to reflect the management fee being charged on invested capital. For more detail on how we charge management fees (see page 19).



Finance review continued

Fund Management Company continued

Other income

Other income comprises dividend receipts of £48.3m (FY24: £47.0m) from investments on the balance sheet in CLO equity; an intercompany fee of £24.6m for managing the IC balance sheet investment portfolio (FY24: £25.0m); and other income of £2.8m (FY24: £0.9m).

Operating expenses and margin

FMC operating expenses totalled £304.6m, an increase of 10% compared to FY24 (£277.5m)

£m	Year ended 31 March 2024	Year ended 31 March 2025	Change %
Salaries	101.0	**109.2**	8%
Incentive scheme costs	113.3	**128.8**	14%
Administrative costs	56.8	**58.5**	3%
Depreciation and amortisation	6.4	**8.1**	27%
FMC operating expenses	**277.5**	**304.6**	**9.8%**
FMC operating margin	**57.4%**	**60.2%**	**2.8%**

Within FMC operating expenses (incentive scheme costs), an expense of £43.0m was recorded for stock-based compensation (FY24: £41.0m).

The FMC recorded a profit before tax of £461.4m (FY24: £374.5m), a year-on-year increase of 23% and an increase of 28% on a constant currency basis.

Investment Company

The Investment Company (IC) invests the Group's balance sheet to seed new strategies, and invests alongside the Group's scaling and established strategies to align interests between our shareholders, clients and employees. It also supports a number of costs, including teams that have not yet had a first close on a first third-party fund, certain central functions, a part of the Executive Directors' compensation, and the portion of the investment teams' compensation linked to the returns of the balance sheet investment portfolio (Deal Vintage Bonus, or DVB).

Balance sheet investment portfolio

The balance sheet investment portfolio was valued at £3.0bn at 31 March 2025 (31 March 2024: £3.1bn). During the period, it generated net realisations and interest income of £172m (FY24: £139m), being net realisations of £69m (FY24: £88m) and cash interest receipts of £103m (FY24: £51m).

We made seed investments totalling £166m.

£m	As at 31 March 2024	New investments	Realisations	Gains/ (losses) in valuation	FX & other	As at 31 March 2025
Structured Capital and Secondaries	1,807	373	(390)	152	(36)	**1,906**
Real Assets	402	79	(118)	30	(6)	**387**
Debt[1]	467	97	(90)	(20)	(11)	**443**
Seed Investments	394	166	(289)	31	(10)	**292**
Total Balance Sheet Investment Portfolio	**3,070**	**715**	**(887)**	**193**	**(63)**	**3,028**

1. Of which £228m is in CLO equity.

Investment Company continued

Net Investment Returns

For the five years to 31 March 2025, Net Investment Returns (NIR) have been in line with our medium-term guidance, averaging 12%. For the twelve months to 31 March 2025, NIR were 6% (FY24: 13%).

NIR of £192.5m were comprised of interest of £140.6m from interest-bearing investments (FY24: £124.9m) and capital gains of £51.9m (FY24: £252.4m). NIR were split between asset classes as follows:

	Year ended 31 March 2024		Year ended 31 March 2025	
	NIR (£m)	Annualised NIR (%)	NIR (£m)	Annualised NIR (%)
Structured Capital and Secondaries	232.5	13%	**151.8**	**8%**
Real Assets	44.2	9%	**30.0**	**8%**
Debt	10.9	2%	**(20.5)**	**(5)%**
Seed Investments	91.7	25%	**31.2**	**9%**
Total net investment returns	**379.3**	**13%**	**192.5**	**6%**

Total balance sheet return including CLO dividends (which are recognised in the FMC), was £240.8m (FY24: £426.3).

For further discussion on balance sheet investment performance by asset class, refer to pages 21 to 23 of this report.

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

£m	Year ended 31 March 2024	Year ended 31 March 2025	Change
Changes in fair value of derivatives[1]	(7.3)	**8.3**	n/m
Inter-segmental fee	(25.0)	**(24.6)**	(2)%
Other	1.0	**1.7**	70%
Other IC revenue	**(31.3)**	**(14.6)**	**(53)%**

1. See page 28 for FX exposure of fee-earning AUM, fee income, FMC expenses and Balance sheet investment portfolio.

As a result, the IC recorded total revenues of £177.9m (FY24: £348m).

Investment Company expenses

Operating expenses in the IC of £86.7m decreased by 14% compared to FY24 (£100.4m), with increases in salaries and administrative costs being more than offset by a decrease in incentive scheme costs:

£m	Year ended 31 March 2024	Year ended 31 March 2025	Change %
Salaries	21.4	**30.0**	40%
Incentive scheme costs	58.6	**29.5**	(50)%
Administrative costs	18.1	**26.8**	48%
Depreciation and amortisation	2.3	**0.4**	(83)%
IC operating expenses	**100.4**	**86.7**	**(14)%**

Incentive scheme costs included DVB accrual of £9.4m (FY24: £35.1m). The reduction compared to FY24 was predominantly due to a change in the anticipated timing of when DVB is likely to be realised, which led the DVB accrual in H1 FY25 of £0.2m (H2 FY25: £9.2m).

Interest expense was £39.6m (FY24: £45.8m) and interest earned on cash balances was £19.2m (FY24: £21.5m).

The IC recorded a profit before tax of £70.8m (FY24: £223.3m).

Finance review continued

Group

Operating expenses

The Group's operating expenses in aggregate were £391.3m, compared to FY24 these increased by 4%. For more detailed commentary on the changes in the operating expenses, see pages 24 and 25 of this report.

£m	Year ended 31 March 2024	Year ended 31 March 2025	Change %
Salaries	122.4	**139.2**	14%
Incentive scheme costs	171.9	**158.3**	(8)%
Administrative costs	74.9	**85.3**	14%
Depreciation and amortisation	8.7	**8.5**	(2)%
Group operating expenses	**377.9**	**391.3**	**4%**

Within the Group operating expenses (incentive scheme costs), an expense of £52.3m was recorded for stock-based compensation (FY24: £53.6m).

Tax

The Group recognised a tax charge of £(79.8)m (FY24: £(78.5)m), resulting in an effective tax rate for the period of 14.9% (FY24: 13.2%).

As detailed in note 13, the Group has a structurally lower effective tax rate than the statutory UK rate. This is largely driven by the Investment Company, where certain forms of income benefit from tax exemptions. The effective tax rate will vary depending on the income mix.

Dividend and share count

ICG has a progressive dividend policy. Over the long term the Board intends to increase the dividend per share by at least mid-single digit percentage points on an annualised basis.

The Board has proposed a final dividend of 56.7p per share which, combined with the interim dividend of 26.3p per share, results in total dividends for the year of 83.0p (FY24: 79.0p). This marks the 15th consecutive year of increases in our ordinary dividend per share, which over the last five years has grown at an annualised rate of 10%. We continue to make the dividend reinvestment plan available.

At 31 March 2025 the Group had 290,636,892 shares outstanding (31 March 2024: 290,631,993). During the year the Group recognised £52.3m in stock-based compensation. The Group has a policy of neutralising the dilutive impact of stock-based compensation through the purchase of shares by an Employee Benefit Trust ('EBT').

Balance sheet and cash flow

Our growing earnings and cash generation are resulting in an increasingly valuable asset base, which we use to enhance our client offering and shareholder value while maintaining an appropriately capitalised balance sheet. We do this through:

- investing alongside clients in our existing strategies to align interests;
- making investments to grow the strategies and products we offer our clients; and
- returning appropriate capital to our shareholders.

During the year we made gross investments of £549m alongside existing strategies and £166m in seed investments, and maintained our progressive dividend policy. See page 24 for more information on the performance of our balance sheet investment portfolio during the period and page 14 for information on our dividend.

To support this use of our balance sheet, we maintain a robust capitalisation and a strong liquidity position:

£m	31 March 2024	31 March 2025
Balance sheet investment portfolio	3,070	**3,028**
Cash and cash equivalents	627	**605**
Other assets	476	**447**
Total assets	**4,173**	**4,080**
Financial debt	(1,448)	**(1,177)**
Other liabilities	(430)	**(407)**
Total liabilities	**(1,878)**	**(1,584)**
Net asset value	**2,295**	**2,496**
Net asset value per share[1]	**790p**	**859p**

1. The number of shares used to calculate NAV per share include shares held in the EBT (a different basis to Group earnings per share), The Group uses the EBT to purchase and hold shares to offset the impact of share-based payments. Prior period NAV per share figures have been adjusted to reflect this methodology.

Liquidity and net debt

For FY25 we are reporting operating cashflow of £518m (FY24: £359m). This increase is due both to higher cashflow from fee income and higher cash generation from our balance sheet.

At 31 March 2025 the Group had total available liquidity of £1,098m (FY24: £1,124m), net financial debt of £629m (FY24: £874m) and net gearing of 0.25x (FY24: 0.38x

During the period, available cash decreased by £26m from £574m to £548m, including the repayment of £241m of borrowings that matured.

Finance review continued

Group continued

The table below sets out movements in cash:

£m	FY24	FY25
Opening cash	**550**	**627**
Operating activities		
Fee and other operating income	492	**656**
Net cash flows from investment activities and investment income[1]	180	**253**
Expenses and working capital	(272)	**(323)**
Tax paid	(41)	**(68)**
Group cash flows from operating activities - APM[2,3]	**359**	**518**
Financing activities		
Interest paid	(49)	**(41)**
Interest received on cash balances	29	**20**
Purchase of shares by EBT	–	**(43)**
Dividends paid	(223)	**(229)**
Net repayment of borrowings	(51)	**(241)**
Group cash flows from financing activities - APM[2]	**(294)**	**(534)**
Other cash flow[4]	14	**4**
FX and other movement	(2)	**(10)**
Closing cash	**627**	**605**
Regulatory liquidity requirement	(53)	**(57)**
Available cash	**574**	**548**
Available undrawn RCF	550	**550**
Cash and undrawn debt facilities (total available liquidity)	**1,124**	**1,098**

1. The aggregate cash (used)/received from balance sheet investment portfolio (additions), realisations, and cash proceeds received from assets within the balance sheet investment portfolio.
2. Interest paid, which is classified as an Operating cash flow under UK-adopted IAS, is reported within Group cash flows from financing activities - APM.
3. Per note 30 of the Financial Statements, Operating cash flows under UK-adopted IAS of £136.1m (FY24: £255.9m) include consolidated credit funds. This difference to the APM measure is driven by cash consumption within consolidated credit funds as a result of their investing activities during the period.
4. Cash flows in respect of purchase of intangible assets, purchase of property, plant and equipment and net cash flow from derivative financial instruments.

At 31 March 2025, the Group had drawn debt of £1,177m (FY24: £1,448m). The change is due to the repayment of certain facilities as they matured, along with changes in FX rates impacting the translation value:

	£m
Drawn debt at 31 March 2024	**1,448**
Debt (repayment) / issuance	(241)
Impact of foreign exchange rates	(30)
Drawn debt at 31 March 2025	**1,177**

Net financial debt therefore reduced by £245m to £629m (FY24: £874m):

£m	31 March 2024	31 March 2025
Drawn debt	1,448	**1,177**
Available cash	574	**548**
Net financial debt	**874**	**629**

During the period, S&P upgraded ICG plc to BBB+. At 31 March 2025 the Group had credit ratings of BBB (positive outlook) and BBB+ (stable outlook) from Fitch and S&P, respectively.

The Group's debt is provided through a range of facilities. All facilities except the RCF are fixed-rate instruments. The weighted-average pre-tax cost of drawn debt at 31 March 2025 was 2.84% (FY24: 3.07%). The weighted-average life of drawn debt at 31 March 2025 was 2.9 years (FY24: 3.3 years). The maturity profile of our term debt is set out below:

£m	FY26	FY27	FY28	FY29	FY30
Term debt maturing	176	486	–	97	419

During FY25, the Group entered into a new Revolving Credit Facility (RCF), replacing the previous facility. The RCF, which matures in October 2027, remains at £550m and has more favourable economic terms compared to the previous facility. For further details of our debt facilities see Other Information (page 204).

Net gearing

The movements in the Group's balance sheet investment portfolio, cash balance, debt facilities and shareholder equity resulted in net gearing decreasing to 0.25x at 31 March 2025 (FY24: 0.38x).

£m	31 March 2024	31 March 2025	Change %
Net financial debt (A)	874	**629**	(28)%
Net asset value (B)	2,295	**2,496**	9%
Net gearing (A/B)	**0.38x**	**0.25x**	**(0.13)x**

Finance review continued

Foreign exchange rates

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

	Average rate for FY24	Average rate for FY25	Year ended 31 March 2024	Year ended 31 March 2025
GBP:EUR	1.1609	**1.1919**	1.1697	**1.1944**
GBP:USD	1.2572	**1.2773**	1.2623	**1.2918**
EUR:USD	1.0829	**1.0751**	1.0792	**1.0815**

The table below sets out the currency exposure for certain reported items:

	USD	EUR	GBP	Other
Fee-earning AUM	35%	55%	9%	1%
Fee income	34%	58%	7%	1%
FMC expenses	18%	14%	59%	9%
Balance sheet investment portfolio	29%	49%	14%	8%

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

	Impact on FY25 management fees[1]	Impact on FY25 FMC PBT[1]	NAV per share at 31 March 2025[2]
Sterling 5% weaker against euro and dollar	+£29.0m	+£30.9m	+14p
Sterling 5% stronger against euro and dollar	-£(26.3)m	-£(28.0)m	-(13)p

1. Impact assessed by sensitising the average FY25 FX rates.
2. NAV / NAV per share reflects the total indicative impact as a result of a change in FMC PBT and net currency assets.

Where noted, this review presents changes in AUM, fee income and FMC PBT on a constant currency exchange rate basis. For the purposes of these calculations, prior period numbers have been translated from their underlying fund currencies to the reporting currencies at the respective FY25 period end exchange rates. This has then been compared to the FY25 numbers to arrive at the change on a constant currency exchange rate basis.

The Group does not hedge its net currency income as a matter of course, although this is kept under review. The Group does hedge its net balance sheet currency exposure, with the intention of broadly insulating the NAV from FX movements. Changes in the fair value of the balance sheet hedges are reported within the IC.