

Governance overview



“Effective corporate governance is fundamental to the way ICG Enterprise Trust conducts business.”

JANE TUFNELL
Chair

Aligning our culture with our purpose

Dear shareholders,

Effective corporate governance is fundamental to the way ICG Enterprise Trust conducts business. By encouraging entrepreneurial and responsible management, it supports the creation of long-term, sustainable value for shareholders and for wider society.

Effective oversight of strategy and risk is particularly important to promote the long-term success of the Company. In performing this role, the Board seeks to be responsive to both the evolving regulatory environment and changing expectations about the role of business in society.

In particular, the Board seeks to ensure that both its own culture and that of the Manager is aligned with the Company's purpose and values, and that the Company has the necessary financial and human resources to deliver its strategy.

Board developments

CREATION OF MANAGEMENT ENGAGEMENT COMMITTEE

In line with the AIC Code, the Board has formed a new Management Engagement Committee to enhance its oversight of the Manager and other key suppliers. The MEC held its inaugural meeting during the year to increase the rigour of the Board's monitoring in this area.

RETIRING DIRECTORS

Sandra Pajarola retires from the Board on 30 June 2022 having served nine years. As previously communicated, Lucinda Riches retired from the Board on 21 June 2021 having served 10 years (including since 2018 as Senior Independent Director). We thank them both for their services. I, along with the rest of the Board, am continually assessing Board composition and will update in due course.

Role of the Board

STRATEGIC OVERSIGHT

It is the responsibility of the Board to ensure that there is effective stewardship of the Company's affairs. Strategic issues are determined by the Board and a formal schedule of operational matters reserved for the Board has been adopted. In order to enable them to discharge their responsibilities, directors have full and timely access to relevant information.

COMPLIANCE WITH THE CODE

The Board applies the principles of the AIC Code of Corporate Governance ('AIC Code'). The AIC Code adapts the Principles and Provisions set out in the UK Corporate Governance Code ('the Code') issued by the Financial Reporting Council to make them more relevant for investment companies.

BOARD PERFORMANCE EVALUATION

The Board has a formal process for the annual evaluation of its own performance and that of the Chair, which took place as usual during the year. The most recent evaluation concluded in January 2022 that the Board and its members continue to operate effectively.

CULTURE AND VALUES

The Board expects all directors to act with integrity and to apply their skill, care, due diligence and professional experience in deliberations regarding the Company's business. The Board applies various practices and behaviours to ensure that its culture aligns with the Company's purpose, values and strategy, including a robust annual review and a regular consideration of our direction at Board meetings.

SUCCESSION PLANNING

The Board's tenure and succession policy seeks to ensure that the Board remains well balanced through the appointment of directors with a range of skills and experience. This is managed through the phased appointments of new directors.

REGULAR MEETINGS

The Board, which meets at least four times each year, reviews the Company's investment Portfolio and investment performance and considers financial reports. There is also contact with the directors between meetings where this is necessary for the Company's business.

Board of Directors

The Board is responsible for the effective stewardship of the Company's affairs

<p>JANE TUFNELL Chair of the Board</p> <hr/> <p>DAVID WARNOCK Senior Independent Director</p> <hr/>  <hr/> <p>AUDIT COMMITTEE Alastair Bruce (Chair)</p> <hr/> <p>Gerhard Fusenig</p> <hr/> <p>Sandra Pajarola¹</p> <hr/> <p>Jane Tufnell</p> <hr/> <p>David Warnock</p> <hr/> <p>KEY RESPONSIBILITIES</p> <p>Reviewing the interim and annual financial statements</p> <hr/> <p>Reviewing the effectiveness and scope of the external audit</p> <hr/> <p>Reviewing the risks to which the Company is exposed and mitigating controls</p> <hr/> <p>Overseeing compliance with regulatory and financial reporting requirements</p> <hr/> <p>¹ Retiring on 28 June 2022.</p> <p>→ 60 Report of the Audit Committee</p>	<p>ALASTAIR BRUCE Independent Non-Executive Director</p> <hr/> <p>GERHARD FUSENIG Independent Non-Executive Director</p> <hr/>  <hr/> <p>MANAGEMENT ENGAGEMENT COMMITTEE David Warnock (Chair)</p> <hr/> <p>Alastair Bruce</p> <hr/> <p>Gerhard Fusenig</p> <hr/> <p>Sandra Pajarola¹</p> <hr/> <p>Jane Tufnell</p> <hr/> <p>KEY RESPONSIBILITIES</p> <p>Monitor and evaluate the performance and remuneration of the Manager</p> <hr/> <p>Monitor and evaluate the performance and remuneration of other key service providers</p> <hr/> <p>→ 50 Corporate governance report</p>	<p>SANDRA PAJAROLA¹ Independent Non-Executive Director</p> <hr/>  <hr/> <p>NOMINATIONS COMMITTEE Jane Tufnell (Chair)</p> <hr/> <p>Alastair Bruce</p> <hr/> <p>Gerhard Fusenig</p> <hr/> <p>Sandra Pajarola¹</p> <hr/> <p>David Warnock</p> <hr/> <p>KEY RESPONSIBILITIES</p> <p>Selecting and proposing suitable candidates for appointment or reappointment to the Board</p> <hr/> <p>→ 50 Corporate governance report</p>
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Board of Directors

All members of the Board are independent non-executive directors

BOARD OVERVIEW

COMPOSITION AND INDEPENDENCE

The Board is currently comprised of five non-executive directors. There is no Chief Executive Officer position within the Company as day-to-day management of the Company's affairs has been delegated to the Manager.

BOARD DIVERSITY

There are currently two female and three male directors on the Board. The Board considers all candidates for Board appointments and does not discriminate based on gender or any other factor, making appointments based solely on the skills and experience of the candidates.

TENURE

The Company has no employees and given the nature of its business as an investment company, the Board believes that it is important for it to be refreshed with new members periodically.

Committee membership

- A Audit
- M Management Engagement
- N Nominations



JANE TUFNELL



Chair

Background

Jane Tufnell was appointed to the Board in April 2019 and became Chair in June 2020. She started her career in 1986 joining County NatWest, where she jointly ran the NatWest Pension Fund's exposure to UK smaller companies. In 1994 she co-founded Ruffer Investment Management Ltd where she worked for over 20 years to build the business to an AUM of £20bn, before leaving in 2015. Jane is Chair of Odyssean Investment Trust and a non-executive director of Schroder UK Public Private Trust plc. She has served as a non-executive director of a number of other entities.

Experience

Jane brings extensive financial services and fund management experience to the Board. She is a seasoned public company board member and chair, and has significant experience of all aspects of investment company management, governance and regulation.



GERHARD FUSENIG



Independent Non-Executive Director

Background

Gerhard Fusenig was appointed to the Board in 2019. Over the last 25 years, Gerhard has held a number of senior management roles including the position of co-COO of Asset Management and CEO of Core Investments at Credit Suisse, as well as Global Head of Fund Services at UBS. Gerhard is a non-executive director of Credit Suisse Insurance Linked Strategies Ltd and of SolvenyAnalytics AG. Former directorships include Standard Life Aberdeen PLC and Aberdeen Asset Management PLC.

Experience

Gerhard is highly experienced as an executive in the investment management sector and is also very familiar with board practices and corporate governance requirements due to his range of board positions, including major listed companies.



DAVID WARNOCK



Senior Independent Non-Executive Director and Chair of the Management Engagement Committee

Background

David Warnock was appointed to the Board in December 2020, and became Senior Independent Director in June 2021. David co-founded the investment firm Aberforth Partners and was a partner for 19 years until his retirement from that firm in 2008. He has held non-executive directorships of several public and private companies and before Aberforth was with Ivory & Sime plc and 3i Group plc. David is currently Chair of Troy Income & Growth Trust plc, Chair of BMO Managed Portfolio Trust plc and an active investor in a number of private companies.

Experience

David brings extensive private equity, investment trust, and listed company experience to the Board. He worked for many years in private equity and served as a non-executive director of abrdn Private Equity Opportunities Trust plc. He has been involved in all aspects of investment trusts, either as a manager or as a non-executive director, for over 30 years.



ALASTAIR BRUCE



Independent Non-Executive Director and Chair of the Audit Committee

Background

Alastair Bruce was appointed to the Board in 2018 and became Chair of the Audit Committee in February 2019. Alastair was Managing Partner of Pantheon Ventures between 2006 and 2013, having joined the firm in 1996. During his tenure at Pantheon Ventures, Alastair was involved in all aspects of the firm's business, particularly the management of Pantheon International Participations PLC ('PIP'), the expansion of Pantheon Ventures' global platform and the creation of a co-investment business.

Experience

Alastair brings over 25 years of private equity, investment management and financial experience to the Board. Through his involvement with the management of PIP, he has extensive experience of managing a listed private equity vehicle.



SANDRA PAJAROLA



Independent Non-Executive Director

Background

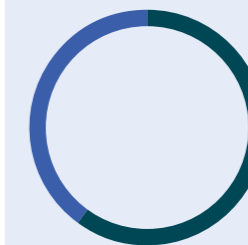
Sandra Pajarola was appointed to the Board in March 2013 and will retire in June 2022. Sandra has over 30 years of experience in private equity and financial services. She was a Partner at Partners Group having served on its global investment committee for 12 years and was key in building up and managing its primary funds' investment team and portfolio. In her role, she also held various board seats on direct investments as well as advisory board seats for funds. Since 2013, she has acted as an Operating Partner for Partners Group. In addition, Sandra is an angel investor in private equity across Europe and a private adviser to investment firms in the technology and social impact sectors.

Experience

Sandra brings extensive private equity investing experience having executed a similar strategy during her time at Partners Group. As the head of the team there Sandra built relationships with many private equity managers in Europe and has a broad perspective on the private equity industry. Her ongoing roles in the industry give her valuable insight into the private equity market across Europe.

At a glance

Gender diversity



Board nationality



Male	60%
Female	40%

UK	60%
US/Switzerland	20%
Germany	20%

Matrix of skills and experience

	Jane Tufnell	David Warnock	Alastair Bruce	Gerhard Fusenig	Sandra Pajarola
Investment Trusts	✓	✓	✓		✓
Private Equity		✓	✓	✓	✓
Asset Management	✓	✓	✓	✓	✓
UK Corporate Governance	✓	✓	✓	✓	
International			✓	✓	✓
Finance/Audit	✓		✓		

Meetings

Board member	Board	Audit	MEC	Nominations
Jane Tufnell	6/6	4/4	2/2	1/1
David Warnock	6/6	4/4	2/2	1/1
Alastair Bruce	6/6	4/4	2/2	1/1
Gerhard Fusenig	6/6	4/4	2/2	1/1
Sandra Pajarola	6/6	4/4	2/2	1/1
Lucinda Riches ¹	2/2	2/2	N/A	N/A

¹ Retired from the Board on 21 June 2021.

The quorum for any Board meeting is two directors but attendance by all directors at each meeting is strongly encouraged.

Corporate governance report

CORPORATE GOVERNANCE

The Company is committed to appropriate standards of corporate governance. Since 1 February 2021, the Board has applied the principles of the AIC Code of Corporate Governance ('AIC Code'). The AIC Code adapts the Principles and Provisions set out in the UK Corporate Governance Code ('the Code') issued by the Financial Reporting Council to make them more relevant for investment companies. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders. The Board remains cognisant of the provisions of the Code. A copy of the AIC Code and the Code can be obtained from the websites of the Association of Investment Companies (www.theaic.co.uk) and of the Financial Reporting Council (www.frc.org.uk) respectively.

Throughout the year, the Company complied with the provisions of the AIC Code; the Board was aware that Lucinda Riches (who retired in June 2021) had served since July 2011, but still considered her to be independent throughout the year despite her serving for more than nine years. The Board subscribes to the view that long-serving directors should not be prevented from forming part of an independent majority. It does not consider that a director's tenure necessarily reduces his or her ability to act independently and, following formal performance evaluations, believes that each of the directors is independent in character and judgement and that there are no relationships or circumstances which are likely to affect their judgement.

The Board considers that the tenure profile of the Board, represented by the length of service of each of its directors, is appropriately balanced such that Board succession and renewal planning is managed over the medium to longer term. The composition of the Board continues to include directors who bring an appropriate mix of skills, experience, expertise and diversity (including gender diversity) to Board decision making.

All of the Company's directors will seek re-election at each Annual General Meeting. The terms and conditions of appointment of the non-executive directors will be available for inspection at the AGM.

Each non-executive director is appointed by a letter of appointment on an ongoing basis and shareholders vote on whether to elect/re-elect him or her at every AGM.

A non-executive director will only be proposed for re-election at an AGM if the Board is satisfied with the non-executive director's performance, independence and ongoing time commitment. There is no absolute limit to the period that a non-executive director can serve for; however the Board recognises wider views regarding length of service and factors these in when considering whether or not directors' appointments should be continued.

The Directors' Remuneration Report, comprising the Remuneration Policy, which shareholders will be asked to approve at the Annual General Meeting, can be found on pages 56 to 59.

The Company is also subject to the Alternative Investment Fund Managers Directive ('AIFMD') and has a management agreement with the Manager to act as its Alternative Investment Fund Manager ('AIFM'). Aztec Financial Services (UK) Limited acts as its depositary, in accordance with the requirements of the AIFMD.

Composition and independence

The Board is currently comprised of five non-executive directors and has had one change in membership during the year (Lucinda Riches retired from the Board on 21 June 2021). There is no Chief Executive Officer position within the Company as day-to-day management of the Company's affairs has been delegated to the Manager. The Board regularly reviews the independence of its members and, having due regard to the definitions and current guidelines on independence under the Code, considers all directors to be independent (despite the length of service of some directors, in respect of whom it has concluded that they are independent in judgement and character). There are no relationships or circumstances relating to the Company that are likely to affect their judgement. The Board has agreed that during 2022 it will begin to act as a host Board for an Apprentice under the Board Apprentice scheme, which is designed to increase access to board level positions for those who have not previously had this experience. The Board Apprentice will not be a member of the Board but will attend, and contribute, to all meetings.

Senior Independent Director

David Warnock is the Senior Independent Director. He provides support to the Chair in her role leading the Board while also providing his challenge and acting as a conduit for any points to be raised in respect of the Chair. Following the recent Board evaluation, the Board considers him to be operating effectively in this role.

Induction and training

Board training is provided regularly to ensure that Board members are well placed to conduct their role. In addition, directors benefit from training received while sitting as members of other boards.

New Board members receive a formal induction on all aspects of the Company's business.

Performance evaluation

The Board reviews its own performance annually with an external assessment undertaken every three years. The assessment covers the effectiveness and performance of the Board as a whole, the Board Committees and an evaluation of each director. This process helps ensure that the Board's operations remain aligned with the culture, purpose and values of the Company. The last external assessment was undertaken in the year ended 31 January 2021.

The Board conducted an internal self-evaluation led by the Chair. This involved the submission of written questionnaires and then a full discussion of the output. The review concluded that the Board continues to operate effectively and coherently, with a collaborative approach taken. As a result of the review, the Board has made some refinements to its annual programme, including separating the annual strategy session from being held on the same day as a standard Board meeting to allow separate focus on strategic matters. Each individual director was also assessed as part of the evaluation and it was concluded that each director continues to make a valuable contribution to the Board. It was noted that, given her background as a private equity investor, the forthcoming retirement of Sandra Pajarola would mean a need for a director to be recruited to enhance the skill set of the Board in a similar way.

Directors' time commitments

The Company has a policy of ensuring that all non-executive directors of the Company have sufficient time to commit to the respective duties and responsibilities applicable to their particular Board roles. When making new appointments, the Board takes into account other demands on potential candidates' time and prior to appointment any significant commitments are disclosed with an indication of the time involved. In the year under review the Board assessed the time commitment of each individual director on external appointments. Each director's aggregate time commitment is discussed with him or her as part of the annual appraisal process. In the year under review, all directors were considered to have sufficient time to commit to their respective roles on the Board, taking account of their external appointments.

Board diversity

There are currently two female and three male directors on the Board. The Board considers all candidates for Board appointments and does not discriminate based on gender or any other factor, making appointments based solely on the skills and experience of the candidates. The Board is aware of the requirements of the Parker Review in respect of ethnic diversity and acknowledges the importance of all forms of diversity. Diversity is one of the key considerations when directors are appointed to the Board, and is factored in to all searches for new directors.

Tenure

As discussed on page 50, the Board's tenure and succession policy seeks to ensure that the Board remains well balanced through the appointment of directors with a range of skills and experience. The Company has no employees and given the nature of its business as an investment company, the Board believes that while it is important for it to be refreshed with new members (as has been actively done in the last few years), it is not of concern that at times a director with longer than nine years' experience may be on the Board.

Role of the Board

It is the responsibility of the Board to ensure that there is effective stewardship of the Company's affairs. Strategic issues are determined by the Board, a formal schedule of operational matters reserved for the Board has been adopted in order to enable it to discharge its responsibilities, and directors have full and timely access to relevant information.

The Board, which meets at least four times each year, reviews the Company's investment Portfolio and investment performance and considers financial reports. There is also contact with the directors between meetings where this is necessary for the Company's business.

There is an agreed procedure under which directors, wishing to do so in the furtherance of their duties, may take independent professional advice at the Company's expense.

In the event that in future any directors are unable to attend Board and Committee meetings, the relevant directors will be contacted by the Chair before and/or after the meeting to ensure they were aware of the issues being discussed and to obtain their input.

The Board meetings follow a formal agenda, which is approved by the Chair and circulated by the Company Secretary in advance of the meeting to all the directors and other attendees.

At each Board meeting every agenda item is considered against the Company's strategy, its investment objectives and its investment policy.

A typical agenda includes:

- a review of investment performance;
- a review of investments and divestments and asset management initiatives in progress;
- an update on investment opportunities available in the market and how they fit within the Company's strategy;
- consideration of any investment opportunities above a specified size;
- a review of the Company's financial performance;
- a review of the Company's financial forecasts, cash flow and ability to meet targets, including stressed scenarios and sensitivity analyses;
- a review of the Company's financial and regulatory compliance;
- a review of any conflicts of interest, including the consideration of investments which may amount to a conflict of interest;
- updates on shareholder and stakeholder relations;
- updates on the Company's capital market activity; and
- specific regulatory, compliance or corporate governance updates.

Board meetings also included a number of presentations from the Manager. Board papers are disseminated to the directors via a secure online platform for reasons of efficiency and cyber security. The online platform is also used to store relevant Company documentation, as it provides the directors with quick and secure access.

Company Secretary

The directors also have access to the advice and services of the Company Secretary, Andrew Lewis (on behalf of ICG FMC Limited).

Information flows

The Board receives written reports from the Manager and its advisers on at least a quarterly basis and as appropriate on specific matters. Prior to each Board meeting, directors are provided with a comprehensive set of papers giving detailed information on the Company's transactions, financial position and performance. The Chair ensures that directors are provided, on a regular basis, with key information on the Company's policies, regulatory requirements and its risk management and control results.

Insurance and indemnities

During the year under review, the Board has maintained appropriate insurance cover in respect of legal action against the directors.

The policy does not cover dishonest or fraudulent actions by the directors.

Stewardship

The Company seeks to make investments in funds and companies which are well managed with high standards of corporate governance. The directors believe this creates the proper conditions to enhance long-term shareholder value. The exercise of voting rights attached to the Company's Portfolio has been delegated to the Manager. However, the Board will be informed of any sensitive voting issues involving the Company's investments.

Conflicts of interest

The Company has adopted a policy requiring all directors to disclose other positions and also any other matter which may give rise to a conflict. Such conflicts can then be considered by the other directors and, if necessary, either approved or not approved. Currently there are no material conflicts in respect of any director.

Anti-bribery and Corruption Policy

The Manager has processes in place to ensure that bribery and corruption do not take place within the Manager or the Company. These include formal policies and regular training for all employees. The Board has reviewed these processes and found them adequate.

Whistleblowing Policy and arrangements

The Board and the Audit Committee have been made aware of the processes the Manager has in place to ensure that staff of the Manager may in confidence raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for the proportionate and independent investigation of such matters and follow up action. The Manager has established and implemented processes. These include formal policies and regular training for all employees.

Internal control around financial reporting

The key features of the Company's internal control systems that ensure the accuracy and reliability of financial reporting include clearly defined lines of accountability and delegation of authority, policies and procedures that cover financial reporting, preparation of quarterly management accounts, project governance and a review of the disclosures within the Annual Report and Accounts from functional heads. This combined ensures the disclosures made appropriately reflect the developments within the Company in the year and meet the requirement of being fair, balanced and understandable.

Corporate governance report continued

Environmental Policy

Due to the Company's premium listing on the London Stock Exchange, the Company is required to disclose its Environmental Policy. Further information on the social and environmental policies of the Manager can be found in the Investing responsibly section on pages 24 and 25.

COMMITTEES

Nominations Committee

All of the directors serve on the Nominations Committee which meets when necessary to select and propose suitable candidates for appointment or reappointment to the Board. The Committee is chaired by Jane Tufnell (save in respect of matters relating to the Chair of the Board, when it is chaired by the Senior Independent Director). When making an appointment, the Board considers the existing composition of the Board to determine areas which require strengthening. Independent external consultants are used to help identify a shortlist of candidates.

The Board's tenure and succession policy seeks to ensure that the Board is well balanced by the appointment of directors with a range of skills and experience. Candidates for the Board are assessed as to the appropriateness of their skills and experience prior to their appointment.

The Committee is mindful of all forms of diversity in its processes, and does not discriminate based on gender or any other factor when considering candidates. The Board is aware of the requirements of the Parker Review in respect of ethnic diversity and acknowledges the importance of all forms of diversity. Diversity is one of the key considerations when directors are appointed to the Board, and is factored in to all searches for new directors.

The Committee has adopted a succession plan to ensure that succession matters continue to be appropriately considered over the coming years. The long-term plan takes account of the potential future retirements of directors who reach nine years of service and the skills that they bring which will need replacement, and envisages that successors will be sought ahead of such retirements to allow for an appropriate handover period with minimal disruption.

During the financial year the Nominations Committee reviewed the composition of the Board and identified the capabilities needed for Board roles and the succession timeframe; the Committee reviewed the related role profile submitted to external

search consultants along with the request to prepare a list of suitable candidates. The Committee is currently considering candidates to supplement the Board following the retirement of Sandra Pajarola.

Remuneration Committee

As the Board is comprised solely of non-executive directors, the Company does not have a Remuneration Committee. The determination of the directors' fees is dealt with by the whole Board.

Please see pages 56 to 59 for the Directors' Remuneration Report.

Audit Committee

Please see pages 60 and 61 for the Report of the Audit Committee.

Management Engagement Committee

In accordance with industry good practice, in February 2021 the Company formed a Management Engagement Committee to review the activities of the Manager and other key service providers. The MEC is chaired by David Warnock and is comprised of all of the directors; it will meet at least annually. The Committee held its inaugural meeting in April 2021. It met again in September 2021, and conducted a detailed review of the performance of all key service providers. A number of follow up actions were agreed, but the Committee concluded that in all material respects all service providers were performing to the required standards.

Engagement with service providers

The Board operates in an open and co-operative manner with the Company's stakeholders, particularly in light of the long-term nature of the Company's investment proposition. The Board expects the Company's third-party service providers, particularly the Manager who is responsible for the management of the Company's Portfolio, to uphold the same values as the Board. To this end, the Board (via the Management Engagement Committee) considers the Manager's corporate culture as part of the overall assessment of the service provided to it.

Stakeholder engagement

Please see pages 34 to 37 for further details.

INTERNAL CONTROLS

The Board, at least annually, assesses the internal controls of the Manager. There have been no material adverse findings from this review. Please see page 60 for details of this in the Report of the Audit Committee. The Company does not have an internal audit function, although the need for such a function is considered annually.

All of the Company's management functions are delegated to the Manager, which has its own internal audit function. The Manager's internal audit function provides an annual report to the Board on internal controls and this forms part of the Board's review of the internal controls.

SHAREHOLDER RELATIONS

Both the Company's Annual Report and Accounts, containing a detailed review of performance and of changes to the investment Portfolio, and our regular factsheets, containing updated information in a more abbreviated form, are made available to shareholders through the Company's website. A copy of the latest Company presentation is available on the Company's website. Quarterly releases in respect of the Company's performance are announced to the market and available to shareholders. At the AGM, in ordinary circumstances a presentation is made by the Manager and investors are given an opportunity to question the Chair, the other directors and the Manager.

Communication with shareholders is given a high priority by the Board. The Manager and all directors, and in particular the Chair and Senior Independent Director, are available to enter into dialogue with shareholders. The Manager holds regular discussions with analysts and existing and potential institutional shareholders and values the feedback obtained in this manner.

A structured programme of shareholder presentations by the Manager to institutional shareholders takes place following the publication of the Annual Report and quarterly results. In addition, Board members are available to meet institutional shareholders.

The Board receives regular updates from the Company's broker and is kept informed of all material discussions with investors and analysts which helps the directors develop their understanding of shareholders' views and expectations.

A detailed list of the Company's shareholders is reviewed at each Board meeting.

Directors can be contacted via the registered office of the Company (see the Shareholder information section on page 99).

GOING CONCERN

In assessing the appropriateness of continuing to adopt the going concern basis of accounting, the Board has assessed the financial position and prospects of the Company over the next 12 months. The Company's business activities, together with factors likely to affect its future development, performance, position and cash flows, are set out in the Chair's statement on pages 10 and 11, and the Manager's review on pages 12 to 19.

As part of this review, the Board assessed the potential impact of principal risks and the COVID-19 pandemic on the Company's business activities, the Company's cash position, the availability of the Company's credit facility and compliance with its covenants, and the Company's cash flow projections. Further details of this assessment, including stress testing and sensitivity analysis performed, are disclosed below within the Viability Statement.

Based on this assessment, the Board expects that the Company will be able to continue in operation and meet its liabilities as they fall due until, at least, 31 May 2023, a period of more than 12 months from the signing of the financial statements. Therefore it is appropriate to continue to adopt the going concern basis of preparation of the Company's financial statements. Therefore it is appropriate to continue to adopt the going concern basis of preparation of the Company's financial statements.

VIABILITY STATEMENT

In accordance with the UK Corporate Governance Code, the Board has assessed the financial position and prospects of the Company over a longer period than the 12 months required by the 'going concern' basis of accounting. The Board has assessed the viability of the Company over a five-year period from the balance sheet date, being a period of time over which the Board can reasonably assess the Company's prospects and over which the majority of the Company's commitments will be drawn down.

The Board has carried out a robust assessment of the principal risks and their mitigants as noted on pages 40 to 43. Those considered most significant to the viability of the Company included those relating to investment performance, political and macro-economic uncertainty, and the ability of the Company to manage its financing and overcommitment risk.

As noted within the Manager's review on pages 12 to 19, the Company's financial position is strengthened by its access to its bank facility of €200m (£177m), which matures in February 2026 and is subject to a number of covenants. The Company had no drawings on its facility at 31 January 2022. The Company's cash balance was £41.3m as at 31 January 2022.

The Board has assessed the Company's ability to remain viable and meet its liabilities as they fall due through the review of balance sheet and cash flow projections provided by the Manager. As part of this, a range of stressed scenarios and sensitivity analyses was examined to identify conditions that might result in the facility's covenants being breached, and included the consideration of possible remedial action that the Company could undertake to avoid such breaches. Key variables considered included Portfolio gains and losses, fund drawdowns and realisations, availability of the credit facility, and exchange rates. Based on this assessment, the Board has a reasonable expectation that the Company will remain viable over a five-year period from the balance sheet date.

Jane Tufnell
Chair
11 May 2022

Report of the Directors

The Directors present their report and the audited financial statements for the year ended 31 January 2022

The Report of the Directors should be read in conjunction with the Strategic Report (pages 1 to 43) and the Directors' Remuneration Report (pages 56 to 59).

STATUS OF THE COMPANY

ICG Enterprise Trust Plc (the 'Company') is an investment company as defined by Section 833 of the Companies Act 2006 and is registered and domiciled in England (number 1571089). During the year under review the Company carried on the business of an investment trust. The last accounting period for which the Company has been approved by HM Revenue & Customs in accordance with the provisions of Section 1158 of the Corporation Tax Act 2010 is the year ended 31 January 2022. The Company will retain its investment trust status with effect from 1 February 2022 provided it continues to satisfy the conditions of Section 1158 of the Corporation Tax Act 2010. The Company has continued to direct its affairs with the objective of retaining such approval.

The Company's shares are eligible for tax-efficient wrappers such as Individual Savings Accounts ('ISAs'), Junior ISAs and Self Invested Personal Pensions ('SIPPs').

REPORTING PERIOD

This Annual Report has been prepared for the year to 31 January 2022.

SIGNIFICANT SHAREHOLDINGS

At 5 May 2022, the Company had received no notifications of disclosable interests in its issued share capital.

INVESTMENT POLICY

The Company's investment policy is set out on page 55. The policy has not changed since last year.

No material change will be made to the investment policy without prior shareholder approval.

PURCHASE OF SHARES

The Company has the authority, subject to various terms as set out in its Articles and in accordance with the Companies Act 2006, to acquire up to 14.99% of the shares in issue. The Company intends to renew this authority annually.

During the course of the year, the Company purchased 250,000 shares (representing 0.3% of the issued share capital of the Company on 5 May 2022, being the latest practical date before publication of this document) at an average price of 1,070p, for a total cost of £2.7m at a weighted average discount of 27%. These shares are held in treasury.

DIVIDEND

Quarterly dividends in respect of the year ended 31 January 2022 were paid on 3 September 2021 (6.0p per share), 3 December 2021 (6.0p per share) and 4 March 2022 (6.0p per share) for a total of 18.0p per share. A final dividend of 9p per share will, if approved, be paid on 22 July 2022 to holders of ordinary shares on the register at the close of business on 8 July 2022. This would bring the total dividend for the year to 27p per share.

DIRECTORS

All of the directors listed on pages 46 and 47 held office throughout the year and up to the date of signing the financial statements, and, other than Sandra Pajarola, will stand for re-election at the forthcoming Annual General Meeting. Lucinda Riches retired from the Board on 21 June 2021.

Sandra Pajarola and Gerhard Fusenig are both resident in Switzerland. All of the other directors of the Company are resident in the UK. The directors' biographical details demonstrate the wide range of skills and experience that they bring to the Board. In addition to the requirement of the Articles of Association that one third of the Board is subject to retirement each year, all directors are required to submit themselves for re-election at least every three years.

However, in accordance with corporate governance principles, the Board has decided that all directors will submit themselves for re-election every year.

A thorough review of all directors standing for re-election has been conducted. The review concluded that all directors bring valuable skills and experience to the Board and continue to operate effectively, and accordingly are recommended for re-election.

MANAGER

ICG Alternative Investment Limited ('ICG' or the 'Manager') is the manager of the Company. ICG is authorised as an Alternative Investment Fund Manager and is regulated by the Financial Conduct Authority.

The Manager provides investment management, company secretarial and general administrative services to the Company under a management agreement. This agreement can be terminated by either party giving not less than one year's notice.

The investment management fee payable under this agreement is calculated as 1.4% of the investment portfolio and 0.5% of outstanding commitments to funds in their investment periods, in both cases excluding the funds managed directly by ICG (see Note 18 on page 89) and by the former manager of the Company, Graphite Capital (see page 54). The Company also reimburses the Manager for irrecoverable VAT incurred, up to a cap of £100,000.

The effective management fee charged by the Manager in the year was 1.25% of the Company's net assets and the Company's Ongoing Charges ratio was 1.40% as calculated in accordance with AIC guidance and as shown in the Glossary. Further information around cost disclosures can be found in the Company's Key Information Document on the Shareholder information section of the Company's website.

For the ICG-managed funds (as disclosed in Note 18 to the financial statements on page 90) the annual management charge is between 1.3% and 1.5% of original commitments for funds in their investment period, and between 0.8% to 1.5% of unrealised cost for funds where their investment period has ended.

For the Graphite-managed funds (as disclosed on page 54) the annual management charge is 2% of original commitments for funds in their investment period, and between 1% to 2% for funds where their investment period has ended.

The charges and incentive arrangements for both ICG and Graphite managed funds are at the same level as those paid by third-party investors in the funds.

The Board reviews the activities and performance of the Manager on an ongoing basis, and reviews the investment strategy annually.

The Board reviews the Company's investment record over short and long-term periods, taking into account factors including the net asset value per share and the share price as well as the general competence of the Manager.

The Board also considers the performance of the Manager in carrying out its company secretarial and general administrative functions.

In addition, the Audit Committee carries out a formal assessment of the Manager's internal controls and risk management systems every year.

The Board has contractually delegated responsibility for management of the investment Portfolio and the provision of accounting and company secretarial services to the Manager. Custody of unquoted securities has been contractually delegated to an FCA regulated third-party custodian, Aztec Financial Services (UK) Limited ('Aztec').

Aztec has also been appointed the Company's depository, in accordance with the Alternative Investment Fund Managers Directive. Custody of quoted securities has been contractually delegated to an FCA regulated third-party custodian, Charles Stanley & Co Limited, although Aztec retains liability for safeguarding in respect of these assets. The performance of these third parties is overseen by the Board as part of its regular reviews of the Manager.

Based on the above, it is the Board's opinion that the continuing appointment of ICG as Manager of the Company on the agreed terms is in the best interests of shareholders as a whole.

CO-INVESTMENT INCENTIVE SCHEME

ICG and certain of its executives and, in respect of certain historic investments, the executives and connected parties of the Former Manager (together the 'Co-investors'), are required to co-invest alongside the Company, for which they are entitled to a share of investment profits if certain performance hurdles are met, as set out below:

The Co-investors are required to contribute 0.5% of the cost of every new fund investment (excluding those investments made by Graphite Capital funds, and any ICG fund investments made after 1 February 2016) and direct investment made by the Company.

If such an investment has generated at least an 8% per annum compound return in cash to the Company (the 'Threshold'), the Co-investors are entitled to receive 10% of the Company's total gains from that investment inclusive of return of cost, out of future cash receipts from the investment or, very rarely, in specie on the flotation of underlying portfolio companies.

For investments made before 24 May 2007, if the Threshold is not achieved the Co-investors do not recover their contribution. For investments made after 24 May 2007, the Co-investors recover their contribution at the same rate as the Company recovers the cost of its investment.

Further details of these arrangements can be found in Notes 1 and 9 to the financial statements.

CAPITAL

As at 31 January 2022, 72,913,000 ordinary shares of 10.0p each were in issue and fully paid, including shares which had been bought back into Treasury. 4,395,945 Treasury Shares, representing 6.03% of the Company's share capital, were held as at 5 May 2022, being the latest practical date before publication of this document.

Resolutions will be proposed at the forthcoming AGM to:

- allot up to a maximum of 22,610,628 ordinary shares of 10p each, representing 33% of the Company's issued share capital (excluding shares held as Treasury Shares) as at 5 May 2022; and
- disapply pre-emption rights on up to 10% of the issued share capital (excluding shares held as Treasury Shares) to enable the Board to re-issue any ordinary shares held in treasury without having first to offer them to all existing shareholders; and to renew the directors' authority to buy back up to 10,270,706 ordinary shares (being 14.99% of the issued share capital (excluding shares held as Treasury Shares as at 5 May 2022)) subject to the constraints to be set out in the proposed resolution. The authority will be used where the directors consider it to be in the best interest of shareholders. It is the current intention of the Board that any shares thus purchased would be held as Treasury Shares.

Report of the Directors continued

GREENHOUSE GAS EMISSIONS

The Company has no employees and no premises, and therefore has no greenhouse gas emissions to report, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and the Streamlined Energy and Carbon Reporting ('SECR') requirements.

TRANSFER OF SHARES AND VOTING RIGHTS

All ordinary shares have equal voting rights. There are no restrictions concerning the transfer of securities in the Company, no special rights with regard to control attached to securities, no agreements between holders of securities regarding their transfer known to the Company, and no agreement to which the Company is party that affects its control following a takeover bid.

The Company's Articles of Association may be amended by special resolution of the shareholders in a general meeting. Holders of ordinary shares enjoy the rights set out in the Articles of Association of the Company and under the laws of England and Wales. Any share may be issued with or have attached to it such rights and restrictions as the Company by ordinary resolution, or failing such resolution, the Board may decide.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each director has taken all the steps that he or she ought to have taken as a director in order to become aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

INDEPENDENT AUDITORS

As set out in the Report of the Audit Committee, Ernst & Young LLP were appointed as auditors for the year ended 31 January 2022 at the Annual General Meeting in 2021 and are recommended for reappointment by the Audit Committee. A resolution reappointing them and authorising the directors to determine their remuneration will be submitted at the AGM.

INCORPORATION BY CROSS REFERENCE

Certain information required to be disclosed in the Report of the Directors is shown within other sections of the Annual Report and Accounts. Please refer to the Corporate governance report on pages 48 to 51.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 28 June 2022. Further details will be provided in the notice of general meeting to be circulated to shareholders.

By order of the Board:

Andrew Lewis

On behalf of
ICG FMC Limited
11 May 2022

INVESTMENTS IN GRAPHITE CAPITAL FUNDS (FORMER MANAGER)

Fund	31 January 2022			31 January 2021		
	Original commitment £'000	Remaining commitment £'000	Fair value £'000	Original commitment £'000	Remaining commitment £'000	Fair value £'000
Graphite Capital Partners IX	30,000	8,882	8,935	30,000	20,296	8,084
Graphite Capital Partners VIII	40,000	3,113	31,679	40,000	4,151	28,695
Graphite Capital Partners VIII Top Up Fund	20,000	1,295	2,565	20,000	1,295	2,181
Graphite Capital Partners VII	35,138	906	4,951	35,138	1,984	9,397
Graphite Capital Partners VII Top Up Fund	8,157	348	4	8,157	348	2,677
Graphite Capital Partners VII Top Up Fund Plus	4,158	300	2	4,158	300	2,388
Total	137,453	14,844	48,136	137,453	28,374	53,422

Investment policy

The objective of ICG Enterprise Trust is to provide long-term growth by investing in private companies managed by leading private equity managers.

INVESTMENT TYPE

ICG Enterprise Trust will typically invest through:

- Primary Funds: commitments to private equity funds during their initial fund raise.
- Secondary Funds: acquiring interests in funds or investments after the fund's initial fund raise accessed either directly or through a fund structure.
- Co-investments: investing alongside leading private equity managers, or directly, in specific private companies.

INVESTMENT STAGE

The Company will predominantly gain exposure to private companies which are mature, cash generative, profitable businesses and where the underlying private equity manager exercises majority control. ICG Enterprise Trust may invest in other private markets strategies if it feels that these opportunities would offer shareholders similar risk-adjusted returns to its core investment strategy. It does not expect such investments to constitute a substantial part of its investment programme.

PORTFOLIO CONSTRUCTION

ICG Enterprise Trust does not have any fixed allocations to specific sectors or regions, but aims to be broadly diversified by geography, industry sector and year of investment.

The Company may invest in either equity or debt instruments but expects that underlying investments will mostly be in equity instruments. It expects that the majority of its returns will be derived from capital appreciation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ('ESG') MATTERS

ICG Enterprise Trust is committed to its responsibility to its community and environment and ESG matters are considered as part of the investment process. ICG Enterprise Trust aims to act responsibly and cautiously as the guardian of its investors' capital and ensures that ESG matters are considered at all stages of the investment cycle.

QUOTED SECURITIES

ICG Enterprise Trust may from time to time have underlying interests in quoted companies. This is typically due to companies which were originally acquired as private companies being listed on public markets as part of an exit strategy. It may hold these interests through a fund (where the underlying manager is responsible for exiting the investment) or directly.

ICG Enterprise Trust does not anticipate acquiring new listed investments unless directly related to the execution of its private company investment strategy.

RISK DIVERSIFICATION

The Company will ensure that its interest in any one portfolio company, taking into account direct and indirect holdings, will not exceed 15% of the Company's total investments at the time of initial acquisition or subsequent addition. It is the Company's policy to invest no more than 10% of its gross assets in other listed investment companies.

OVERCOMMITMENT AND USE OF CREDIT FACILITIES

The Company intends to be overcommitted in order to ensure a high level of investment. The Company may from time to time draw on its pre-agreed borrowing facilities to fund investment drawdowns and ongoing expenses of the Company. This allows the Company to operate a more efficient balance sheet by reducing the need to retain large cash balances. ICG Enterprise Trust's objective is to be broadly fully invested, while ensuring that there is sufficient liquidity to be able to take advantage of attractive investment opportunities as they arise. We do not intend to be geared other than for short-term working capital purposes. The level of overcommitment is monitored regularly by the Board and the Manager, taking into account uninvested cash, the availability of bank facilities, the projected timing of cash flows to and from the Portfolio, and market conditions.

CASH

The Company holds cash on deposit with UK regulated banks or invests it in debt instruments or money market funds which themselves invest in such instruments. These investments are typically very liquid, with high credit quality and low capital risk. The Company will limit exposure to any one bank, issuer or fund to 15% of gross assets.

COMPARATOR INDEX

The Company's comparator index is the FTSE All-Share Index Total Return. The Board considers that this provides the most appropriate reference point for the Company's shareholders.

HEDGING

The Company holds investments and makes fund commitments in currencies other than sterling and is exposed to the risk of movements in the exchange rate of these currencies. From time to time the Company may put in place hedging arrangements in order to manage currency risk. The Company may also from time to time consider hedging certain other risks of the Company such as equity market exposure or interest rate risk.

Directors' remuneration report

REMUNERATION COMMITTEE

As the Board is comprised solely of non-executive directors, the Company does not have a Remuneration Committee. The determination of the directors' fees is dealt with by the whole Board.

STATEMENT BY THE CHAIR

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Company presents its Remuneration Policy and Remuneration Report separately.

The Remuneration Policy sets out how the Company proposes to pay the directors, including each element of remuneration that the directors are entitled to, and how this supports the Company's long-term strategy and performance. Save as outlined below, all provisions of this policy are expected to remain in effect until the Annual General Meeting in 2023 when the Company is next required to submit its policy on the remuneration of its directors to the members.

The Remuneration Report sets out how the Remuneration Policy has been implemented in the year.

In accordance with the Remuneration Policy set out below, the Board performs an annual review of directors' fees. The fees payable to the directors for the year ended 31 January 2023 were considered in January 2022. An increase in fees of 3.5% was applied, in line with inflation and market comparables.

TABLE OF REMUNERATION BY ROLE

Fee	Year ending 31 January 2023 £	Year ended 31 January 2022 £	Year ended 31 January 2021 £
Directors' base fee ¹	43,780	42,300	41,400
Chair of the Audit Committee	54,130	52,300	43,600
Chair of the Board	67,000	64,600	59,400

¹ The fee includes all fees payable for service as a director and a member of the Audit Committee.

REMUNERATION POLICY

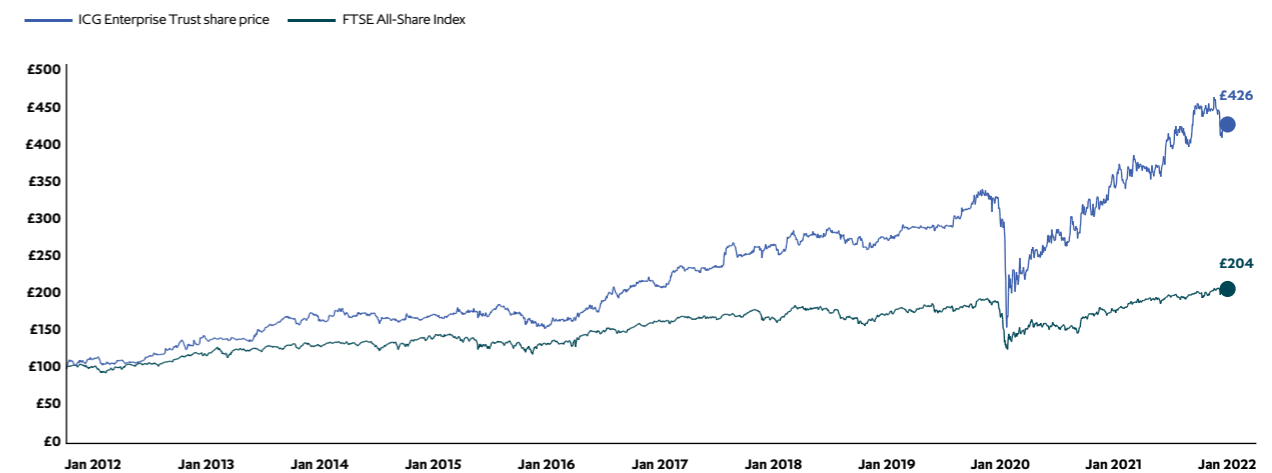
It is the Company's policy to determine the level of directors' fees having regard to the level of fees payable to non-executive directors in the wider industry, the role that individual directors fulfil, the time committed to the Company's affairs and the limits stated by the Company's Articles of Association. It is not the Company's policy to include an element of performance related pay; all fees are paid in cash rather than any other instrument. The Remuneration Policy has been unchanged for a number of years and is unchanged since the last shareholder approval at the 2020 Annual General Meeting.

The Articles of Association and subsequent shareholder resolutions currently limit the aggregate fees payable to the directors to a total of £350,000 per annum. An amendment to the Articles of Association will be proposed at the Annual General Meeting to amend this limitation to take account of annual inflation and the number of directors on the Board.

The Company's performance is compared to the FTSE All-Share Index Total Return as this is considered to be the most appropriate comparator index. The level of fees for directors is reviewed annually by the Board.

The Board considers the Remuneration Policy to be effective in supporting the short and long-term strategic objectives of the Company by ensuring that the Company continues to be able to recruit and retain non-executive directors who are suitably qualified and experienced to supervise the Company's affairs.

Share price performance¹



¹ On a total return basis (i.e. including the effect of re-invested dividends). Indexed to a starting point of £100.

Service contracts

It is not the Company's policy to enter into service contracts with its directors. No director has a service contract with the Company. The directors each serve under a letter of appointment.

Notice period and loss of office payment policy

The directors are subject to a notice period of one month unless removed by a resolution at a General Meeting or pursuant to any provision of the Articles of Association. It is not the Company's policy to enter into arrangements that entitle any of the directors to compensation for loss of office. No director is entitled to any such compensation.

Statement of consideration of conditions elsewhere in the Company

The Company has no employees. Therefore the Company cannot take into account the pay and employment conditions of its employees when setting and implementing the Remuneration Policy.

Statement of consideration of shareholder views

The Company places great importance on communication with its shareholders. The Board confirms that no negative views were expressed in relation to its Remuneration Policy during the year.

Directors' remuneration report continued

DIRECTORS' REMUNERATION

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, this is indicated below.

The directors were not entitled to any loss of office payments, pension benefits, share options or other incentives in the year ended 31 January 2022 (2021: £nil).

Relative importance of spend on pay

The following table compares the remuneration paid to the directors with aggregate distributions to shareholders in the year to 31 January 2022 and the prior year. This disclosure is a statutory requirement. However, the directors consider that this comparison is not meaningful as (a) the Company has no employees, and (b) its objective is to provide shareholders with long-term capital growth, and share buybacks and the dividend form only a small part of total shareholders' returns.

Components of remuneration package	Year ended 31 January 2022 £'000	Year ended 31 January 2021 £'000
Directors' remuneration	262	251

Shareholder distributions

Dividends paid	18,500	15,822
Share buybacks	2,968	775
Total distributions to shareholders	21,197	16,597

Remuneration in the year (audited)

Name	Fees		Taxable benefits		Total		Change in annual fee over years ended 31 January	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 %	2021 %
Jane Tufnell ¹	65	53	–	–	65	53	22%	61% ¹
Lucinda Riches ²	17	41	–	–	17	41	(60)% ²	0%
Alastair Bruce	52	44	–	–	52	44	19%	0%
Gerhard Fusenig ^{3,4}	42	41	2	–	44	41	7%	116% ³
Sandra Pajarola ⁴	42	41	2	–	44	41	7%	(7)%
David Warnock ⁵	42	7	–	–	42	7	504% ⁵	N/A
Jeremy Tighe ⁶	–	24	–	–	–	24	N/A	(59)% ⁶
Total	260	251	4	–	264	251		

¹ Joined the Board in June 2019 and served for part of the year ended 31 January 2020.

² Retired from the Board in June 2021 and served for part of the year ended 31 January 2022.

³ Joined the Board in September 2019 and served for part of the year ended 31 January 2020.

⁴ Gerhard Fusenig and Sandra Pajarola are resident in Switzerland and the Company has agreed to pay for their costs of travel to London (including appropriate accommodation) to attend meetings of the Board.

⁵ Joined the Board in December 2020 and served for part of the year ended 31 January 2021.

⁶ Retired from the Board in June 2020 and served for part of the year ended 31 January 2021.

Directors' shareholdings and share interests (audited)

The beneficial interests of the directors in the shares of the Company are shown below. There is no requirement for the directors to own securities of the Company. Save as disclosed below, no director had any notifiable interest in the securities of the Company.

Name	Year ended 31 January 2022 Number of shares	Year ended 31 January 2021 Number of shares
Jane Tufnell	28,025	10,000
Alastair Bruce	25,000	19,000
Gerhard Fusenig	15,000	11,000
Sandra Pajarola	25,000	25,000
David Warnock	20,000	20,000
Total	113,025	85,000

Note that Lucinda Riches, who retired from the Board on 21 June 2021, held 20,000 shares at the date of her retirement and as at 31 January 2022. There has been no change in the number of shares held by the existing directors since the year end.

Statement of shareholder voting

The Remuneration Policy was last approved at the Annual General Meeting on 17 June 2020, with the following proxy votes cast:

Votes	Number	%
For	19,855,520	98.56
Against	290,607	1.44
Withheld	229,378	–

At the Annual General Meeting held on 21 June 2021, a resolution to approve the Directors' Remuneration Report for the year ended 31 January 2021 was passed with the following proxy votes cast:

Votes	Number	%
For	21,370,636	98.51
Against	322,805	1.49
Withheld	315,097	–

The Board does not consider the numbers of votes against these resolutions to be significant.

Resolution to approve Directors' Remuneration Report

A resolution to approve the Remuneration Report for the year ended 31 January 2022 will be put to the members at the forthcoming Annual General Meeting.

On behalf of the Board:

Jane Tufnell

Chair
11 May 2022

Report of the Audit Committee



The primary role of the Committee is to review the financial statements, the effectiveness and scope of the external audit, and the risks to which the Company is exposed and the controls that mitigate those risks.

ALASTAIR BRUCE
Chair of the Committee

Key responsibilities

Reviewing the interim and annual financial statements, the effectiveness and scope of the external audit, the risks to which the Company is exposed and mitigating controls, and compliance with regulatory and financial reporting requirements.

Committee members

Alastair Bruce (Chair of the Committee)

Gerhard Fusenig

Sandra Pajarola

Jane Tufnell

David Warnock

Committee activities

4 meetings held in the financial year; all were quorate

Oversight of audit conducted by the Company's auditors

Continued review and scrutiny of valuations

Introduction

The Audit Committee is comprised of five non-executive directors: Alastair Bruce, Gerhard Fusenig, Sandra Pajarola, Jane Tufnell and David Warnock. All of the members served throughout the year; in addition, Lucinda Riches served on the Committee until her retirement in June. As set out on pages 46 and 47, the members of the Committee have a range of recent and relevant financial experience. They also have relevant experience in the sector in which the Company operates.

The Committee operates within written terms of reference, which are available within the Corporate governance section of the Company's website, clearly setting out its authority and duties. The primary role of the Committee is to review the interim and annual financial statements, the effectiveness and scope of the external audit, the risks to which the Company is exposed and mitigating controls, and compliance with regulatory and financial reporting requirements. The Committee also provides advice to the Board on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable.

The Committee meets at least three times a year. A quorum is any two of the members of the Committee but full attendance at each meeting is strongly encouraged.

Four meetings were held in the financial year, and all were quorate. The Company's auditors, Ernst & Young LLP ('EY'), attended all meetings. The Committee also has direct access to the auditors as necessary at other times and the opportunity to meet the auditors without the Manager being present.

The main matters discussed at these meetings were the annual plan of the auditors, the report of the auditors following their audit, the effectiveness of the audit process and the independence of the auditors, the review of the Company's internal controls, the annual and interim financial statements and the Company's risk management framework and principal risks.

SIGNIFICANT JUDGEMENTS IN RELATION TO THE FINANCIAL STATEMENTS

Valuation of the investment Portfolio

In its review of the financial statements, the Committee considers whether the investment Portfolio is fairly valued. The valuation of the Portfolio is predominantly based on third-party managers' valuations. Before the year end, the Committee discussed the valuation process in detail with the Manager and reviewed the plan of the external auditors to ensure that it was appropriately designed

to provide assurance over the valuation of the Portfolio. This has been an area of heightened consideration for the last two years as a result of the COVID-19 pandemic, which led to considerable uncertainty in valuations across the market during the prior financial year. The Committee has been satisfied with the process established by the Manager. After the year end, the Manager reported the results of the valuation process, including the sources of valuation information and the methodologies used. The auditors separately reported the results of their audit work to the Committee. The Committee concluded that the valuation process had been properly carried out and that the investment Portfolio had been fairly valued in accordance with IFRS, in line with International Private Equity and Venture Capital Valuation Guidelines.

Going concern and viability

In order to support the Board in determining that it is appropriate to continue to adopt the going concern basis of preparation of the Company's financial statements, the Committee has challenged and assessed the key assumptions underpinning that decision. This included:

- an assessment of the Company's business activities, as set out in the Chair's statement on pages 10 and 11 and the Manager's review on pages 12 to 19;
- the Company's principal risks and their mitigants, as noted on pages 40 to 43; and
- the Company's ability to manage its liquidity and overcommitment levels over the period of 12 months and longer from the date of this report, incorporating the Company's balance sheet and cash flow projections provided by the Manager.

These projections included scenarios with varying levels of Portfolio gains and losses, fund drawdowns and realisations, availability of the credit facility, exchange rates, and possible remedial action that the Company could undertake if required in the event of significant Portfolio declines and/or reductions in liquidity. Further details around liquidity risk and overcommitment risk are detailed on page 86 within the notes to the financial statements. Accordingly, the Committee was satisfied that the 'going concern' basis of accounting remained appropriate for the Company.

OTHER MATTERS

During the year the FRC¹ advised the Company that they had carried out a review of the Annual Report and Accounts for the year ended 31 January 2021. The Committee has overseen the review and implementation

of their recommendations, as appropriate. The FRC had no further queries.

Auditing standards require the auditors to identify and consider the risks of material misstatement, including fraud in revenue recognition and of management override of internal controls. The auditors also focus on a number of key audit matters that, in the auditor's professional judgement, were of most significance in the audit of the financial statements of the current period.

Following a thorough review, and discussion with the Manager and the auditors, the Committee has advised the Board that the Annual Report and Accounts for the year ended 31 January 2022, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

INTERNAL CONTROLS AND NEED FOR AN INTERNAL AUDIT FUNCTION

The Board has overall responsibility for the Company's systems of internal controls and for reviewing their effectiveness. The purpose of the controls is to ensure that the assets of the Company are safeguarded, proper accounting records are maintained and the financial information used within the business and for publication is reliable.

The Committee regularly reviews, identifies and evaluates the risks taken by the Company to allow them to be appropriately managed.

All of the Company's day-to-day management functions are delegated to the Manager which has its own internal control and risk monitoring arrangements. The Committee makes a regular assessment of these arrangements, with reference to the Company's risk matrix.

The Committee also reviewed a Statement of Internal Controls for the year to 31 January 2022 which sets out the key internal controls over the administration of the Company's investments and received a report, based on agreed-upon procedures, from the Manager's internal audit function.

In accordance with the Alternative Investment Fund Managers Directive ('the Directive'), the Company has appointed Aztec Financial Services (UK) Limited ('the Depository') as depository. The Depository's responsibilities include the monitoring of the cash flows of the Company, the safekeeping of the Company's assets, and the general oversight of the Company including its compliance with its investment policy. The Audit Committee has reviewed the Depository's reports for

the period from 1 February 2021 to 31 January 2022, that set out the testing and procedures carried out by the Depository to satisfy itself that it is fulfilling its obligations, and that the Company was operating in accordance with the Directive. The reports did not identify any issues.

The Committee considers, therefore, that an internal audit function specific to the Company is unnecessary.

AUDIT INDEPENDENCE AND EFFECTIVENESS

EY were appointed as auditors for the year ended 31 January 2022 at the Annual General Meeting in 2021. The Company has complied with the terms of the September 2014 Competition and Markets Authority Order, including in respect of audit tendering.

The Audit Committee has reviewed the provision of non-audit services and believes them to be cost-effective and not an impediment to the auditor's objectivity and independence. Details of the total fees paid to EY by the Company are set out in Note 4 to the financial statements. In the year ended 31 January 2022, £39k (2021: £34k) in respect of non-audit services was payable to the auditors for agreed upon procedures. It has been agreed that all non-audit work to be carried out by the external auditors must be approved in advance by the Audit Committee, and in line with the latest guidelines for the provision of non-audit services by the Company's auditors.

The Committee reviews the performance of the auditors each year. The Committee considers a range of factors including the quality of service, their expertise and the level of audit fee.

The 2022 year-end audit was EY's third as auditors and oversight of their work has been a key focus of the Committee during the year. The Committee has been pleased with the work undertaken by both the Manager and EY as the financial cycle somewhat normalised following the challenging circumstances of the pandemic. We look forward to continuing to build on the relationship with EY and the fresh insights that they will bring to the Committee.

The Committee accordingly recommends that Ernst & Young LLP be appointed auditors for the year ending 31 January 2023.

I would be pleased to discuss the work of the Committee with any shareholder.

Alastair Bruce
Chair of the Audit Committee
11 May 2022

¹ The FRC have asked us to make clear the limitations of its review are as follows: The FRC's review is based solely on the Annual Report and Accounts and does not benefit from detailed knowledge of the business or an understanding of the underlying transactions entered into. The FRC's letter provides no assurance that the Annual Report and Accounts are correct in all material respects; the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

Additional disclosures required by the Alternative Investment Fund Managers Directive (unaudited)

The Company is an alternative investment fund ('AIF') for the purposes of the Alternative Investment Fund Managers Directive (Directive 2011/61/EU) ('AIFMD') and the Manager was appointed as its alternative investment fund manager ('AIFM') for the purposes of the AIFMD.

The Directive requires certain disclosures to be made in the Annual Report of the Company. Many of these disclosures are included in other sections of the Annual Report and Accounts, principally the Strategic Report (pages 1 to 43), Governance (pages 44 to 63) and Financial Statements (pages 64 to 90). This section completes the disclosures required by the Directive.

ASSETS SUBJECT TO SPECIAL ARRANGEMENTS

The Company holds no assets subject to special arrangements arising from their illiquid nature which are unusual within the context of the fund.

LEVERAGE

The Company has no borrowings and therefore is not currently levered. The Company will not employ leverage in excess of 30% of its gross asset value.

PROFESSIONAL LIABILITY OF THE MANAGER

In accordance with the requirements of the Directive, the Manager holds additional capital to cover potential professional liability risks. In addition, the Manager holds professional indemnity insurance.

REDEMPTION RIGHTS

The shares of the Company are listed on the London Stock Exchange.

Shareholders may buy and sell shares on that market. As the Company is closed ended, shareholders do not have the right to redeem their investment.

FAIR TREATMENT OF SHAREHOLDERS

The Manager is governed by a board consisting of both non-executive and executive directors which oversees and manages the ICG Group of which the Manager is part. ICG has a number of committees that assist in this regard, together with a risk function that through a risk framework assists in the identification, control and mitigation of the ICG Group's risks. This includes, but is not limited to, the fair treatment of the ICG Group's regulatory clients, fund investors and corporate investors. Details of ICG's governance and risk framework can be found in ICG's annual report which is available on request or at www.icgam.com.

RISK PROFILE AND RISK MANAGEMENT

The risks and uncertainties facing the Company are regularly reviewed by the Board, the Audit Committee and the Manager. The principal risks faced by the Company and the approach to managing those risks are set out in Principal risks and uncertainties (pages 40 to 43).

The sensitivity of the Company to market, credit and investment, and capital risk is discussed in Note 17 of the financial statements (page 86). The risk limits currently in place in respect of the diversification of the Portfolio and credit risk are set out in the Investment policy (page 55).

MATERIAL CHANGES

There have been no material changes in relation to the matters described in Article 23 of the Directive.

REMUNERATION

Under the AIFMD, we are required to make disclosures relating to remuneration of certain employees working for the Manager, which acted as manager of the Company throughout the year ended 31 January 2022.

Amount of remuneration paid

The relevant disclosures are available on the Company's website.

Co-investment Incentive Scheme

The incentive paid by the Company during the year ended 31 January 2022 is disclosed in Note 9 to the financial statements.

Remuneration and incentivisation policies and practices

The overriding principle governing the Manager's remuneration decisions is that awards, in particular of variable remuneration, do not encourage risk taking which is inconsistent with the investment objectives (and therefore risk profiles) of the funds managed by the Manager.

Remuneration consists of salary, bonus and co-investment incentives.

The co-investment incentive arrangements are intended to closely align the interests of shareholders and the Manager – under these arrangements, payments may only be made when investment profits have been realised in cash. The operation of these arrangements is set out in the Report of the Directors on pages 52 to 54.

The Manager has a remuneration committee which takes remuneration decisions. The committee takes into account the short and long-term performance of the Manager, of the funds managed by the Manager, and of individuals.

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Accordingly, the directors have prepared the financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. Company law also requires that the directors do not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the relevant period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether International Accounting Standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Company's financial statements, International Accounting Standards in conformity with the requirements of Companies Act 2006 and the Statement of Recommended Practice ('SORP') for investment trusts issued by the Association of Investment Companies in April 2021.

The directors are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Having taken advice from the Audit Committee, the directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Each of the directors, whose names and functions are listed on pages 46 and 47, confirm that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board:

Jane Tufnell
Chair
11 May 2022