ICG
ENTERPRISE TRUST PLC

ANNUAL REPORT AND ACCOUNTS 31 JANUARY 2016

INVESTING IN
LONG TERM
GROWTH

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HIGHLIGHTS OF THE YEAR

On 1 February 2016 ICG[1] was appointed manager, with the Graphite Capital fund investment team transferring to ICG and the Company being renamed ICG Enterprise Trust plc. The investment strategy remains the same.

ICG Enterprise continued to make good progress in the year to January 2016 with the net asset value per share rising by 8.2%.

The investment portfolio performed well, rising by 11.1% in value on a local currency basis, driven by growth in profits of the underlying companies.

Realisations remained very high and significantly in excess of the rate of new investments with the portfolio generating £56 million of net cash in the year.

A combination of share buy-backs and the dividends paid and proposed will return £17 million of cash for the year to shareholders.

After a very successful 35 years under the stewardship of Graphite Capital, ICG Enterprise is well positioned to continue its excellent long term performance with ICG as manager.

Mark Fane
Chairman

+8.2%

NET ASSET VALUE PER SHARE[2]

The NAV per share increased 36p to 731p, extending its period of growth to seven years. Net assets at the period end were £521 million.

-1.9%

SHARE PRICE[2]

The share price fell 1.9% to 545p in the period against a 4.6% fall in the FTSE All-Share Index. The share price has outperformed the Index over 1, 3, 5 and 10 years.

+11.1%

UNDERLYING GROWTH IN THE VALUE OF THE PORTFOLIO IN LOCAL CURRENCIES

This performance was split evenly between realisations and increases in the unrealised value of the remaining portfolio.

£17m

CASH RETURNED FOR THE YEAR

A final dividend of 6.0p is proposed, taking the total dividend for the year to 11.0p (£8 million). Share buy-backs returned a further £9 million.

£120m

REALISATION PROCEEDS

Proceeds remained at the very high level of recent years with 28% of the opening portfolio being realised in the 12 months.

£64m

INVESTMENT IN THE PORTFOLIO

New investments totalled £64 million, materially lower than last year, reflecting the greater discretion of underlying managers in a more competitive market.

FINANCIAL SUMMARY

	31 January 2016	Total return
Net asset value per share	730.9p	+8.2%
Share price	545.0p	-1.9%
FTSE All-Share Index	3,336	-4.6%

[1] ICG Alternative Investment Limited, a regulated subsidiary of Intermediate Capital Group plc, acts as the manager of the Company.
[2] Throughout the report, all performance figures are stated on a total return basis (i.e. including the effect of re-invested dividends).

ABOUT ICG ENTERPRISE

Since inception, the Company has generated a return of over 30 times the amount subscribed

ICG Enterprise ("the Company") aims to provide shareholders with long term capital growth through investment in unquoted companies. To achieve this, the Company invests in private equity funds and also directly in private companies.

The Company was listed in 1981 and has invested exclusively in private equity throughout its life.

The Company provides access to a diverse portfolio of buy-outs of mature, profitable companies in established European private equity markets. The Company does not invest in start ups or early stage businesses.

The Company has a conservative approach to both portfolio and balance sheet management. The aim is to provide exposure to a portfolio which is diversified but where the success of the larger investments, over which it has more discretion on the investment decision, can have a noticeable impact on overall performance.

As a result the Company has a strong performance record over its 35 year history.

In 2016 the management of the Company, including the investment team, transferred from Graphite Capital to Intermediate Capital Group plc ("ICG").

The Company expects to benefit from ICG's considerable experience, insight and access to private equity investment opportunities in Europe. There has been no change in investment approach as a result of this transfer.

What is private equity?
See page 92.

The Company will benefit from ICG's experience, insight and access to private equity investment opportunities in Europe

ICG provides local access and insight

ICG is a specialist asset manager with a 27 year track record of investment in private debt, credit and equity. Today, ICG manages approximately €21 billion of assets on behalf of third party investors and from its own balance sheet[1]. The business employs more than 270 employees operating from 12 offices worldwide spanning 11 countries.

The Company will benefit from ICG's extensive experience, local access and insight into industrial sectors, underlying companies, and private equity managers across Europe and the US. This will further inform investment decisions and provide access to additional investment opportunities.

The team combines both direct and fund investment expertise

The investment team is led by directors with an average of 18 years of private equity experience. Unusually, the team that manages the fund portfolio also has extensive direct investing experience which places them in an ideal position to judge other private equity managers. The insight and market knowledge of ICG's direct investment team is also a significant advantage in assessing investment opportunities.

The team takes a disciplined approach to investing and managing the Company

The team has developed a rigorous analytical approach to evaluating new investment opportunities with the aim of delivering long term capital growth.

When considering fund and company investments the approach is to back private equity managers and management teams with strong track records operating in mature markets. The focus of the due diligence is on assessing the ability of the manager the Company is investing with to produce consistently high, repeatable returns while protecting the investment downside.

Balance between diversification and concentration

The Company aims to provide exposure to a portfolio which is diversified but where the success of the larger investments can have a noticeable impact on overall performance. The Company is invested in a portfolio of nearly 400 underlying companies managed by 33 private equity firms. The largest 30 companies account for half of the value.

Access to the private equity asset class for the price of a share

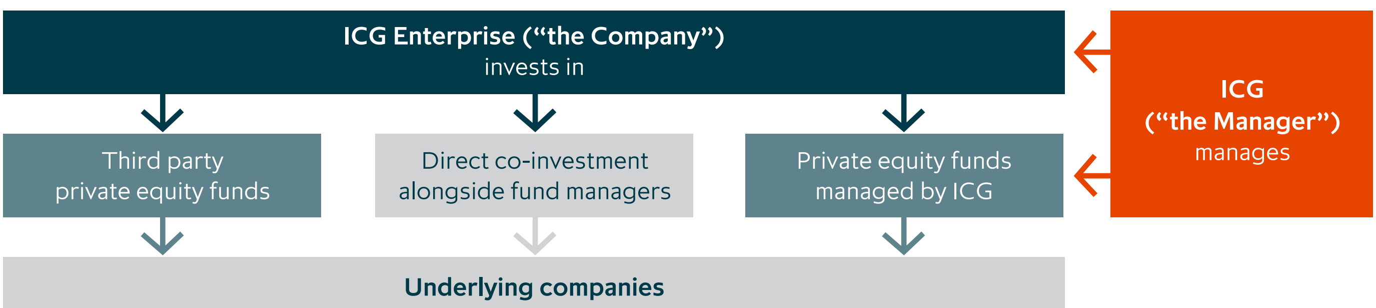
Investors can gain exposure to this diversified private equity portfolio for the price of a share. As the shares are listed, there is daily liquidity and the value of the shares is known at any point in time.

For these reasons, purchasing shares in the Company may be an attractive way to gain access to the private equity asset class for many types of investor, and particularly for private shareholders and small institutions.

[1] All data as at 31 December 2015

ABOUT ICG ENTERPRISE

Fig: 1.1



CHAIRMAN'S STATEMENT

The Company has outperformed the FTSE All-Share Index over the short, medium and long term

MARK FANE
CHAIRMAN

CHANGE OF MANAGER

After a very successful 35 years under the stewardship of Graphite Capital, the Board approved the appointment of ICG[1] as the new manager following its acquisition of Graphite Capital's private equity fund investment business. The Company has had a highly successful relationship with ICG for more than 25 years. The change of manager took effect from 1 February 2016 and Graphite Enterprise Trust PLC was renamed ICG Enterprise Trust plc on that date.

The five investment professionals dedicated to the management of the Company, including two former Graphite partners, Emma Osborne and Kane Bayliss, have transferred across to ICG ensuring continuity. This transition has gone smoothly and the team is fully integrated into ICG.

ICG's appointment provides a number of major benefits to the Company, reinforcing ICG Enterprise's proposition in the market and offering to investors, including:

- Access to a wider range of investment opportunities through ICG's global office network and local relationships.
- Access to market intelligence from ICG's large international direct investment team.
- Incremental secondary and co-investment opportunities resulting from ICG's greater scale.
- Access to ICG's infrastructure expertise in areas such as treasury, investor relations and information technology.
- A reduction in headline fund management fees and no fees on ICG funds.

The manager's core philosophy of applying a direct investment skillset to private equity fund investing will be maintained with no change in investment strategy. The relationship with Graphite will continue through our current and future anticipated investments in Graphite's funds.

The access and insight that comes from ICG's broader network of relationships in the market means that ICG Enterprise is now even better positioned to continue its excellent long term performance.

ANNUAL REVIEW

ICG Enterprise continued to make good progress in the year to 31 January 2016 with both the net asset value per share and the share price outperforming the FTSE All-Share Index on a total return basis[2]. This extended the Company's period of continued growth to seven years, over which time the net asset value per share has increased by 77.5%.

The portfolio[3] extended its strong performance of recent years increasing by 11.1% in local currencies in the year to 31 January 2016. The net asset value per share rose 8.2% to 730.9p.

[1] ICG Alternative Investment Limited, a regulated subsidiary of Intermediate Capital Group plc, acts as the manager of the Company.

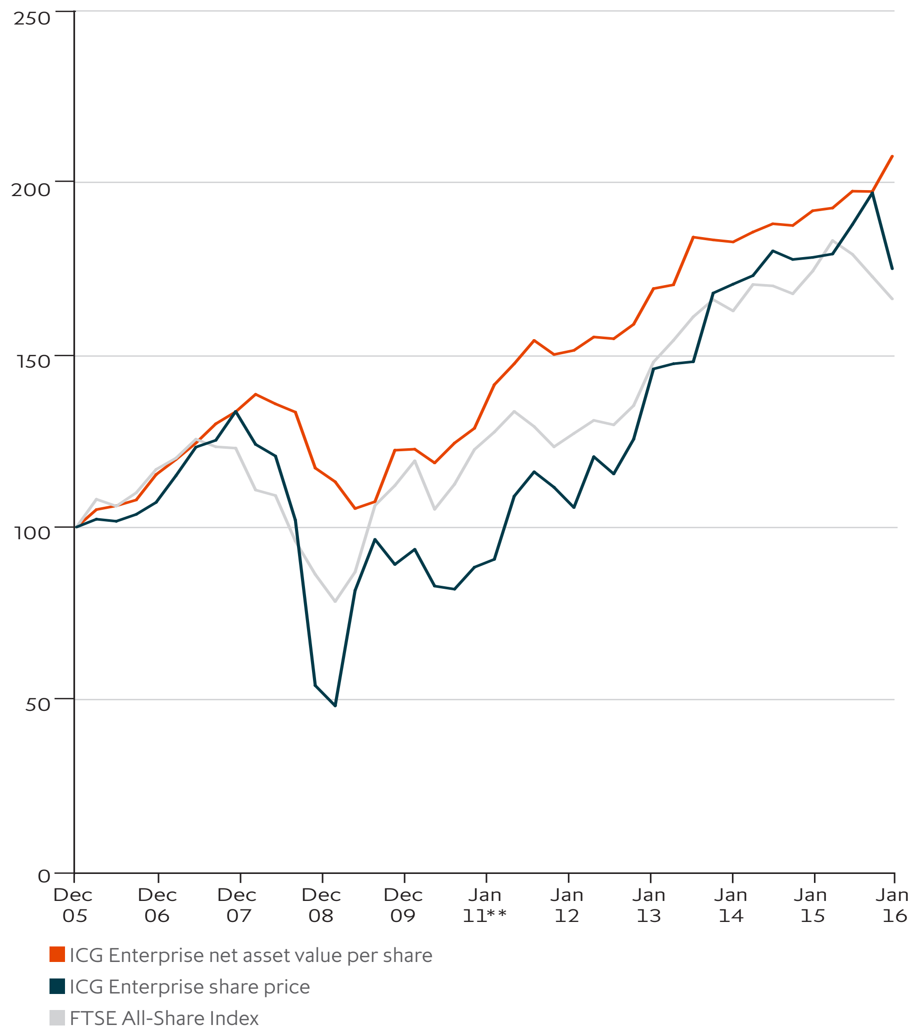
[2] Throughout the report, all performance figures are stated on a total return basis (i.e. including the effect of re-invested dividends).

[3] In the financial statements, in accordance with IFRS 10, the portfolio value (£414.1 million) is presented net of the accrual for the co-investment incentive scheme (£11.9 million) and balances receivable by the Company from its subsidiary partnerships (£2.2 million). In the Chairman's Statement and Portfolio Review, all references to the portfolio are on a look-through basis to the investment portfolio held by the Company (£428.2 million), which is consistent with the commentary in previous annual and interim reports.

The net asset value per share has more than doubled over 10 years

TEN YEAR PERFORMANCE*

Fig: 1.2



*All amounts rebased to 100 at 31 December 2005. Performance to 31 January 2016.

**Year end changed from 31 December to 31 January.

PERFORMANCE IN YEARS TO 31 JANUARY 2016	1	3	5	10+
Net asset value per share	+8.2%	+22.8%	+47.0%	+108.1%
Share price	-1.9%	+20.0%	+93.5%	+75.3%
FTSE All-Share Index	-4.6%	+12.5%	+30.4%	+66.5%

+As the Company changed its year end in 2010, the ten year figures are for the 121 month period to 31 January 2016.

CHAIRMAN'S STATEMENT
CONTINUED

The net asset value per share and the share price have beaten the Index over 1, 3, 5 and 10 years

The share price total return fell by 1.9% in the period, closing at 545p, outperforming the 4.6% fall in the FTSE All-Share Index. The long term performance of the Company continues to excel with the net asset value per share and the share price beating the performance of the Index over one, three, five and ten years.

Of the 11.1% increase in the value of the portfolio half was generated from profits on realisations and half from uplifts in valuation across the remaining portfolio.

Portfolio[3]

The rate of investment in the year at £64 million remained behind the rate of realisations at £120 million as fund managers took a cautious approach to new investments in the face of reduced mid-market transaction volumes and greater competition. This impacted the level of fund drawdowns and co-investment opportunities. The secondary market for commitments to existing funds proved to be as competitive and the manager was increasingly selective during the year.

At 31 January 2016, the Company had total assets of £533 million of which the portfolio represented £428 million with the balance substantially held in cash. Graphite Capital managed investments represented £107 million, ICG managed investments £28 million and third party investments £293 million.

Post-2008 financial crisis investments now comprise 77% of the portfolio with the 30 largest investments accounting for half of the portfolio. The valuation of the top 30 investments at 9.4 times EBITDA[4] is at a substantial discount to the valuation of FTSE All-Share Index.

Balance sheet

The level of new commitments made to funds in the year was substantially up on last year at £59 million whilst drawdowns of existing commitments were £46 million. Outstanding commitments increased to £254 million at the year end.

Those outstanding commitments are matched by total liquidity of £201 million, of which £104 million was in cash and £97 million covered by the undrawn bank facility. Commitments therefore exceed total liquidity by £53 million or 10% of the year end net asset value. This level of overcommitment is consistent with our cautious approach to managing the balance sheet.

Distributions to shareholders

In last year's report we indicated that we would consider buying back shares to return cash to shareholders. In the year the Company repurchased 1,586,000 shares at a cost of £9.1 million at an average discount to the estimated prevailing net asset value of 18%. This improved the net asset value per share in the year by 0.6%. At the same time, in 2015 we introduced a first ever interim dividend of 5.0p per share totalling £3.6 million.

[4] EBITDA is earnings before interest, tax, depreciation and amortization.

The final dividend of 6.0p per share will bring the total dividend for the year to 11.0p

The Board is of the view that the total dividend should be covered by net revenues over the short to medium term and so is recommending a final dividend of 6.0p per share taking the total dividend for the year to 11.0p per share or £7.9 million[5].

Including the contribution of the cash returned by the share repurchases this takes the total distributions to shareholders for the year to £17.0 million or 23.8p per share[5] against total distributions for the year to 31 January 2015 of 15.5p.

The proposed total dividend represents a yield of 2.0% on the share price at 31 January 2016. If approved by shareholders, the final dividend will be paid on 20 June. The Company has elected to pay the dividend as an "income distribution" that reduces the tax charge payable by the Company.

Outlook

The portfolio has delivered a healthy growth in earnings and this performance compares favourably to the fall in profits of the FTSE All-Share Index. At the same time the portfolio is valued at a significant discount to the Index giving us considerable comfort about the future performance of the Company.

The Company is well placed to operate through periods of economic uncertainty with the risk profile of the underlying investments and the liquidity position of the balance sheet remaining low.

Since the downturn, the Company has been managed to give us the flexibility to adapt the mix of investments, cash and commitments to changing market conditions and to deploy our large cash balance where we see the best relative value. Now managed by ICG, with its insight and access to a broader network of local relationships, we believe that the Company is even better positioned to take advantage of future investment opportunities as they arise. It is encouraging that in the short space of time since appointing ICG we are seeing real opportunities to deploy capital alongside them.

We expect the backdrop of continuing economic uncertainty to result in ongoing levels of equity market volatility. Whilst this may result in short term volatility to the Company's share price, having now repositioned the portfolio since the crisis and delivered seven years of continued growth we are confident that the portfolio that we have built can continue to perform over the medium to long term.

Mark Fane
26 April 2016

[5] Based on 71,326,837 shares (excluding treasury shares) in issue at the date of this report.

STRATEGIC REPORT

BUSINESS MODEL

ICG Enterprise aims to provide shareholders with long term capital growth through investment in unquoted companies. To achieve this, the Company invests in private equity funds and also directly in private companies.

Further details of the Company's business model and strategy are set out in About ICG Enterprise on pages 2 and 3.

PERFORMANCE AND OUTLOOK

A review of the Company's short and long term net asset value and share price performance, investment activity and outlook, and the private equity markets in which the Company operates, is set out in the Chairman's Statement, Portfolio Review and Market Review on pages 4 to 17.

The key performance indicators used by the Board and Manager are the net asset value per share total returns over the short and long term. These are detailed on page 5.

RISK MANAGEMENT

The risks and uncertainties facing the Company are regularly reviewed by the Board, the Audit Committee and the Manager. The Board believes that the Company's principal business risks are:

Overcommitment risk

The Company has commitments to funds which may exceed its liquid resources. There is a risk that the Company may not be able to fulfil its commitments when they are drawn down ("overcommitment risk").

The Company is conservative in its approach to overcommitment. The Company uses a range of forecast scenarios to determine the likely rate of drawdowns and the likely rate at which realisations will generate cash from the portfolio. The Manager monitors the Company's liquidity on a frequent basis and provides regular updates to the Board. If necessary the Company can reduce the level of secondary purchases and co-investments, which are discretionary, to preserve liquidity to fund its commitments. The Company also has access to committed stand-by bank facilities totalling £97 million.

Investment risks

The Company's strategy is to invest in established European private equity markets, both through private equity funds and directly. This gives rise to the following risks:

- The Company's underlying investments are exposed primarily to the UK and other European economies. The Company is not globally diversified and its performance could therefore be severely affected by a prolonged economic downturn in the major European economies. The Company seeks to mitigate the risk of underperformance through effective investment allocation and the selection of high quality managers with strong track records.
- The main foreign currency exposure is to the euro. The net asset value and the level of commitments could rise or fall due to currency movements. The Board regularly reviews the Company's exposure to currency risk and considers possible hedging strategies. At present the Company does not hedge its currency exposures.
- Private equity transactions are to some extent dependent on the availability of debt financing. If the funds in which the Company invests find it hard to obtain debt financing, the Company's performance may suffer. The Company seeks to mitigate this risk through effective investment allocation and the selection of high quality managers with strong track records, who are more likely to be able to access debt financing even in adverse economic conditions.

Investment trust status

The Company operates as an investment trust in accordance with Sections 1158 and 1159 of the Corporation Tax Act 2010. This status exempts the Company from corporation tax on capital gains realised from the sale of its investments.

HM Revenue & Customs has accepted the Company as an investment trust for the accounting period to 31 January 2015. The Company will retain its investment trust status with effect from 1 February 2015 provided it continues to satisfy the conditions of Section 1158 of the Corporation Tax Act 2010.

The Company has directed its affairs with the objective of retaining such approval. However the loss of investment trust status would significantly impact the Company. The Manager monitors adherence to the conditions required to maintain this status. The Manager also uses forecasts to identify risks of breaches in future periods. The results are reported to the Board at each meeting.

Operational risk

All of the Company's management functions are delegated to the Manager. Therefore the Company is exposed to operational risks at the Manager. The Audit Committee formally assesses the internal controls of the Manager every year. The assessment in respect of the current year is discussed in the Report of the Audit Committee on page 81.

VIABILITY STATEMENT

In accordance with the UK Corporate Governance Code, the Board has assessed the prospects of the Company over a longer period than the twelve months required by the "going concern" basis of accounting.

The Board has assessed the viability of the Company over a three year period from the balance sheet date, as the Board expects the majority of the Company's current commitments to funds to be drawn down in cash over the next three years.

The Board has carried out a robust assessment of the principal risks and their mitigants noted above. In particular, the Board has assessed the Company's ability to manage the overcommitment risk through the review of balance sheet and cash flow projections provided by the Manager, which included scenarios with differing levels of underlying valuation growth, fund drawdowns and realisations, and different sterling/euro exchange rates.

Based on its review, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over a three year period.

CORPORATE SOCIAL RESPONSIBILITY

In carrying out its activities and in relationships with suppliers and the community, the Company aims to conduct itself responsibly, ethically and fairly.

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.

Board diversity

There are currently two female and four male directors on the Board. As discussed in the Report of the Directors on page 74, 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. The Company has no other employees.

The Strategic Report was approved by the Board of Directors on 26 April 2016 and signed on its behalf by:

Mark Fane

26 April 2016

In April 2015, Graphite Capital sold NFA to Stirling Square Capital Partners, a UK-based private equity firm

MULTIPLE OF ORIGINAL COST OF INVESTMENT ACHIEVED ON DISPOSAL

>2x

CASE STUDY: NATIONAL FOSTERING AGENCY

In January 2012 Graphite Capital led the management buy-out of National Fostering Agency ("NFA"), the UK's largest independent fostering agency. ICG Enterprise invested a total of £8.5 million in NFA, through its interest in Graphite Capital Partners VII and a co-investment alongside the fund.

NFA recruits and trains foster carers and provides them with 24 hour support. It works closely with Local Authority social services to match carers with placements of infants and children in need of foster care. The business was well placed to increase its share of the foster care market which was fragmented and growing strongly, driven by Local Authorities' preference towards foster care over residential care and their increasing use of private sector foster agencies.

Under Graphite's ownership, NFA grew organically and through acquisition, solidifying its position as the UK market leader. Organic turnover growth was driven by new contract wins, continued geographical expansion and increased placement acuity. A strong focus on quality and carer recruitment helped increase the number of foster placements by almost 30% and carer numbers by over 30%.

The business was refinanced in June 2014, returning more than half the amount invested. In April 2015, Graphite Capital sold NFA to Stirling Square Capital Partners, a UK-based private equity firm, generating further proceeds of £11.9 million for ICG Enterprise. The disposal achieved an overall return of more than two times cost and an uplift of 29% to the previous valuation.

MANAGER'S REVIEW

MANAGER'S REVIEW

PORTFOLIO REVIEW

The value of the portfolio increased by 11.1% in local currencies

OVERVIEW

The portfolio made solid progress in the year against a backdrop of market volatility, rising in value by 11.1% in local currencies. After adjusting for the impact of foreign currency movements, the sterling value of the portfolio increased by 12.1%.

Gains generated by realisations accounted for half of the underlying valuation increase. Uplifts in unrealised valuations were primarily driven by earnings growth while valuation multiples were broadly flat.

Full realisations continued to be completed at uplifts to the previous holding values. Although the 22% uplift achieved in the year was lower than in the recent past, the fall reflected the size mix rather than a general trend downwards. Last year we observed that the uplifts on the remaining investments made prior to the financial crisis had started to decline and this trend has continued. Pre-crisis investments realised a valuation uplift of 13% while investments made since the financial crisis generated uplifts of 27%.

MOVEMENT IN THE PORTFOLIO	£m
Opening portfolio	431.9
Additions	64.3
Realisation proceeds	(120.3)
Net cash inflow	(56.0)
Underlying valuation movement*	48.0
Currency	4.3
Closing portfolio†	**428.2**

* In this report 96% of the portfolio is valued using 31 December 2015 (or later) valuations.

† See footnote 3 on page 4 for reconciliation to the portfolio balance presented in the financial statements.

At 31 January the portfolio was valued at £428.2 million which was marginally lower than at the start of the year primarily because realisation proceeds continued to exceed new investment.

REALISATIONS

The portfolio generated proceeds of £120.3 million in the year, equivalent to 28% of the opening portfolio. While this was lower than the 33% generated in the prior year, it is in line with the medium and long term average cash conversion rate.

Full realisations

Investments in 41 portfolio companies were fully realised in the year, compared with 39 in the previous year, and these accounted for £82.4 million of proceeds.

Post-crisis investments represented two thirds of proceeds and achieved a strong return of 2.4 times cost with an average holding period of 4.6 years. In contrast, the pre-crisis investments were realised for an average return multiple of only 1.4 times original cost with an average holding period of 8.0 years, reflecting the relative underperformance of the remaining investments from these vintages. It is, however, worth noting that the pre-crisis investments overall have performed better than many investors expected with, for example, those made in 2007 generating returns of approximately 1.9 times cost.

The largest realisation in the year was Graphite Capital Partners VII's disposal of National Fostering Agency ("NFA", see case study on page 10), a provider of foster carers to local authorities, from which the Company received proceeds of £11.9 million. NFA was a 2012 investment

The portfolio generated proceeds of £120.3 million in the year, equivalent to 28% of the opening portfolio

which grew strongly both organically and by acquisition prior to its sale in April this year. The sale achieved a return of just over two times cost and the uplift added 0.5% to the net asset value in the year.

Further details of the ten largest underlying realisations are set out in the Supplementary Information section.

Partial realisations

A further £37.9 million was received from partial realisations of portfolio companies. The most significant element of this was the £19.4 million of proceeds received from sales of listed holdings. Most of these were from companies taken public in previous years with only 6 companies achieving flotations in the year, compared with 15 in the last financial year.

NEW INVESTMENTS

New investment fell sharply in the year to £64.3 million, almost half the exceptionally high level of £125.4 million invested in the prior year. All types of new investment were substantially lower.

The rate of drawdown of fund commitments was £46.4 million, almost a third lower than the previous year's figure of £68.0 million in the last financial year. This was primarily due to a low level of investment in the UK, particularly in the mid-market. It is worth noting, however, that despite the decrease in drawdowns in the year, most funds remain on track to complete their investment programmes on schedule following the high level of investment in the previous year. We are therefore not currently concerned about pressure on managers to invest.

Three co-investments were completed in the year, the same number as in the prior year. However, they were on average smaller and the total co-investment therefore fell from £20.9 million to £10.8 million.

A total of 64 new underlying companies were added to the portfolio compared with 74 in the year to January 2015. The largest new investment was in PetSmart, the leading retailer of pet products and services in North America which was acquired by BC Partners in March. The Company invested a total of £4.7 million in PetSmart both through BC European Capital IX and in a co-investment alongside the fund. Further details of the ten largest underlying new investments are set out in the Supplementary Information section.

New investments in the year were acquired at broadly similar multiples of EBITDA as last year. Therefore, while the level of new investment was lower than expected, it is reassuring that our managers appear to be maintaining pricing discipline.

Secondary investments showed the steepest fall in the year. We highlighted in last year's annual report that pricing in the market for secondary fund interests had become more competitive and this continued in the year. One secondary acquisition, of an interest in BC European Capital IX, was completed for £7.1 million, which compares with the £26.6 million invested in five secondaries last year. Despite the low level of secondaries completed, we came close to investing in a number of other transactions and are continuing to focus on sourcing secondaries as a way of both accelerating cash deployment and generating value in the portfolio.

NEW COMMITMENTS

New commitments of £58.6 million to six funds were significantly higher than the £22.0 million committed to three new funds last year. Five of the six new funds were raised by managers we have been investing with for many years. The manager of the sixth fund, Fourth Alcuin, which focuses on small buy-outs in the UK, is new to the portfolio.

Further details of new fund commitments are set out in the Supplementary Information section.

PORTFOLIO REVIEW
CONTINUED

We aim for the portfolio to strike a balance between diversification and concentration

CLOSING PORTFOLIO

At 31 January, the portfolio was valued at £428.2 million with investments in almost 400 underlying companies through 60 funds managed by 33 private equity firms. Investments are well diversified across a wide range of sectors, geographies and investment vintages.

We aim for the portfolio to strike a balance between diversification and concentration. While the level of diversification reduces risk, many individual investments are large enough to have an impact on overall performance. The top 30 underlying companies accounted for 49.5% of the portfolio and the performance of these investments is therefore likely to be a key driver of future growth. In the year to December 2015 the revenues and EBITDA of these companies increased by an average of 5.3% and 10.2% respectively. In contrast, the FTSE All-Share Index reported falls in both revenue and EBITDA of 16.5% and 14.2% respectively over the same period.

The top 30 companies were valued on an average multiple of 9.4 times last twelve months EBITDA at December 2015 which is reasonable for the strong growth being achieved. In comparison, the FTSE All-Share Index was valued at 12.1 times EBITDA at December despite the lack of profit growth noted above. Despite the subsequent fall in quoted markets, the valuation of the Index remains at over 12 times. It is interesting to note that over the last five years, the EBITDA valuation multiple of the Company's top 30 companies has been highly consistent (although its constituents have changed almost entirely over that period) while the EBITDA multiple of the FTSE All-Share Index has increased from 8 to its current level of over 12.

The leverage of the top 30 companies averaged 3.5 times EBITDA which has fallen marginally relative to the top 30 at the start of the year. At this level, leverage is relatively modest but should enhance future equity returns without involving undue financial risk, particularly given the relatively flexible terms on which many of the underlying companies have been able to borrow over the last few years.

The share of the portfolio represented by investments made since the financial crisis has continued to increase. At 31 January, post-crisis investments represented 77.1% of underlying investments. This is despite strong realisations from these vintages and reflects both the value of new investments added to the portfolio in the last twelve months and strong increases in the valuations of post-crisis investments. We expect post-crisis investments to continue to generate the most significant future uplifts and it is therefore encouraging that the portfolio is now heavily concentrated in these vintages.

Co-investments and secondaries accounted for 40.1% of the portfolio at the year end. This proportion has been increasing gradually over time from approximately 18% immediately prior to the financial crisis and gives us greater control over investments into the portfolio than a typical fund of funds investor. Of the 59.9% in primary funds, 14.3% is managed by Graphite Capital and 1.8% by ICG and, following the change of manager, no management fees are charged on either of these segments of the portfolio. In total Graphite Capital and ICG directly manage 25.1% and 6.5% of the portfolio respectively including co-investments and secondaries.

The portfolio was valued at an average of 1.4 times original cost in local currencies, of which 0.4 times cost had already been returned in cash. At these levels, and with an increasing proportion of the portfolio in the less mature investments with the most upside potential, there is scope for considerable value growth in the future.

The Company's substantial liquidity gives us the ability to take advantage of a range of potential investment opportunities

COMMITMENTS AND LIQUIDITY

At 31 January, the Company had outstanding commitments of £253.8 million and total liquidity of £200.9 million, of which £103.8 million was in cash and £97.1 million in the undrawn bank facility. Commitments therefore exceeded total liquidity by £52.9 million or 10.1% of the net asset value.

Funds in investment period represented £206.9 million of undrawn commitments. These are typically drawn down over a period of four to five years from the start of a fund and 10-15% of commitments are usually retained at the end of the investment period to fund follow-on investments and expenses and for contingencies. If outstanding commitments to each of the funds were to be drawn down at a constant rate over their remaining investment periods, approximately £60-65 million of commitments would be drawn down over the next 12 months.

The Company therefore has sufficient resources in cash and undrawn facilities to fund drawdowns for more than two years even if no realisations were to be achieved. With realisations remaining at a relatively high level, the substantial liquidity gives us the ability to take advantage of a range of potential investment opportunities.

EVENTS SINCE THE YEAR END

Since the move to ICG, we have completed two new primary fund commitments: €15.0 million to Advent International GPE VIII, a $13 billion fund focused on upper mid-market and large buy-outs in Europe and the US; and $15.0 million to ICG Strategic Secondaries II, a fund raised to take advantage of the growing opportunity for end of life fund restructurings in the US and Europe. A number of other primary fund commitments are at an advanced stage of due diligence and we expect to complete several more in the current financial year.

We have additionally committed $15.0 million to a new co-investment alongside the ICG Strategic Secondaries II fund noted above.

PROSPECTS

The environment for realisations remains favourable despite the volatility in quoted equity markets and some macro uncertainties. We therefore expect the portfolio to generate further realisations this year which should drive growth in value given the uplifts generally achieved on sale. It is also reassuring that the portfolio continues to perform well with underlying profit growth significantly stronger than that of quoted companies.

Since the downturn, our strategy has evolved to enable us to respond to changing market conditions by adjusting the mix of investments towards those areas we perceive as offering the best balance of reward and risk. This approach remains unchanged following our move to ICG. It is encouraging that in the short space of time since starting at ICG we are seeing dealflow opportunities, both in-house and alongside our third party managers, to deploy the Company's cash balances in attractive investments.

ICG Private Equity Fund Investments Team

26 April 2016

MARKET REVIEW

FUNDRAISING

European buy-out funds raised €45 billion of funds in 2015, up €14 billion (46%) on the prior year. The amount of capital raised and still to be invested in Europe is flat on the prior year at €143 billion with the record amount of capital raised in the year offset by the substantial increase in the amount invested in the year. This is enough dry powder to meet the industry's investment needs for the next three years and as such is in line with historic trends.

PRIMARY MARKET

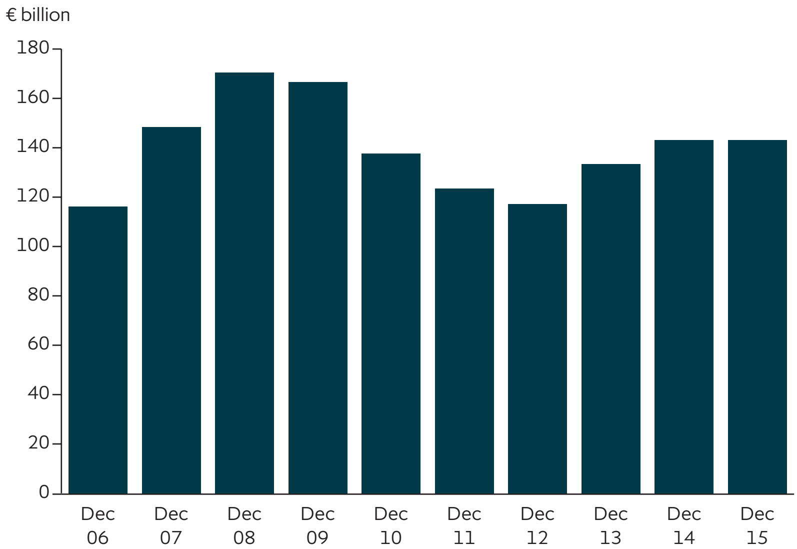
In 2015 the value of European buy-outs transacted in the year increased 37% (€36 billion) to €132 billion. This step change in growth was driven by a €29 billion increase in activity in continental Europe. The UK market grew €7 billion (28%) in the year to €31 billion.

The main driver of this growth has been at the larger end of the market with a €30 billion increase in the aggregate value of transactions in excess of €500 million. The market was somewhat bifurcated though with the value of transactions of less than €500 million in size in the UK falling 25% or €4 billion in 2015.

Despite the large growth in the value of completed transactions the total number of transactions in Europe fell 3% in 2015 to 629. In the UK there were 23% (44) fewer transactions of less than €500 million in size completed. Given the continued appetite for new investments, this made for a more competitive environment for buyers of businesses and the increased level of competition in the UK mid-market is consistent with the reported experience of the Company's portfolio managers. This was not, however, offset by greater investment by those managers in continental Europe.

EUROPEAN BUY-OUT DRY POWDER

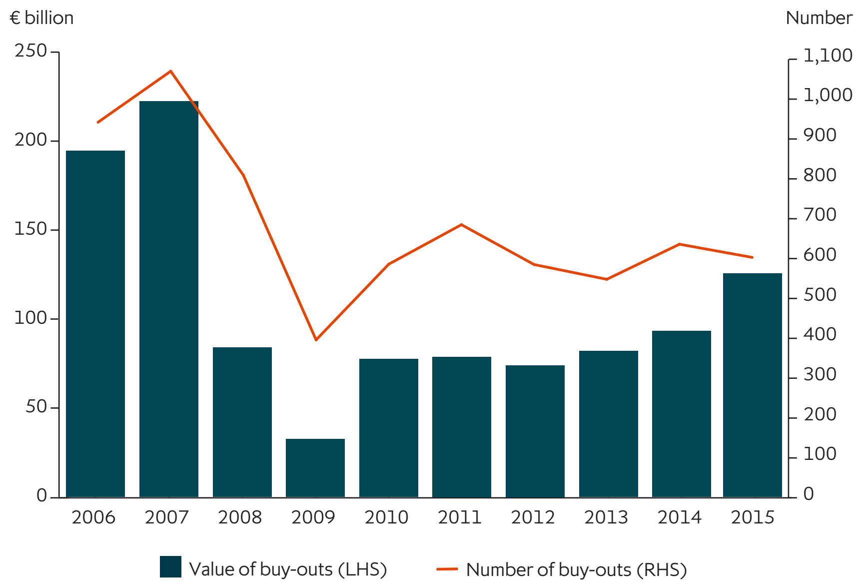
Fig: 2.1



Source: Preqin Fund Manager Profiles and Performance Analyst

NEW INVESTMENTS: EUROPEAN BUY-OUTS

Fig: 2.2



Source: Unquote

At the same time across Europe the average acquisition price in 2015, as a multiple of EBITDA was actually 0.5 times lower at 9.2 times EBITDA. This is no higher than the market experienced in 2010 and 2012 and suggests that the overall competitive environment is more benign than experienced by UK mid-market managers.

The amount of debt used to fund European acquisitions has increased year on year with debt to EBITDA at an average of 5.0 times in 2015, slightly below the recent peak in 2014. On a longer term view, 5.0 times is below the highs seen in the period leading to the global financial crisis when leverage was significantly in excess of 5.0 times.

SECONDARY MARKET

Global secondary market volume in 2015 was €35 billion down €1.8 billion on the prior year, making it the second most active year in the history of the market.

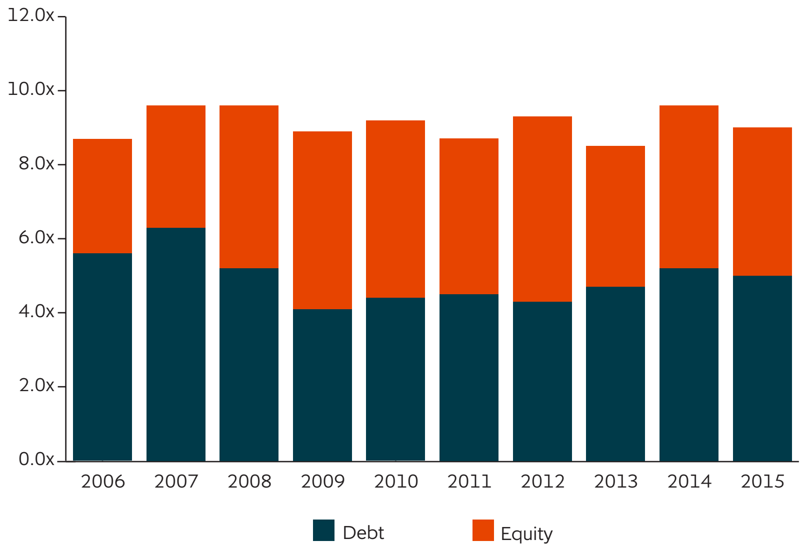
Whilst secondary market pricing remained high at 90% of net asset value it was a year of two halves with prices characterised by generally rising public equity markets in the first half of 2015 and falling public equity markets in the second half. Underlying the headline prices though is continuing pressure on buyer's underwriting rates of return and the greater use of leverage to achieve target outcomes. This is being driven by the growing amount of capital being raised by the sector. In such an environment we have had to be increasingly selective as to the opportunities we choose to invest in.

ICG Private Equity Fund Investments Team

26 April 2016

AVERAGE ACQUISITION PRICE AS A MULTIPLE OF EBITDA

Fig: 2.3



Source: S&P Capital IQ LCD European Leveraged Buyout Review 4Q15

ICG TEAM

Christophe Evain
Executive Director and
Chief Executive Officer

Benoît Durteste
Executive Director and
Head of European Investments

Philip Keller
Executive Director and
Chief Financial Officer

Emma Osborne*
Head of Private Equity Fund
Investments ("PEFI")

Kane Bayliss*
Director, PEFI

Colm Walsh*
Associate Director, PEFI

Fiona Bell*
Associate Director, PEFI

Kelly Tyne*
Associate, PEFI

Mark Crowther
Director, Investor Relations

Michael Pote*
Associate Director, Finance

Andrew Lewis
General Counsel

Stuart Griffiths
Group Compliance Officer

* Transferred from Graphite Capital to ICG following change of manager on 1 February 2016.

INTERMEDIATE CAPITAL GROUP PLC

Intermediate Capital Group plc ("ICG plc") is a specialist asset manager with 27 years history in private debt, credit and equity

ICG plc's objective is to generate income and consistently high returns whilst protecting against investment downside.

We seek to achieve this through our expertise in investing across the capital structure.

We combine flexible capital solutions, local access and insight with an entrepreneurial approach to give us a competitive edge in our markets.

We are committed to innovation and pioneering new strategies where we can deliver value to our investors.

We are listed on the London Stock Exchange (ticker symbol: ICP), and regulated in the UK by the Financial Conduct Authority.

€21.2bn

ASSETS UNDER MANAGEMENT

€21.2 billion of assets under management globally on behalf of third party investors and ICG plc's own balance sheet

>270

EMPLOYEES

Global investment platform with more than 270 employees operating from 12 offices worldwide spanning 11 countries, supported by in-house infrastructure platform

€2.5bn

MARKET CAPITALISATION[1]

Listed on the London Stock Exchange under the ticker "ICP". ICG plc is a member of the FTSE 250 and has a market capitalisation of €2.5 billion

>120

INVESTMENT PROFESSIONALS

Over 120 investment professionals focused on private debt, credit and equity strategies worldwide

[1] Market capitalisation is at 25 April 2016. All other data is as at 31 December 2015.

Guardian, a consolidator of closed life insurance books, was sold by Cinven in January 2016 generating proceeds for ICG Enterprise of £7.3 million

MULTIPLE OF ORIGINAL COST OF INVESTMENT ACHIEVED ON DISPOSAL

4.2x

CASE STUDY: GUARDIAN FINANCIAL SERVICES

ICG Enterprise invested in Guardian Financial Services ("Guardian") through its commitment to the Fourth Cinven Fund ("the Fund") in 2006. In 2011 ICG Enterprise increased its exposure to Guardian through a secondary purchase of a further interest in the Fund.

Cinven's specialist financial services sector team spent three years developing an investment strategy for the closed life assurance sector. Closed life books enjoy highly visible and stable long term cash flows with attractive returns on equity. Cinven's investment strategy focused on acquiring a life insurance book with a solid administration platform and creating a long term, strategic consolidator in the fragmented UK market.

Cinven acquired Guardian in November 2011. The company had been closed to new business for some 10 years but still managed approximately 327,000 policies and employed 165 people.

The acquisition of Guardian was the starting point for a closed life consolidation strategy in the UK. Over the period of Cinven's ownership Guardian made three substantial acquisitions growing the business to approximately £20 billion of assets and 900,000 policies. Cinven created an industry leading management team and significantly improved both operations and customer service all of which helped generate strong financial performance.

In January 2016 Cinven sold Guardian to Admin Re for total consideration of £1.6 billion. The sale generated cash proceeds equivalent to 4.2 times the original investment and proceeds for ICG Enterprise of £7.3 million at an uplift of approximately 20% to the previous valuation.

Cinven's financial services team has applied the learnings from the successful UK closed life insurance consolidation with Guardian to pursue a similar strategy in Germany through the acquisition of Heidelberger Leben in March 2014. ICG Enterprise holds an investment in Heidelberger Leben through its investment in the Fifth Cinven Fund.

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

THE 30 LARGEST FUND INVESTMENTS

The 30 largest funds by value at 31 January 2016 are set out below:

1-15

	FUND	Outstanding commitment £m	Year of commitment	Country/ region	Value £m
1	**Graphite Capital Partners VIII*** Mid-market buy-outs	56.0	2013	UK	36.3
2	**Graphite Capital Partners VI**** Mid-market buy-outs	2.1	2003	UK	23.8
3	**CVC European Equity Partners V**** Large buy-outs	1.3	2008	Europe/ USA	16.7
4	**Deutsche Beteiligungs Fund V** Mid-market buy-outs	0.3	2006	Germany	14.6
5	**BC European Capital IX**** Large buy-outs	4.6	2011	Europe	14.5
6	**Graphite Capital Partners VII*/**** Mid-market buy-outs	7.6	2007	UK	13.3
7	**PAI Europe V**** Mid-market and large buy-outs	1.2	2007	Europe	13.1
8	**Thomas H. Lee Parallel Fund VI** Large buy-outs	1.7	2007	USA	13.0
9	**Candover 2005 Fund**** Large buy-outs	0.1	2005	Europe	12.1
10	**TDR Capital II** Mid-market and large buy-outs	0.7	2006	Europe	11.2
11	**Fifth Cinven Fund** Large buy-outs	4.9	2012	Europe	10.9
12	**Activa Capital Fund II** Mid-market buy-outs	0.8	2007	France	10.7
13	**Bowmark Capital Partners IV** Mid-market buy-outs	1.0	2007	UK	10.5
14	**Doughty Hanson & Co V**** Mid-market and large buy-outs	5.8	2006	Europe	8.6
15	**ICG European Fund 2006B**** Mezzanine and minority equity	8.9	2014	Europe	8.0
	Total of the 15 largest fund investments	97.0			217.3

16-30

FUND		Outstanding commitment £m	Year of commitment	Country/ region	Value £m
16	**ICG Europe V** Mezzanine and minority equity	0.5	2012	Europe	7.8
17	**IK VII** Mid-market buy-outs	1.6	2013	Europe	6.7
18	**Permira V** Large buy-outs	2.6	2013	Europe	5.3
19	**CVC Capital Partners VI** Large buy-outs	9.7	2013	Global	5.2
20	**Deutsche Beteiligungs Fund VI** Mid-market buy-outs	2.8	2012	Germany	5.1
21	**Piper Private Equity Fund V** Small buy-outs	1.3	2010	UK	4.8
22	**PAI Europe VI** Mid-market and large buy-outs	10.6	2013	Europe	4.4
23	**TDR Capital III** Mid-market and large buy-outs	4.1	2013	Europe	4.3
24	**Charterhouse Capital Partners IX**** Large buy-outs	0.8	2008	Europe	4.2
25	**Hollyport Secondary Opportunities IV** Tail-end secondary portfolios	0.8	2013	Global	4.0
26	**Fourth Cinven Fund**** Large buy-outs	2.9	2006	Europe	3.8
27	**Nordic Capital Partners VIII** Mid-market and large buy-outs	3.9	2013	Nordic	3.7
28	**Segulah IV** Mid-market buy-outs	1.2	2008	Nordic	3.1
29	**Advent Global Private Equity VII** Large buy-outs	0.7	2012	Europe/ USA	2.8
30	**Bowmark Capital Partners V** Mid-market buy-outs	7.1	2013	UK	2.8
Total of the 30 largest fund investments		147.6			285.3
Percentage of total investment portfolio					66.6%

* Includes the associated Top Up Funds

** All or part of interest acquired through a secondary fund purchase

THE 30 LARGEST UNDERLYING INVESTMENTS

The table below presents the 30 companies in which ICG Enterprise had the largest investments by value at 31 January 2016. These investments may be held directly or through funds, or in some cases in both ways. The valuations are gross and are shown as a percentage of the total investment portfolio

1-15

	COMPANY	Manager	Year of investment	Country	Value as % of investment portfolio
1	**Micheldever*** Distributor and retailer of tyres	Graphite Capital	2006	UK	5.4%
2	**City & County Healthcare Group** Provider of home care services	Graphite Capital	2013	UK	3.2%
3	**Education Personnel*** Provider of temporary staff for the education sector	ICG	2014	UK	2.9%
4	**nGAGE (previously Human Capital Investment Group)** Provider of recruitment services	Graphite Capital	2014	UK	2.9%
5	**Spheros***/+ Provider of bus climate control systems	Deutsche Beteiligungs	2011	Germany	2.5%
6	**Skillsoft*** Provider of off-the-shelf e-learning content	Charterhouse	2014	USA	2.1%
7	**Standard Brands*** Manufacturer of fire lighting products	Graphite Capital	2001	UK	2.1%
8	**PetSmart*** Retailer of pet products and services	BC Partners	2015	USA	1.9%
9	**R&R Ice Cream*** Manufacturer and distributor of ice cream products	PAI Partners	2013	UK	1.8%
10	**Frontier Medical*** Manufacturer of medical devices	Kester Capital	2013	UK	1.8%
11	**David Lloyd Leisure*** Operator of premium health and fitness clubs	TDR Capital	2013	UK	1.7%
12	**TMF** Provider of management and accounting outsourcing services	Doughty Hanson	2008	Netherlands	1.6%
13	**U-POL** Manufacturer and distributor of automotive refinishing products	Graphite Capital	2010	UK	1.5%
14	**The Laine Pub Company*** Operator of pubs and bars	Graphite Capital	2014	UK	1.5%
15	**ICR Group** Provider of repair and maintenance services to the energy industry	Graphite Capital	2014	UK	1.5%
	Total of the 15 largest underlying investments				34.4%

16-30

	COMPANY	Manager	Year of investment	Country	Value as % of investment portfolio
16	**Parques Reunidos** Operator of attraction parks	Arle	2007	Spain	1.5%
17	**Algeco Scotsman** Supplier and operator of modular buildings	TDR Capital	2007	USA	1.5%
18	**CPA Global*** Provider of patent and legal services	Cinven	2012	UK	1.4%
19	**Co-investment*/**** Provider of business services	Large buy-out manager	2014	Europe	1.2%
20	**TMP** Provider of recruitment services	Graphite Capital	2006	UK	1.1%
21	**Cognito*** Supplier of communications equipment, software and services	Graphite Capital	2002	UK	1.1%
22	**Formel D** Provider of quality control for automotive services	Deutsche Beteiligungs	2013	Germany	0.9%
23	**Swiss Education Group*** Provider of hospitality training	Invision	2015	Switzerland	0.9%
24	**Odgers*** Provider of recruitment services	Graphite Capital	2009	UK	0.8%
25	**Swissport⁺** Provider of airport ground and cargo handling services	PAI Partners	2011	Switzerland	0.8%
26	**Gerflor** Manufacturer of vinyl flooring	ICG	2011	France	0.8%
27	**Technogym** Manufacturer of premium fitness equipment	Arle	2006	Italy	0.8%
28	**Ceridian*** Provider of payment processing services	Thomas H. Lee Partners	2007	USA	0.8%
29	**Aero Technics** Provider of civil aircraft maintenance	Graphite Capital	2015	UK	0.8%
30	**Quironsalud** Provider of private healthcare services	CVC	2011	Spain	0.7%
	Total of the 30 largest underlying investments				49.5%

* All or part of this investment is held directly as a co-investment or other direct investment.
** We are not permitted to disclose the details of this co-investment under the terms of a confidentiality agreement.
⁺ Realised since the year end.

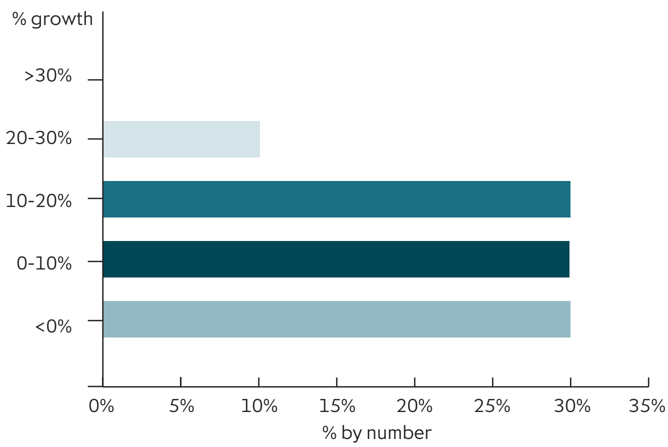
ANALYSIS OF THE 30 LARGEST UNDERLYING INVESTMENTS

The graphs below analyse the 30 companies in which ICG Enterprise had the largest investments by value at 31 January 2016. These investments may be held directly or through funds or, in some cases, in both ways.

REVENUE GROWTH

Fig: 3.1

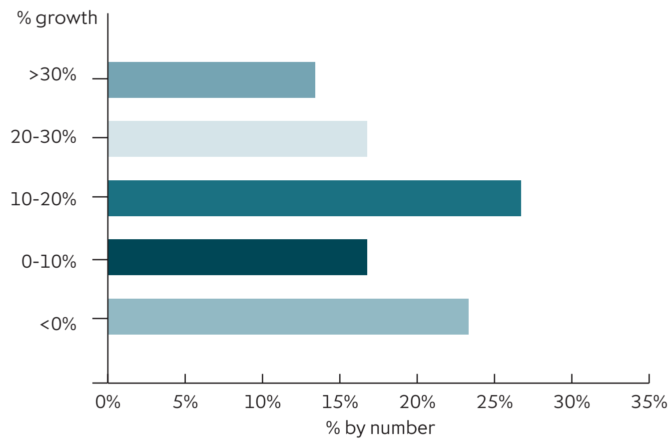
5.3% AVERAGE



EBITDA GROWTH*

Fig: 3.2

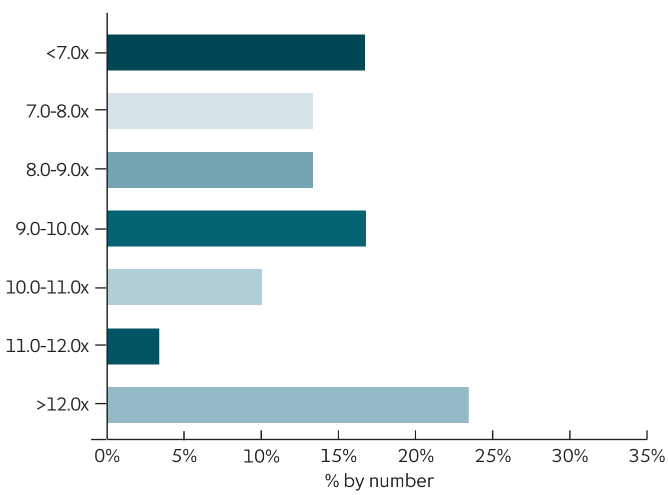
10.2% AVERAGE



ENTERPRISE VALUE AS A MULTIPLE OF EBITDA*

Fig: 3.3

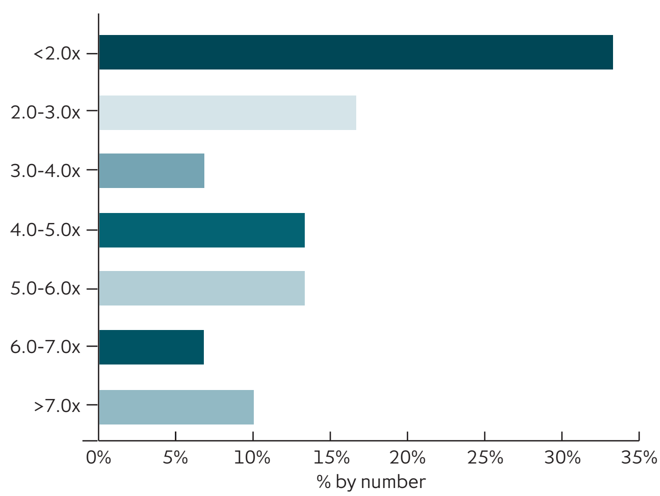
9.4x AVERAGE



NET DEBT AS A MULTIPLE OF EBITDA

Fig: 3.4

3.5x AVERAGE



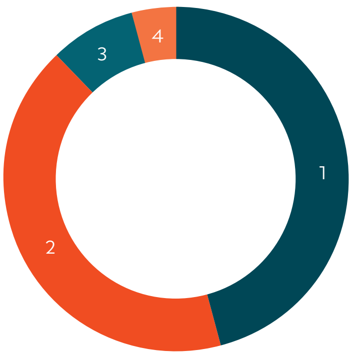
* Excludes Cognito where this metric is not meaningful.

PORTFOLIO ANALYSIS

The following four graphs analyse the closing portfolio by value at 31 January 2016.

INVESTMENT TYPE*

Fig: 3.5

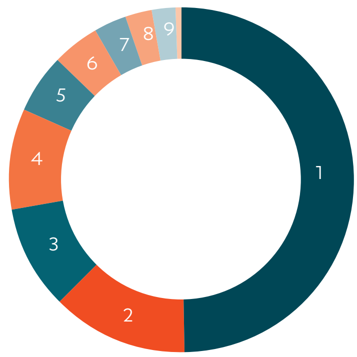


1.	Large buy-outs	45.9%
2.	Mid-market buy-outs	42.0%
3.	Mezzanine	8.0%
4.	Small buy-outs	4.1%
Total		100.0%

* On a fund basis rather than a look-through basis.

GEOGRAPHIC DISTRIBUTION**

Fig: 3.6

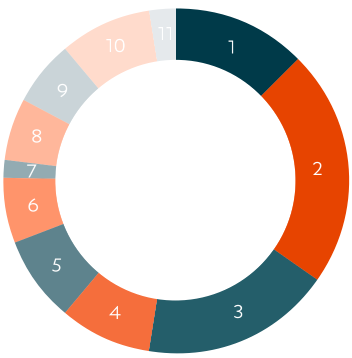


1.	UK	45.1%
2.	North America	14.1%
3.	Germany	12.0%
4.	France	10.1%
5.	Scandinavia	5.2%
6.	Benelux	5.1%
7.	Spain	2.6%
8.	Italy	2.6%
9.	Other Europe	2.9%
10.	Rest of World	0.3%
Total		100.0%
NB: Total continental Europe		40.5%

** Location of headquarters of underlying companies in the portfolio. Does not necessarily reflect countries to which companies have economic exposure.

YEAR OF INVESTMENT+

Fig: 3.7

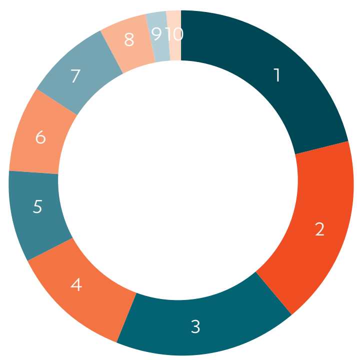


1.	2015 and onwards (1.1x)	12.5%
2.	2014 (1.2x)	22.3%
3.	2013 (1.5x)	17.8%
4.	2012 (1.6x)	8.7%
5.	2011 (1.4x)	8.1%
6.	2010 (1.6x)	6.1%
7.	2009 (2.6x)	1.7%
8.	2008 (1.0x)	5.7%
9.	2007 (1.6x)	6.1%
10.	2006 (1.6x)	8.7%
11.	2005 and before (1.2x)	2.3%
Total (1.4x)		100.0%

+ Figures in brackets represent the valuation of the investments made in each period as a multiple of original cost.

SECTOR ANALYSIS

Fig: 3.8



1.	Business services	21.1%
2.	Industrials	17.9%
3.	Healthcare and education	16.4%
4.	Consumer goods and services	14.6%
5.	Leisure	9.7%
6.	Automotive supplies	8.0%
7.	Financials	5.6%
8.	Technology and telecommunications	3.2%
9.	Media	2.3%
10.	Chemicals	1.2%
Total		100.0%

PORTFOLIO ANALYSIS
CONTINUED

The following table analyses the closing portfolio by value.

THIRD PARTY, GRAPHITE CAPITAL AND ICG INVESTMENTS AT 31 JANUARY 2016

Portfolio	Third party £m	Graphite Capital £m	ICG £m	Total £m	% of investment portfolio
Primary investments in funds	187.4	61.2	7.8	256.4	59.9%
Secondary investments in funds	45.9	12.3	8.0	66.2	15.5%
Direct and co-investments	59.6	34.0	12.0	105.6	24.6%
Total portfolio	292.9	107.5	27.8	428.2	100.0%
% of total	68.4%	25.1%	6.5%	100.0%	

QUOTED EQUITY HOLDINGS AT 31 JANUARY 2016

All quoted holdings are held indirectly through third party funds and may have restrictions on their sale. The timing of any disposal of these interests is determined by the managers of those funds.

Underlying investment	Ticker	£m	% of investment portfolio
VWR International	VWR	2.6	0.6%
Partnership	PA	2.2	0.5%
ComHem	COMH	1.6	0.4%
Saga	SAGA	1.5	0.3%
Black Knight	BKFS	1.4	0.3%
Party City	PRTY	1.2	0.3%
Elior	ELIOR	1.0	0.2%
Tumi	TUMI	0.9	0.2%
Fogo de Chao	FOGO	0.7	0.2%
Evonik	EVK	0.6	0.1%
West Corporation	WSTC	0.6	0.1%
Coor	COOR	0.5	0.1%
Univar N.V	UNVR	0.5	0.1%
Others (less than £0.5 million)		3.0	0.8%
Total		18.3	4.2%

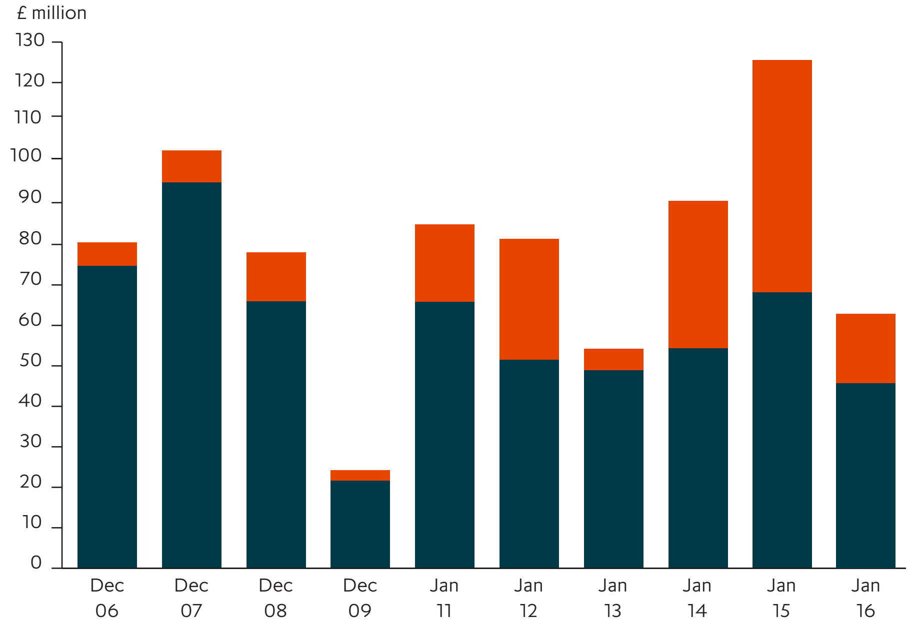
INVESTMENT ACTIVITY

NEW INVESTMENTS

- Drawdowns
- Co-investments and secondary fund purchases

INVESTMENTS INTO THE PORTFOLIO

Fig: 3.9



LARGEST NEW UNDERLYING INVESTMENTS IN THE YEAR ENDED 31 JANUARY 2016

Investment	Description	Manager	Country	£m
PetSmart	Retailer of pet products and services	BC Partners	USA	4.7
Swiss Education	Provider of hospitality training	Invision	Switzerland	3.3
Aero Technics	Provider of civil aircraft maintenance	Graphite Capital	UK	3.2
The Groucho Club*	Operator of members' club	Alcuin Capital	UK	3.0
Salad Signature	Manufacturer of spreads, dips and salads	IK	Netherlands	1.6
Synlab	Provider of laboratory services	Cinven	Germany	1.2
Curo	Provider of hospice care	Thomas H. Lee	USA	1.1
AS Adventure	Retailer of outdoor equipment and clothing	PAI Partners	Belgium	0.9
Essenden	Operator of indoor bowling centres	Harwood	UK	0.9
Douglas	Retailer of cosmetics	CVC	Germany	0.9
Total of 10 largest new underlying investments				20.8

* Sold by Graphite Capital in the year. The Company re-invested alongside Alcuin Capital.

Supplementary Information

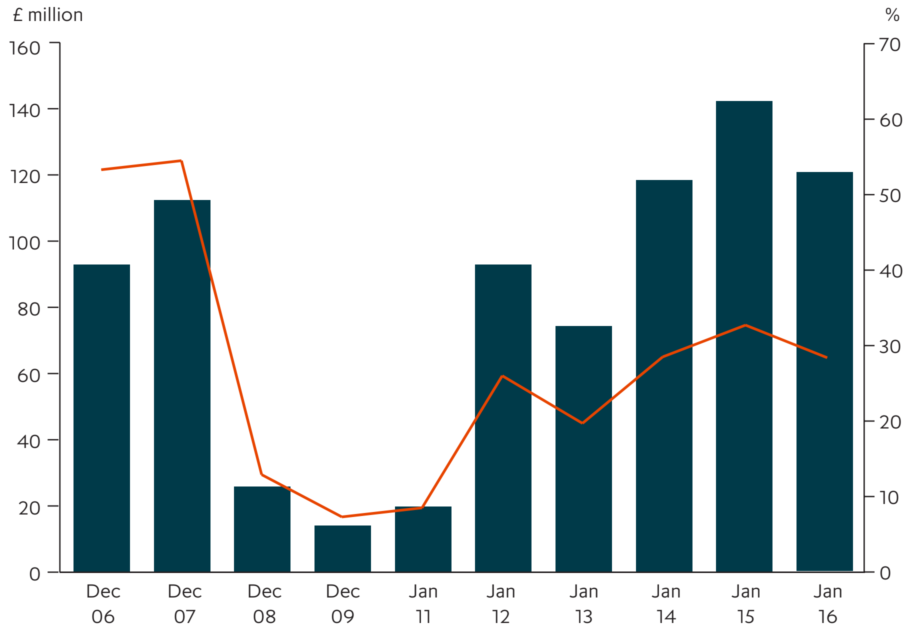
REALISATION ACTIVITY

REALISATIONS

- Proceeds
- Proceeds as percentage of opening portfolio

REALISATIONS FROM THE PORTFOLIO*

Fig: 3.10



* Excluding secondary sales of fund interests.

LARGEST UNDERLYING REALISATIONS IN THE YEAR ENDED 31 JANUARY 2016

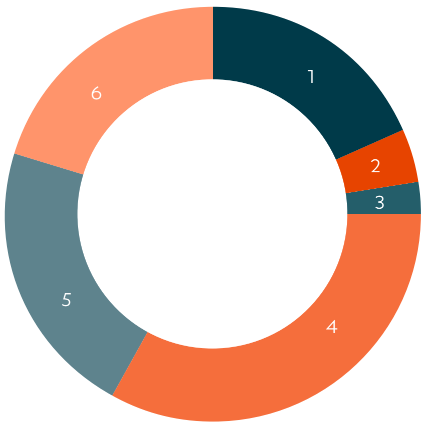
Investment	Manager	Year of investment	Realisation type	Proceeds £m
National Fostering Agency	Graphite Capital	2012	Secondary	11.9
Guardian Financial	Cinven	2011	Trade	7.3
Intermediate Capital Group	ICG	1989	Sale of quoted shares	5.8
Eurofiber	Doughty Hanson	2012	Trade	4.2
SAFE	Euromezzanine	2006	Secondary	3.3
Spire Healthcare	Cinven	2007	Public offering	3.1
The Groucho Club†	Graphite Capital	2006	Secondary	3.1
Lowell Group	TDR	2011	Trade	2.7
Celsis	Harwood	2009	Trade	2.6
Suddenlink	BC Partners	2012	Trade	2.4
Total of 10 largest underlying realisations				46.4

† Sold by Graphite Capital in the year. The Company re-invested alongside Alcuin Capital.

COMMITMENTS ANALYSIS

COMMITMENTS AT 31 JANUARY 2016 – REMAINING INVESTMENT PERIOD

Fig: 3.11



1. Investment period complete	18.5%
2. <1 year	4.1%
3. 1-2 years	2.6%
4. 2-3 years	32.9%
5. 3-4 years	21.8%
6. 4-5 years	20.1%

Commitments at 31 January 2016	**Original commitment* £m**	**Outstanding commitment £m**	**Percentage drawn**	**% of commitments**
Funds in investment period	336.9	206.9	38.6%	81.5%
Funds post investment period	503.4	46.9	90.7%	18.5%
Total	840.3	253.8	69.8%	100.0%

* Original commitments are translated at 31 January 2016 exchange rates.

Movement in outstanding commitments in the year to 31 January 2016	**Year ended 31 January 2016 £m**
Opening	234.0
Drawdowns	(46.3)
New primary commitments	58.6
New commitments arising through secondary purchase of fund interests	4.9
New commitments relating to co-investments†	0.6
Currency	2.7
Other	(0.7)
Closing	253.8

† This represents a follow-on commitment in Swiss Education Group.

COMMITMENTS ANALYSIS
CONTINUED

NEW COMMITMENTS IN THE YEAR TO 31 JANUARY 2016

Fund	Strategy	Geography	£m
Primary commitments			
Thomas H. Lee Equity Fund VII	Large buy-outs	USA	13.0
Charterhouse Capital Partners X	Large buy-outs	Europe	11.0
ICG Europe Fund VI	Mezzanine and minority equity	Europe	10.6
The Fourth Alcuin Fund	Small buy-outs	UK	9.0
Harwood Private Equity IV	Small buy-outs	UK	7.5
Hollyport Secondary Opportunities V	Tail-end secondary portfolios	Global	7.5
Total primary commitments			58.6
Commitments arising from secondary purchases of fund interests			
BC European Capital IX	Large buy-outs	Europe	4.9
Commitments relating to co-investments			
Swiss Education Group	Provider of hospitality training	Switzerland	0.6
Total new commitments			64.1

New primary	Description	Commitment £m
Thomas H. Lee Partners VII	In October 2015 we committed $20 million to Thomas H. Lee Partners VII ("THLee VII"), a $4.0 billion, US, upper mid-market buy-out fund managed by Thomas H. Lee Partners ("THLee"). THLee VII will invest in buy-outs of companies with enterprise values of between $250 million and $2.5 billion. THLee will particularly target investment opportunities in the business and financial services, consumer and healthcare, and media and information services sectors. The US private equity market has performed strongly in recent years and the commitment to THLee VII will potentially generate additional secondary and co-investment opportunities in that market.	13.0
Charterhouse Capital Partners X	In November 2015 we committed €15 million to Charterhouse Capital Partners X ("Charterhouse X"), a €3.0 billion, pan-European, large buy-out fund being raised by Charterhouse Capital Partners ("Charterhouse"). Charterhouse X will focus on buy-outs with enterprise values of between €250 million and €2.0 billion and aims to invest equity of between €150 million and €500 million in each of ten to fifteen transactions. Investing across Western Europe, Charterhouse specifically looks to back incumbent management teams which helps to differentiate it from other large buy-out fund managers. We have invested with Charterhouse Capital Partners since 1989 in five prior funds, including three acquired through secondaries, and in seven co-investments alongside the funds.	11.0
ICG Europe Fund VI	In June 2015 we committed €15 million to ICG Europe Fund VI ("ICG VI"), a €3 billion pan-European mezzanine fund managed by Intermediate Capital Group plc ("ICG").* ICG VI has a flexible strategy and will invest in a wide range of mezzanine and minority equity opportunities. It will focus on mid-market companies and offers a diversified pan-European exposure. ICG has a network of six offices across Europe and a team of 25 mezzanine investment professionals. ICG is one of our most profitable manager relationships, dating back to 1989 when we backed the start-up of the management company. We have since invested in three of ICG's funds and made nine co-investments alongside the manager. ICG's distinctive strategy offers attractive return potential with relatively low downside risk.	10.6
The Fourth Alcuin Fund	In June 2015 we committed £9 million to The Fourth Alcuin Fund ("Alcuin IV"), a £150 million, lower mid-market, UK buy-out fund managed by Alcuin Capital Partners ("Alcuin"). Whilst this is our first commitment to a fund managed by Alcuin, Graphite Capital has experience of working with the manager, including in relation to the Company's recent co-investment in The Groucho Club alongside Alcuin IV's predecessor fund. Alcuin IV will focus on buy-outs with enterprise values of between £10 million and £30 million, with a view to making equity investments of between £2 million and £10 million in each transaction. Alcuin has experience of investing across a wide range of sectors. The manager also adopts a flexible approach regarding potential transaction types, having undertaken a variety of management buy-in, growth capital and minority investments in addition to conventional management buy-outs.	9.0

* A regulated subsidiary of Intermediate Capital Group plc, ICG Alternative Investment Limited, is also the manager of the Company.

COMMITMENTS ANALYSIS
CONTINUED

New primary	Description	Commitment £m
Harwood Private Equity IV	In June 2015 we committed £7.5 million to Harwood Private Equity IV ("Harwood IV"), a £152.5 million, lower mid-market buy-out fund managed by Harwood Capital LLP ("Harwood"). We have invested with Harwood since 2005, including four co-investments in addition to the commitments to the two predecessor funds. The core focus of Harwood IV will remain UK, lower mid-market companies with enterprise values of between £10 million and £40 million where the fund will invest up to £15 million in each transaction. However, as with the predecessor funds, we expect there to be some US, lower mid-market exposure of up to 15% of the fund. Over the last two decades, Harwood's investment team has developed a recognised expertise in public-to-private transactions in the lower mid-market segment, which have consistently generated strong returns through economic cycles.	7.5
Hollyport Secondary Opportunities Fund V	In July 2015 we committed £7.5 million to Hollyport Secondary Opportunities Fund V ("Hollyport V"), a new fund being raised by Hollyport Capital ("Hollyport"). We participated in the first closing which raised £125 million. ICG Enterprise was one of Hollyport's first institutional investors in 2007 and has now invested in all five of its funds. Hollyport V will invest in diverse portfolios of legacy private equity assets, acquired at substantial discounts in the secondary market. As Hollyport operates in a different segment of the secondary market to ICG Enterprise, the fund's activity is complementary to our own. Investing with Hollyport offers the prospect of strong returns and also provides valuable insight into developments in the broader secondary market.	7.5

New commitments arising from secondary	Description	Consideration £m
BC European Capital IX	In February 2015 we acquired a secondary interest in BC European Capital IX, a €6.7 billion European large buy-out fund raised in 2011, in which we already had a €10.0 million primary commitment. We invested €9.4 million to acquire the secondary fund interest with a further €6.6 million undrawn commitment. At the time of acquisition the fund was 56% drawn having made 9 investments, some of which had been partially realised, with one investment successfully listed.	7.1

CURRENCY EXPOSURE

Portfolio*	31 January 2016 £m	31 January 2016 %	31 January 2015 £m	31 January 2015 %
– Sterling	209.1	48.8%	230.1	53.3%
– Euro	122.8	28.7%	119.7	27.7%
– US dollar	60.9	14.2%	54.9	12.7%
– Other European	33.5	7.8%	25.1	5.8%
– Other	1.9	0.5%	2.1	0.5%
Total	428.2	100.0%	431.9	100.0%

* Currency exposure is calculated by reference to the location of the underlying portfolio companies' headquarters.

Outstanding commitments	31 January 2016 £m	31 January 2016 %	31 January 2015 £m	31 January 2015 %
– Sterling	102.3	40.3%	91.8	39.2%
– Euro	131.2	51.7%	135.0	57.7%
– US dollar	18.4	7.2%	6.1	2.6%
– Other European	1.9	0.8%	1.1	0.5%
Total	253.8	100.0%	234.0	100.0%

–

DIVIDEND AND SHAREHOLDER ANALYSIS

HISTORICAL RECORD

Financial year ended	Revenue return per share p	Ordinary dividend per share p	Special dividend per share p	Total dividend per share p	Net asset value per share p	Closing mid-market share price p
31 January 2016	11.07	11.0	–	11.0	730.9	545.0
31 January 2015	12.96	10.0	5.5	15.5	695.2	575.0
31 January 2014	19.02	7.5	8.0	15.5	677.2	563.5
31 January 2013	3.15	5.0	–	5.0	631.5	487.0
31 January 2012	6.33	5.0	–	5.0	569.4	357.0
31 January 2011	1.51	2.25	–	2.25	534.0	308.0
31 December 2009	-0.11	2.25	–	2.25	464.1	305.0
31 December 2008	5.12	4.5	–	4.5	449.0	187.0
31 December 2007	8.86	8.0	–	8.0	519.4	474.0
31 December 2006	7.44	6.5	–	6.5	454.6	386.0

ANALYSIS OF SHAREHOLDERS

	Year ended 31 January 2016		Year ended 31 January 2015	
	Number of shares held+ ('000)	Percentage of total	Number of shares held ('000)	Percentage of total
Individuals	40,443	56.7%	41,635	57.1%
Investment funds	19,402	27.2%	20,771	28.4%
Private client wealth managers	5,246	7.4%	4,788	6.6%
Pensions and endowments	3,535	5.0%	2,662	3.7%
Specialist private equity investors	1,125	1.6%	1,070	1.5%
Banks	807	1.1%	838	1.1%
Insurance companies	268	0.4%	273	0.4%
Other	501	0.7%	876	1.2%
Total	71,327	100.0%	72,913	100.0%

+ Excludes 1,586,163 shares held in treasury.

FINANCIAL INFORMATION

FINANCIAL INFORMATION

INCOME STATEMENT

		Year to 31 January 2016			Year to 31 January 2015		
	Notes	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Investment returns							
Income, gains and losses on investments	2,10	12,100	33,761	45,861	13,896	19,854	33,750
Deposit interest	2	309	–	309	228	–	228
Other income	2	115	–	115	417	–	417
Foreign exchange gains and losses		–	747	747	–	(754)	(754)
		12,524	34,508	47,032	14,541	19,100	33,641
Expenses							
Investment management charges	3	(1,509)	(4,260)	(5,769)	(1,452)	(4,357)	(5,809)
Other expenses	4	(1,722)	(1,123)	(2,845)	(1,593)	(1,835)	(3,428)
		(3,231)	(5,383)	(8,614)	(3,045)	(6,192)	(9,237)
Profit before tax		9,293	29,125	38,418	11,496	12,908	24,404
Taxation	6	(1,292)	1,292	–	(2,044)	2,044	–
Profit for the year		8,001	30,417	38,418	9,452	14,952	24,404
Attributable to:							
Equity shareholders		8,001	30,417	38,418	9,452	14,952	24,404
Basic and diluted earnings per share				53.1p			33.5p

The columns headed 'Total' represent the income statement for the relevant financial years and the columns headed 'Revenue return' and 'Capital return' are supplementary information. There is no Other Comprehensive Income.

BALANCE SHEET

	Notes	31 January 2016 £'000	31 January 2015 £'000
Non-current assets			
Investments held at fair value			
– Unquoted investments	10,17	356,939	357,830
– Quoted investments	10,17	–	4,962
– Subsidiary investments	10,17	57,168	56,217
		414,107	419,009
Current assets			
Cash and cash equivalents	11	103,831	90,137
Receivables	12	4,038	4,177
		107,869	94,314
Current liabilities			
Payables	13	634	6,459
Net current assets		107,235	87,855
Total assets less current liabilities		521,342	506,864
Capital and reserves			
Share capital	14	7,292	7,292
Capital redemption reserve		2,112	2,112
Share premium		12,936	12,936
Capital reserve		484,782	463,489
Revenue reserve		14,220	21,035
Total equity		521,342	506,864
Net asset value per share (basic and diluted)	15	730.9p	695.2p

The financial statements on pages 38 to 59 were approved by the Board of directors on 26 April 2016 and signed on its behalf by:

Directors Mark Fane Jeremy Tigue

Financial Information

CASH FLOW STATEMENT

	Notes	Year to 31 January 2016 £'000	Year to 31 January 2015 £'000
Operating activities			
Sale of portfolio investments		89,941	132,953
Purchase of portfolio investments		(56,213)	(102,185)
Interest income received from portfolio investments		8,951	8,382
Dividend income received from portfolio investments		2,882	5,458
Other income received		384	644
Investment management charges paid		(5,840)	(5,815)
Other expenses paid		(1,269)	(983)
Net cash inflow from operating activities		38,836	38,454
Financing activities			
Bank facility fee		(1,963)	(1,651)
Purchase of shares into treasury		(9,110)	–
Equity dividends paid	8	(14,816)	(11,302)
Net cash outflow from financing activities		(25,889)	(12,953)
Net increase in cash and cash equivalents		12,947	25,501
Cash and cash equivalents at beginning of year	11	90,137	65,390
Net increase in cash and cash equivalents		12,947	25,501
Effect of changes in foreign exchange rates		747	(754)
Cash and cash equivalents at end of year	11	103,831	90,137

The notes on pages 43 to 59 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Company	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Realised capital reserve £'000	Unrealised capital reserve £'000	Revenue reserve £'000	Total shareholders' equity £'000
Year to 31 January 2016							
Opening balance at 1 February 2015	7,292	2,112	12,936	348,412	115,077	21,035	506,864
Profit for the year and total comprehensive income	–	–	–	2,200	28,217	8,001	38,418
Transfer on disposal of investments	–	–	–	21,837	(21,837)	–	–
Dividends paid or approved	–	–	–	–	–	(14,816)	(14,816)
Purchase of shares into treasury	–	–	–	(9,124)	–	–	(9,124)
Closing balance at 31 January 2016	7,292	2,112	12,936	363,325	121,457	14,220	521,342

Company	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	(Restated*) Realised capital reserve £'000	(Restated*) Unrealised capital reserve £'000	Revenue reserve £'000	Total shareholders' equity £'000
Year to 31 January 2015							
Opening balance at 1 February 2014	7,292	2,112	12,936	330,237	118,300	22,885	493,762
Profit for the year and total comprehensive income	–	–	–	4,571	10,381	9,452	24,404
Transfer on disposal of investments	–	–	–	13,604	(13,604)	–	–
Dividends paid or approved	–	–	–	–	–	(11,302)	(11,302)
Purchase of shares into treasury	–	–	–	–	–	–	–
Closing balance at 31 January 2015	7,292	2,112	12,936	348,412	115,077	21,035	506,864

* The prior year realised and unrealised capital reserves have been restated to reflect the reclassification of capital gains from the unrealised reserve to the realised reserve. This has the effect of increasing the realised capital reserve by £6,683,000 and reducing the unrealised capital reserve by the same amount. There is no impact on total shareholders' equity.

The notes on pages 43 to 59 form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

These financial statements relate to ICG Enterprise Trust plc ("the Company", formerly Graphite Enterprise Trust PLC). The registered address and principal place of business of the Company is Juxon House, 100 St Paul's Churchyard, London EC4M 8BU.

(a) Basis of preparation

The financial information for the year ended 31 January 2016 has been prepared in accordance with the Companies Act 2006 as applicable to companies using International Financial Reporting Standards ("IFRS"). IFRS comprises standards and interpretations approved by the International Accounting Standards Board and the IFRS Interpretations Committee as adopted in the European Union as at 31 January 2016. These financial statements have been prepared on a going concern basis and on the historical cost basis of accounting, modified for the revaluation of certain assets. The principal accounting policies adopted are set out below. These policies have been applied consistently throughout the current and prior year.

In order to reflect the activities of an investment trust company, supplementary information which analyses the income statement between items of a revenue and capital nature has been presented alongside the income statement. In analysing total income between capital and revenue returns, the directors have followed the guidance contained in the Statement of Recommended Practice for investment trusts issued by the Association of Investment Companies in November 2014 ("the SORP"). The following requirements of the SORP have been followed:

- Capital gains and losses on investments sold and on investments held arising on the revaluation or disposal of investments classified as held at fair value through profit or loss should be shown in the capital column of the income statement.
- Returns on any share or debt security for a fixed amount (whether in respect of dividends, interest or otherwise) should be shown in the revenue column of the income statement.
- The Board should determine whether the indirect costs of generating capital gains should also be shown in the capital column of the income statement. If the Board decides that this should be so, the management fee should be allocated between revenue and capital in accordance with the Board's expected long term split of returns, and other expenses should be charged to capital only to the extent that a clear connection with the maintenance or enhancement of the value of investments can be demonstrated.

The accounting policy regarding the allocation of expenses is set out in note 1(h).

At previous balance sheet dates, ICG Enterprise Trust Limited Partnership and ICG Enterprise Trust (2) Limited Partnership (formerly Graphite Enterprise Trust Limited Partnership and Graphite Enterprise Trust (2) Limited Partnership, together "the Partnerships") were consolidated into the financial statements as subsidiaries of the Company. At 31 January 2016, in accordance with IFRS 10, the Company has elected to not consolidate the Partnerships.

As a result, the Company no longer prepares consolidated financial statements. The balances which were presented in last year's financial statements as Parent Company balances are now presented as Company balances. Therefore the amounts previously presented as non-controlling interests are included in unquoted investments. This is purely a presentational change and there has been no impact on the net asset value of the Company.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Future changes to accounting policies

The following standards have been published and will be mandatory for the Company in the future.

IFRS 9 – Financial instruments (mandatory for the Company from the year to 31 January 2019)

IFRS 15 – Revenue from Contracts with Customers (year to 31 January 2018).

These are not currently expected to have a significant effect on the financial statements.

(b) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss; and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. The classification of financial assets is determined at initial recognition.

Financial assets at fair value through profit or loss

The Company classifies its quoted and unquoted investments as financial assets at fair value through profit or loss. These assets are measured at subsequent reporting dates at fair value and further details of the accounting policy are disclosed in note 1(c).

Loans and receivables

Loans and receivables are non- derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are classified as current assets and measured at amortised cost using the effective interest method. The Company's loan and receivables comprise cash and cash equivalents and trade and other receivables in the balance sheet.

(c) Investments

All investments are designated upon initial recognition as held at fair value through profit or loss (described in these financial statements as investments held at fair value) and are measured at subsequent reporting dates at fair value. Changes in the value of all investments held at fair value, which include returns on those investments such as dividends and interest, are recognised in the income statement and are allocated to the revenue column or the capital column in accordance with the SORP (see note 1(a)). More detail on certain categories of investment is set out below.

Unquoted investments

Fair value for unquoted investments is established by using various valuation techniques.

Funds and co-investments are valued at the underlying investment manager's valuation where this is consistent with the requirement to use fair value.

Where this is not the case adjustments are made or alternative methods are used as appropriate. The most common reason for adjustments is to take account of events occurring after the date of the manager's valuation, such as realisations.

The fair value of direct unquoted investments is calculated in accordance with the 2015 International Private Equity and Venture Capital Valuation Guidelines. The primary valuation methodology used is an earnings multiple methodology, with other methodologies used where they are more appropriate.

Quoted investments

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

Subsidiary undertakings

The investments in the subsidiaries are recognised at fair value through profit and loss.

The valuation of the subsidiaries takes into account an accrual for the estimated value of interests in the co-investment incentive scheme. Under these arrangements, 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. These arrangements are discussed further in the Report of the Directors on page 71. At 31 January 2016, the accrual was estimated as the theoretical value of the interests if the portfolio had been sold at the carrying value at that date.

Current asset investments held at fair value

Current asset investments may include investments in fixed income funds or instruments. These are valued based on the redemption price as at the balance sheet date, which is based on the value of the underlying investments.

Associates

Investments which fall within the definition of an associate under IAS 28 (Investments in associates) are accounted for as investments held at fair value through profit or loss, as permitted by that standard.

IAS 28 requires certain disclosures to be made about associates, including summary historical financial information, even where these associates have been accounted for in accordance with IAS 39 and held at fair value. The Company has a small number of investments which fall within the definition of an associate, all of which are held at fair value.

The disclosures required by IAS 28 have not been made. It is considered that, in the context of the investment portfolio, such information would not be useful to users of the financial statements. Information is considered useful if it helps users assess the net asset value of the Company or the future growth therein. Many factors are taken into account in determining the fair value of individual investments, of which historical financial information is only one. Taken alone, this information would not be useful in making such an assessment and would be misleading in some instances.

(d) Receivables

Receivables include unamortised fees which were incurred directly in relation to the agreement of a financing facility. These fees will be amortised over the life of the facility on a straight line basis.

(e) Cash and cash equivalents

Cash comprises cash in hand and on-demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

(f) Dividend distributions

Dividend distributions to shareholders are recognised in the period in which they are paid or approved.

(g) Income

When it is probable that economic benefits will flow to the Company and the amount can be measured reliably, interest is recognised using the effective interest method.

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date. Dividends receivable on equity shares where no ex-dividend date is applicable are brought into account when the Company's right to receive payment is established.

Income distributions from funds are recognised when the right to distributions is established.

(h) Expenses

All expenses are accounted for on an accruals basis. Expenses are allocated to the revenue column in the income statement with the following exceptions:

- Expenses which are incidental to the acquisition of investments (transaction costs) are allocated to the capital column.
- Expenses which are incidental to the disposal of investments are deducted from the disposal proceeds of investments and therefore also effectively allocated to the capital column.
- The Board expects the substantial majority of long term returns from the portfolio to be generated from capital gains. The investment management and bank facility charges have been allocated 75% to the capital column and 25% to the revenue column in line with this expectation.
- Other expenses are allocated to the capital column where a clear connection with the maintenance or enhancement of the value of investments can be demonstrated.

All expenses allocated to the capital column are treated as realised capital losses (see note 1(k)).

(i) Taxation

Investment trusts which have approval as such under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.

Tax recognised in the income statement represents the sum of current tax and deferred tax charged or credited in the year. The tax effect of different items of expenditure is allocated between capital and revenue on the same basis as the particular item to which it relates.

Deferred tax is the tax expected to be payable or recoverable on the difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax assets are not recognised in respect of tax losses carried forward to future periods.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the assets are realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(j) Foreign currency translation

The functional currency of the Company is sterling since that is the currency of the primary economic environment in which the Company operates. The presentation currency for the Company is also sterling.

Transactions in currencies other than sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, financial assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the balance sheet date.

Gains and losses arising on the translation of investments held at fair value are included within gains and losses on investments held at fair value in the income statement. Gains and losses arising on the translation of other financial assets and liabilities are included within foreign exchange gains and losses in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

(k) Revenue and capital reserves

The revenue return component of total income is taken to the revenue reserve within the Statement of Changes in Equity. The capital return component of total income is taken to the capital reserve within the Statement of Changes in Equity.

Gains and losses on the realisation of investments including realised exchange gains and losses and expenses of a capital nature are taken to the realised capital reserve (see note 1(h)). Changes in the valuations of investments which are held at the year end and unrealised exchange differences are accounted for in the unrealised capital reserve.

(l) Treasury Shares

Shares that have been repurchased into treasury remain included in the share capital balance, unless they are cancelled.

(m) Critical estimates and assumptions

Estimates and judgements used in preparing the financial information are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable. The resulting estimates will, by definition, seldom equal the related actual results.

The only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate to the valuation of unquoted investments. Note 1(c) sets out the accounting policy for unquoted investments.

Judgement is required in order to determine appropriate valuation methodologies and subsequently in determining the inputs into the valuation models used. These judgements include making assessments of the maintainable earnings of portfolio companies and appropriate earnings multiples to apply. Although the judgements are significant, the valuation guidelines are clear, well established and supported by a large part of the global private equity industry.

Judgment is also required when determining whether the underlying investment managers' valuations are consistent with the requirements to use fair value.

(n) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the segments has been identified as the Board. It is considered that the Company's operations comprise a single operating segment.

2 GAINS AND LOSSES ON INVESTMENTS HELD AT FAIR VALUE – REVENUE RETURN

	Year ended 31 January 2016 £'000	Year ended 31 January 2015 £'000
Income from investments		
Dividends from UK companies	658	1,219
UK investment income	2,752	3,767
Overseas interest and dividends	8,690	8,910
	12,100	13,896
Other income		
Deposit interest on cash	309	228
Other	115	417
	424	645
Total income	12,524	14,541
Analysis of income from investments		
Quoted in the United Kingdom	658	1,219
Unquoted	11,442	12,677
	12,100	13,896

3 INVESTMENT MANAGEMENT CHARGES

The charges set out in the table below were payable to Graphite Capital Management LLP, the Former Manager, for managing the Company. The Former Manager is a related party.

	Year ended 31 January 2016			Year ended 31 January 2015		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management charge	1,415	4,244	5,659	1,439	4,317	5,756
Irrecoverable VAT	94	16	110	13	40	53
	1,509	4,260	5,769	1,452	4,357	5,809

The allocation of the total investment management charges was unchanged in 2016 with 75% of the total allocated to capital and 25% allocated to revenue.

The fee charged was 1.5% of the value of invested assets and 0.5% of outstanding commitments, in both cases excluding funds managed by Graphite Capital. No fee is charged on cash or liquid asset balances. The amounts payable during the year are set out above.

At 31 January 2016 management fees of £1,312 (excluding VAT) were prepaid (31 January 2015: accrual of £70,000).

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

3 INVESTMENT MANAGEMENT CHARGES (CONTINUED)

The Company has also borne management charges payable to Graphite Capital for managing the Company's investments in Graphite funds:

	Year ended 31 January 2016 £'000	Year ended 31 January 2015 £'000
Graphite Capital Partners VI*	(120)	150
Graphite Capital Partners VII	86	392
Graphite Capital Partners VIII	1,561	1,376
	1,527	1,918

* In the year to 31 January 2016, Graphite Capital Partners VI credited the Company with £120,000 of management charges.

Following the appointment of ICG as manager on 1 February 2016, the management fee charged for managing the Company has been reduced to 1.4% (from 1.5%) of the value of invested assets and 0.5% of outstanding commitments, in both cases excluding funds managed by Graphite Capital and now also funds managed by ICG.

4 OTHER EXPENSES

The Company did not employ any staff in the year to 31 January 2016 (2015: none).

	Year ended 31 January 2016		Year ended 31 January 2015	
	£'000	£'000	£'000	£'000
Directors' fees (see note 5)		252		234
Fees payable to the Company's auditor for the audit of the Company's annual accounts	61		61	
Fees payable to the Company's auditor and its associates for other services:				
Audit of the accounts of the subsidiaries	35		35	
Audit-related assurance services	20		21	
Other services not covered above	6		12	
Total auditors' remuneration		122		129
Administrative expenses		987		586
		1,361		949
Bank facility costs allocated to revenue		361		644
Expenses allocated to revenue		1,722		1,593
Bank facility costs allocated to capital		1,084		1,835
Transaction costs allocated to capital		39		–
Expenses allocated to capital		2,845		3,428

5 DIRECTORS' REMUNERATION AND INTERESTS

The fees paid by the Company to the directors are shown in the Directors' Remuneration section on page 78. No income was received or receivable by the directors from any other entity in the Company. The directors' interests in the share capital of the Company are shown in the Report of the Directors on page 79.

6 TAXATION

In both the current and prior years the tax charge was lower than the standard rate of corporation tax, principally due to the Company's status as an investment trust, which means that capital gains are not subject to corporation tax. The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly the Company's profits for the year ended 31 January 2016 are taxed at an effective rate of 20.17%. The effect of this and other items affecting the tax charge is shown in note 6(b) below.

	Year ended 31 January 2016 £'000	Year ended 31 January 2015 £'000
a) Analysis of charge in the year		
Tax charge on items allocated to revenue	1,292	2,044
Tax credit on items allocated to capital	(1,292)	(2,044)
UK corporation tax at 20.17% (2015: 21.33%)	–	–
b) Factors affecting tax charge for the year		
Profit on ordinary activities before tax	38,418	24,404
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.17% (2015: 21.33%)	7,749	5,205
Effect of:		
– net investment returns not subject to corporation tax	(6,960)	(4,074)
– UK dividends not subject to corporation tax	(133)	(260)
– expenses not deductible for tax purposes	20	20
– excess management expenses utilised in the year	(206)	(724)
– other deductions	(470)	(167)
Total tax charge	–	–

The Company has no carried forward excess management expenses (2015: nil). There are no carried forward deferred tax assets or liabilities (2015: nil). Due to the Company's status as an investment trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments. For all investments the tax base is equal to the carrying amount.

7 EARNINGS PER SHARE

	Year ended 31 January 2016	Year ended 31 January 2015
Revenue return per ordinary share	11.07p	12.96p
Capital return per ordinary share	42.06p	20.51p
Earnings per ordinary share (basic and diluted)	53.13p	33.47p

Revenue return per ordinary share is calculated by dividing the revenue return attributable to equity shareholders of £8,002,000 (2015: £9,452,000) by the weighted average number of ordinary shares outstanding during the year.

Capital return per ordinary share is calculated by dividing the capital return attributable to equity shareholders of £30,416,000 (2015: £14,952,000) by the weighted average number of ordinary shares outstanding during the year.

Basic and diluted earnings per ordinary share are calculated by dividing the earnings attributable to equity shareholders of £38,418,000 (2015: £24,404,000) by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of ordinary shares outstanding (excluding those held in treasury) during the year was 72,310,909 (2015: 72,913,000). There were no potentially dilutive shares, such as options or warrants, in either year.

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8 DIVIDENDS

	Year ended 31 January 2016 £'000	Year ended 31 January 2015 £'000
Final in respect of year ended 31 January 2015: 10.0p (PY: 7.5p) per share	7,232	5,468
Special in respect of year ended 31 January 2015: 5.5p (PY: 8.0p) per share	3,977	5,834
Interim in respect of year ended 31 January 2016: 5.0p (PY: nil) per share	3,607	–
Total	14,816	11,302

The Board has proposed a final dividend of 6.0p per share in respect of the year ended 31 January 2016 which, if approved by shareholders, will be paid on 20 June 2016, to shareholders on the register of members at the close of business on 3 June 2016.

9 SUBSIDIARY UNDERTAKINGS AND UNCONSOLIDATED STRUCTURED ENTITIES

Subsidiary undertakings

ICG Enterprise Trust Limited Partnership and ICG Enterprise Trust (2) Limited Partnership ("the Partnerships"), which are registered in England, were subsidiary undertakings at 31 January 2016. Following the adoption of IFRS 10, the Partnerships are no longer consolidated and are instead included in unquoted investments at fair value.

The value of the subsidiaries is shown net of an accrual for the interests of the Co-investors in the co-investment incentive scheme. As at 31 January 2016, £11,939,000 (2015: £9,730,000) was accrued in respect of these interests at the year end. During the year, the Co-investors invested £414,000 and received payments of £4,586,000. More than 90% of payments related to investments made in 2008 or before, reflecting the very long term nature of the incentive scheme. See page 71 for further details of the operation of the scheme.

Unconsolidated structured entities

The Company's principal activity is investing in private equity funds and directly into private companies. Such investments may be made and held via a subsidiary. The majority of these investments are unconsolidated structured entities as defined in IFRS 12.

The Company holds interests in closed ended limited partnerships which invest in underlying companies for the purposes of capital appreciation. The Company and the other limited partners make commitments to finance the investment programme of the relevant manager, who will typically draw down the amount committed by the limited partners over a period of four to six years.

The table below classifies the Company's interests in unconsolidated structured entities by manager (Graphite Capital, the former Manager, ICG, the Manager, or other third party managers) and by type of investment (fund, giving exposure to a portfolio of companies, or co-investment, giving exposure to a single company in each case). The table presents for each category the related balances and the maximum exposure to loss.

	Unquoted investments £'000	Co-investment incentive scheme accrual £'000	Total £'000	Maximum loss exposure £'000
Graphite Capital fund investments	73,519	–	73,519	73,519
Graphite Capital co-investments	32,381	(929)	31,452	31,452
ICG fund investments	15,859	(341)	15,518	15,518
ICG co-investments	11,979	(332)	11,647	11,647
Third party fund investments	233,240	(7,948)	225,292	225,292
Third party co-investments	56,007	(1,919)	54,088	54,088
	422,985	(11,469)	411,516	411,516

The Company also holds investments of £2,591,000 that are not unconsolidated structured entities. Further details of the Company's investment portfolio are included in the Supplementary Information section on pages 22 to 36.

10 INVESTMENTS

The tables below analyse the movement in the carrying value of the investment portfolio in the year. In accordance with accounting standards, this note has been prepared on a fund-level basis rather than an underlying investment basis.

A fund is considered to generate realised gains if it is more than 85% drawn and has returned at least the amount invested by the Company. All gains and losses arising from the underlying investments of such funds are presented as realised. All gains and losses in respect of other funds are presented as unrealised.

Direct investments are considered realised when they are sold.

An analysis of gains and losses on a look-through underlying investment basis is presented on page 12 of the Portfolio Review.

	Quoted £'000	Unquoted £'000	Subsidiary Undertakings £'000	Total £'000
Cost at 1 February 2015	1,890	272,632	29,410	303,932
Unrealised appreciation at 1 February 2015	3,072	85,198	26,807	115,077
Valuation at 1 February 2015	4,962	357,830	56,217	419,009
Movements in the year:				
Purchases at cost	–	52,500	(1,222)	51,278
Sales – capital proceeds	(5,291)	(84,650)	–	(89,941)
– realised gains and losses based on carrying value at previous balance sheet date	–	5,544	–	5,544
Movement in unrealised appreciation	329	25,715	2,173	28,217
Valuation at 31 January 2016	–	356,939	57,168	414,107
Cost at 31 January 2016	–	264,466	28,184	292,650
Unrealised appreciation at 31 January 2016	–	92,473	28,984	121,457
Valuation at 31 January 2016	–	356,939	57,168	414,107

	Quoted £'000	Unquoted £'000	Subsidiary Undertakings £'000	Total £'000
Cost at 1 February 2014	1,890	267,420	37,373	306,683
Unrealised appreciation at 1 February 2014	2,273	89,370	26,657	118,300
Valuation at 1 February 2014	4,163	356,970	64,030	424,983
Movements in the year:				
Purchases at cost	–	109,990	(7,963)	102,027
Sales – proceeds	–	(127,855)	–	(127,855)
– realised gains and losses based on carrying value at previous balance sheet date	–	9,473	–	9,473
Movement in unrealised appreciation	799	9,432	150	10,381
Valuation at 31 January 2015	4,962	357,830	56,217	419,009
Cost at 31 January 2015 (restated*)	1,890	272,632	29,410	303,932
Unrealised appreciation at 31 January 2015 (restated*)	3,072	85,198	26,807	115,077
Valuation at 31 January 2015	4,962	357,830	56,217	419,009

* The prior year unquoted cost and unrealised appreciation balances have been restated to reflect a reclassification of capital proceeds from a return of cost to realised gains. This has the effect of increasing unquoted cost by £6,683,000 and decreasing unquoted unrealised appreciation by the same amount.

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10 INVESTMENTS (CONTINUED)

	31 January 2016 £'000	31 January 2015 £'000
Realised gains based on cost (restated*)	27,381	23,077
Amounts recognised as unrealised in previous years (restated*)	(21,837)	(13,604)
Realised gains based on carrying values at previous balance sheet date	5,544	9,473
Increase in unrealised appreciation	28,217	10,381
Gains on investments	33,761	19,854

* See footnote on previous page.

Related undertakings

At 31 January 2016, the Company held interests in two limited partnership subsidiaries, ICG Enterprise Trust Limited Partnership and ICG Enterprise Trust (2) Limited Partnership. The value of these interests represented 73% and 86% respectively of the net assets of each partnership at the balance sheet date. The registered address and principal place of business of both partnerships is Juxon House, 100 St Paul's Churchyard, London EC4M 8BU.

In addition the Company held an interest (including indirectly through its subsidiaries) of more than 20% in the following entities:

Investment	Instrument	% interest*
Cognito IQ Limited	Preference shares	43.3%
Cognito IQ Limited	Ordinary shares	32.5%
CSP Secondary Opportunities II Unit Trust**	Limited partnership interests	59.7%
Graphite Capital Partners VII Top Up Plus+	Limited partnership interests	20.0%
Graphite Capital Partners VIII Top Up+	Limited partnership interests	41.1%
Standard Brands (UK) Limited	Ordinary shares	63.0%
The Groucho Club Limited	Ordinary shares	21.6%
The Laine Pub Company Limited	Preference shares	42.6%
The Laine Pub Company Limited	Ordinary shares	30.0%

* The percentage shown for limited partnership interests represents the proportion of total commitments to the relevant fund. The percentage shown for shares represents the proportion of total shares in issue.

** Address of principal place of business is No 1 Seaton Place, St Helier, Jersey JE4 8YJ

+ Address of principal place of business is Berkeley Square House, Berkeley Square, London W1J 6BQ

These investments are not considered subsidiaries as the Company does not exert control over the activities of these companies/partnerships.

11 CASH AND CASH EQUIVALENTS

	31 January 2016 £'000	31 January 2015 £'000
Cash at bank and in hand	103,831	90,137

12 RECEIVABLES – CURRENT

As at 31 January 2016, prepayments and accrued income included £999,000 (2015: £1,439,000) of unamortised costs in relation to the bank facility. Of this amount £468,000 (2015: £704,000) is expected to be amortised in less than one year.

	31 January 2016 £'000	31 January 2015 £'000
Prepayments and accrued income	1,912	2,246
Subsidiary undertakings	2,126	1,931
	4,038	4,177

13 PAYABLES – CURRENT

	31 January 2016 £'000	31 January 2015 £'000
Accruals	537	6,459
Other creditors	97	–
	634	6,459

14 SHARE CAPITAL

	Authorised		Issued and fully paid	
Equity share capital	**Number**	**Nominal £'000**	**Number**	**Nominal £'000**
Balance at 31 January 2015 and 31 January 2016	120,000,000	12,000	72,913,000	7,292

All ordinary shares have a nominal value of 10.0p. At 31 January 2016, 72,913,000 shares had been allocated, called up and fully paid. Of this total, the Company held 1,586,163 shares in treasury (2015: nil) leaving 71,326,837 shares outstanding, all of which have equal voting rights. The market value of the Company's ordinary shares at 31 March 1982 was 16p.

15 NET ASSET VALUE PER SHARE

The net asset value per share is calculated on equity attributable to equity holders of £521,342,000 (2015: £506,864,000) and on 71,326,837 (2015: 72,913,000) ordinary shares in issue at the year end. There were no potentially dilutive ordinary shares, such as options or warrants, at either year end. Calculated on both the basic and diluted basis the net asset value per share was 730.9p (2015: 695.2p).

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16 CAPITAL COMMITMENTS AND CONTINGENCIES

The Company and its subsidiaries had uncalled commitments in relation to the following portfolio investments.

	31 January 2016 £'000	31 January 2015 £'000
Graphite Capital Partners VIII*	56,019	61,154
Graphite Capital Partners VII*	7,644	7,644
Graphite Capital Partners VI	2,084	5,400
Graphite Capital Partners V	–	873
Total Graphite funds	**65,747**	**75,071**
ICG Europe Fund VI	11,327	–
ICG European Fund 2006B	8,937	10,824
ICG Europe Fund V	514	1,177
Total ICG funds	**20,778**	**12,001**
Thomas H. Lee Partners VII	12,449	–
Charterhouse Capital Partners X	11,442	–
Silverfleet II	11,442	11,270
PAI Europe VI	10,624	11,475
CVC Capital Partners VI	9,724	13,929
Activa Capital Fund III	9,218	11,022
The Fourth Alcuin Fund	8,541	–
Bowmark Capital Partners V	7,091	8,542
Hollyport Secondary Opportunities V	6,975	–
Harwood Private Equity IV	6,600	–
Doughty Hanson & Co V	5,807	5,720
Fifth Cinven Fund	4,945	7,814
Egeria Private Equity Fund IV	4,771	5,831
Bain Capital Europe IV	4,745	6,011
BC European Capital IX	4,567	3,287
TDR Capital III	4,119	5,898
Nordic Capital Fund VIII	3,913	4,880
Fourth Cinven Fund	2,853	3,654
TowerBrook IV	2,843	3,002
Deutsche Beteiligungs AG Fund VI	2,836	3,840
Permira V	2,574	5,098
Steadfast Capital III	2,037	2,406
Commitments of less than £2,000,000 at 31 January 2016	27,131	33,222
Total third party	**167,247**	**146,901**
Total commitments	**253,772**	**233,973**

* Includes related Top Up Funds.

In addition, the Company has issued a £3 million (2015: £3 million) guarantee to a bank in respect of a portfolio company.

17 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is an investment company as defined by section 833 of the Companies Act 2006 and conducts its affairs so as to qualify as an investment trust under the provisions of section 1158 of the Corporation Tax Act 2010 ("Section 1158"). The Company's objective is to provide shareholders with long term capital growth through investment in unquoted companies, mostly through specialist funds but also directly.

Investments in funds have anticipated lives of approximately ten years. Direct investments are made with an anticipated holding period of between three and five years. Investment agreements will, however, usually provide that any loans advanced to investee companies are for a longer period than this. The agreements will usually provide for repayments to be made by instalments with provision for full repayment on sale or flotation.

Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (comprising currency risk, interest rate risk and price risk), investment risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Manager has overall responsibility for managing the risks and the framework for monitoring and coordinating these risks. This is monitored by the Board. The Company's financial risk management objectives and processes used to manage these risks have not changed from the previous period and the policies are set out below:

Market risk

(i) Currency risk

The Company's investments are principally in the UK and continental Europe and are primarily denominated in sterling and in euros. There are also smaller amounts in US dollars and in other European currencies. The Company is exposed to currency risk in that movements in the value of sterling against these foreign currencies will affect the net asset value and the cash required to fund undrawn commitments. The Board regularly reviews the level of foreign currency denominated assets and outstanding commitments in the context of current market conditions and may decide to buy or sell currency or put in place currency hedging arrangements.

The composition of the net assets of the Company by currency at the year end is set out below:

31 January 2016	Sterling £'000	Euro £'000	Other £'000	Total £'000
Investments	203,837	115,851	94,419	414,107
Cash and cash equivalents and other net current assets	87,093	12,359	7,783	107,235
	290,930	128,210	102,202	521,342

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17 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

31 January 2015	Sterling £'000	Euro £'000	Other £'000	Total £'000
Investments	257,555	95,787	65,667	419,009
Cash and cash equivalents and other net current assets	81,045	3,065	3,745	87,855
	338,600	98,852	69,412	506,864

These figures are based on the currency of the location of the underlying portfolio companies' headquarters.

The effect of a 25% increase or decrease in the sterling value of the euro would be a fall and a rise of £28.9 million and £27.9 million in the value of shareholders' equity at 31 January 2016 respectively (2015: £27.9 million and £27.4 million based on 25% increase or decrease). The effect of a 25% increase or decrease in the sterling value of the euro on profit after tax would be a fall and a rise of £30.6 million and £30.6 million (2015: £29.8 million and £29.8 million based on 25% increase or decrease). The percentages applied are based on market volatility in exchange rates over recent periods.

(ii) Interest rate risk
The fair value of the Company's investments and cash balances are not directly affected by changes in interest rates.

(iii) Price risk
The risk that the value of a financial instrument will change as a result of changes to market prices is one that is fundamental to the Company's objective, which is to provide long term capital growth through investment in unquoted companies. The investment portfolio is continually monitored to ensure an appropriate balance of risk and reward in order to achieve the Company's objective. No hedging of this risk is undertaken.

The Company is exposed to the risk of change in value of its private equity investments. For all investments the market variable is deemed to be the price itself. The table below shows the impact of a 30% increase or decrease in the valuation of the investment portfolio.

	31 January 2016		31 January 2015	
	Increase in variable £'000	Decrease in variable £'000	Increase in variable £'000	Decrease in variable £'000
30% (2015: 30%) movement in the price of investments				
Impact on profit after tax	128,053	(128,133)	129,179	(129,263)
Impact as a percentage of profit after tax	285.8%	(286.0%)	480.4%	(480.7%)
Impact on shareholders' equity	118,036	(121,208)	120,713	(122,769)
Impact as a percentage of shareholders' equity	22.6%	(23.2%)	23.8%	(24.2%)

17 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Investment and credit risk

(i) Investment risk

Investment risk is the risk that the financial performance of the companies in which ICG Enterprise invests either improves or deteriorates, thereby affecting the value of that investment. Investments in unquoted companies whether indirectly or directly are by their nature subject to potential investment losses. The investment portfolio is highly diversified.

(ii) Credit risk

The Company's exposure to credit risk arises principally from its investment in cash deposits. The Company aims to invest the majority of its liquid portfolio in assets which have low credit risk. The Company's policy is to limit exposure to any one investment to 15% of gross assets. This is regularly monitored by the Manager as a part of its cash management process.

Cash is held on deposit with three UK banks and totalled £103,831,000 (2015: £90,137,000). Of this amount £35,731,000 was deposited at Lloyds Bank ("Lloyds"), which currently has a credit rating of A1 from Moody's, and this represents the maximum exposure to credit risk at the balance sheet date. No collateral is held by the Company in respect of these amounts. None of the Company's cash deposits were past due or impaired at 31 January 2016 (2015: nil).

Liquidity risk

The Company has significant investments in unquoted companies which are inherently illiquid. The Company also has substantial undrawn commitments to funds, the great majority of which are likely to be called over the next five years. The Company aims to manage its affairs to ensure sufficient cash, other liquid assets and undrawn borrowing facilities will be available to meet contractual commitments when they are called and also seeks to have cash generally available to meet other short term financial needs. All cash and cash equivalents are available on demand. The Company's liquidity management policy involves projecting cash flows and considering the level of liquidity necessary to meet these.

The Company has access to committed bank facilities of a headline £97 million, which are structured as parallel sterling and euro facilities of £50 million and €61.7 million. The facilities are provided jointly by Lloyds and The Royal Bank of Scotland ("RBS"). Of the total facilities, the balance of £20 million and €23.6 million will expire in March 2017. The remaining balance of £30 million and €38.1 million will expire in April 2019.

As at 31 January 2016 the Company's financial liabilities amounted to £634,000 of payables (2015: £6,459,000) which were due in less than one year.

Capital risk management

The Company's capital is represented by its net assets, which are managed to achieve the Company's investment objective. The Company currently has no debt.

The Board can manage the capital structure directly since it has taken the powers, which it is seeking to renew, to issue and buy-back shares and it also determines dividend payments. The Company is subject to externally imposed capital requirements with respect to the obligation and ability to pay dividends by section 1159 Corporation Tax Act 2010 and by the Companies Act 2006, respectively.

Total equity at 31 January 2016, the composition of which is shown on the balance sheet was £521,342,000 (2015: £506,864,000).

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17 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Fair values estimation

IFRS 7 requires disclosure of fair value measurements of financial instruments categorised according to the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The valuation techniques applied to level 1 and level 3 assets are described in note 1(c). There were no level 2 assets.

Level 3 assets constitute the majority of the Company's investments. The sensitivity of the Company's investments to a change in value is discussed on pages 55 and 56. As most of the Company's assets are fund investments and co-investments valued on the basis of underlying investment managers' valuations, no further sensitivity analysis is presented.

The following table presents the assets that are measured at fair value at 31 January 2016. The Company had no financial liabilities measured at fair value at that date.

	Level 1 £'000	Level 2 £'000	Level 3 £'000
Investments held at fair value			
Unquoted investments – indirect	–	–	272,495
Unquoted investments – direct	–	–	84,444
Quoted investments – direct	–	–	–
Subsidiary undertakings	–	–	57,168
Total investments held at fair value	–	–	414,107

The following table presents the assets that are measured at fair value at 31 January 2015. The Company had no financial liabilities measured at fair value at that date.

	Level 1 £'000	Level 2 £'000	Level 3 £'000
Investments held at fair value			
Unquoted investments – indirect	–	–	289,491
Unquoted investments – direct	–	–	68,339
Quoted investments – direct	4,962	–	–
Subsidiary undertakings	–	–	56,217
Total investments held at fair value	4,962	–	414,047

All unquoted and quoted investments are valued at fair value in accordance with IFRS 13.

17 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The following tables present the changes in level 3 instruments for the year to 31 January 2016.

	Unquoted investments (indirect) at fair value through profit or loss £'000	Unquoted investments (direct) at fair value through profit or loss £'000	Subsidiary undertakings £'000	Total £'000
Opening balances	289,491	68,339	56,217	414,047
Additions	43,857	8,643	(1,226)	51,274
Disposals	(77,790)	(6,860)	–	(84,650)
Gains and losses recognised in profit or loss	16,937	14,322	2,177	33,436
Closing balance	272,495	84,444	57,168	414,107
Total gains for the year included in income statement for assets held at the end of the reporting period	16,937	14,322	2,177	33,436

18 RELATED PARTY TRANSACTIONS

Transactions between the Company and the Former Manager are disclosed in note 4.

Significant transactions between the Company and its subsidiaries are shown below:

Subsidiary	Nature of transaction	Year ended 31 January 2016 £'000	Year ended 31 January 2015 £'000
ICG Enterprise Trust Limited Partnership	Increase in loan to Company	3,549	17,554
	Income allocated	875	1,261
ICG Enterprise Trust (2) Limited Partnership	Decrease in loan to Company	(2,325)	(9,591)
	Income allocated	1,284	797

	Amounts owed by subsidiaries		Amounts owed to subsidiaries	
Subsidiary	**31 January 2016 £'000**	**31 January 2015 £'000**	**31 January 2016 £'000**	**31 January 2015 £'000**
ICG Enterprise Trust Limited Partnership	–	–	25,371	21,822
ICG Enterprise Trust (2) Limited Partnership	35,678	33,353	–	–

Amounts owed by subsidiaries represents funding provided by the Company to its subsidiaries to allow them to make investments. The balances will be repaid out of proceeds from their portfolios.

Transactions between the Company and its related undertakings:

During the year the Company made a £1.1 million follow-on investment in Cognito IQ Limited and also paid £0.1 million of fees in respect of its investment in Standard Brands (UK) Limited. The Groucho Club Limited became a related undertaking during the year after an investment of £3.0 million by the Company. A full list of related undertakings is presented in note 10.

Financial Information

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. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must 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 that 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 applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;

and

- prepare the financial statements on the 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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 page 68, confirm that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, 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

Mark Fane

26 April 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ICG ENTERPRISE TRUST PLC

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, ICG Enterprise Trust plc's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 January 2016 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Accounts (the "Annual Report"), comprise:

- the Balance Sheet as at 31 January 2016;
- the Income Statement for the year then ended;
- the Cash Flow Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and as applied in accordance with the provisions of the Companies Act 2006.

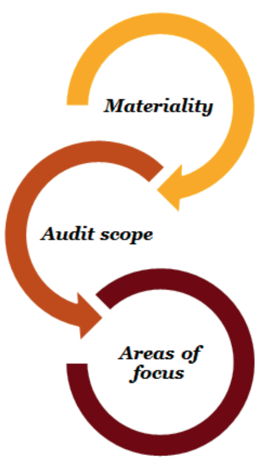
OUR AUDIT APPROACH

Context

On 1 February 2016, ICG Alternative Investment Limited (a subsidiary of Intermediate Capital Group plc) became the Manager of ICG Enterprise Trust plc (formerly Graphite Enterprise Trust PLC) (the "Company") with Intermediate Capital Group plc acquiring the private equity fund investment business of Graphite Capital Management LLP (the "Former Manager"). A number of investment professionals also transferred to Intermediate Capital Group plc at that time as part of the change of Manager.

Even though the change of Manager occurred after the year end, we considered the implications of the change on both auditor independence and also audit approach. We concluded that there was no significant audit impact of the transfer and no change was required to our approach.

Overview



Materiality
- Overall materiality: £5.2m which represents 1% of net assets.

Audit scope
- The Company is an investment company which has two subsidiaries, also investment companies, managing a widely diversified portfolio. In accordance with IFRS 10, the Company financial statements hold the two subsidiaries as investments at fair value; both subsidiaries are Limited Partnerships.
- We audited the complete financial information of the Company and the two subsidiaries which accounted for all of the Company's income, its profit before tax, and net assets.
- We tailored the scope of our audit taking into account the types of investments within the Company, the accounting processes and controls, and the industry in which the Company operates.

Areas of focus
- Valuation of unquoted investments.
- Recognition of investment income and gains/losses from investments.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ICG ENTERPRISE TRUST PLC CONTINUED

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

AREA OF FOCUS	HOW OUR AUDIT ADDRESSED THE AREA OF FOCUS
Valuation of unquoted investments *Refer to page 80 (Report of the Audit Committee), pages 43-44 (Accounting Policies) and pages 50-51 (notes).* The investment portfolio at 31 January 2016 comprised of direct investments (private equity investments) and fund investments (investments in private equity funds). We focused on the valuation of private equity investments and investments in private equity funds as these investments represented a material balance in the financial statements (£414m) and the valuation assumptions used to derive fair value generally do not have observable inputs that reflect quoted prices in active markets and are therefore, more subjective. The incentive accrual (previously, non-controlling interest) balance is included within the investments balance and represents amounts accruing to executives of the Manager and former Manager's co-investment incentive scheme at the year end. The calculation is relatively complex and is dependent upon the valuations of the unquoted investments.	The majority of investments which are in private equity co-investments and private equity funds were valued by the Manager based on third party manager reports. We tested the process that the Manager used to value these investments. In particular, we: • Checked a sample of the funds' most recent audited financial statements or latest investor capital statements to substantiate the valuations applied; • Checked a sample of the direct investments valuations prepared by third party Managers, compared these to underlying records and considered their appropriateness; • Understood the accounting policies of the underlying fund managers to assess whether they were in accordance with International Financial Reporting Standards and the International Private Equity and Venture Capital Valuation ('IPEV') guidelines; • Assessed the validity of any adjustments made by the Manager to reflect cash or foreign exchange movements between the reported dates of the fund managers and 31 January 2016; • Checked the accuracy of a sample of prior year valuations which were based on estimates and unaudited reports, to their respective audited financial statements to assess the historical accuracy of the Manager's estimates; • Independently confirmed a sample of the fund valuations with the underlying fund managers; and • We recalculated the amounts due to executives of the Former Manager and Manager under the incentive accrual based on the methodology outlined in the subsidiary limited partnership agreements. Where applicable, we verified inputs to the calculation back to supporting documentation. No misstatements were identified in our testing of private equity investments and investments in private equity funds which required reporting to those charged with governance.

AREA OF FOCUS	HOW OUR AUDIT ADDRESSED THE AREA OF FOCUS
Recognition of investment income and gains/losses from investments *Refer to page 80 (Audit Committee Report), pages 44-45 (Accounting Policies) and pages 46 and 50-51 (notes).* Investment income comprises mainly dividends and distributions received from private equity direct investments and private equity funds. The majority of gains and losses on investments represent fair value changes in the value of unquoted investments over the financial year and gains and losses made on the disposal of unquoted investments. Unrealised fair value movements are based on the change in investment valuations which in themselves are subjective as noted above. Investment income and gains and losses on investments are measures used to calculate returns being achieved by the Company and so there is a potential incentive for the Manager to overstate this figure in order to enhance results. This, combined with the size of the balance, made this an area of focus.	We tested investment income receipts to supporting documentation by performing procedures including: • Agreeing amounts to bank statements; • Re-calculating distributions and dividends based on the terms of the agreements; and • Agreeing amounts to distribution notices received from the underlying fund investments. We recalculated unrealised gains and losses on investments based on the valuation movement in investments over the year. The calculation of these gains was supported by evidence obtained from the work we performed over investment valuations. We also assessed the appropriateness of the allocation of investment income and net gains between income and capital based on the requirements of the Association of Investment Companies Statement of Recommended Practice. No misstatements were identified by our testing which required reporting to those charged with governance.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

The Company is an investment company which has two subsidiaries, also investment companies, managing a widely diversified portfolio. The Company financial statements hold the two subsidiaries as investments at fair value in accordance with IFRS 10; both subsidiaries are Limited Partnerships. The Company and the subsidiaries are managed by ICG Alternative Investment Limited, part of Intermediate Capital Group plc.

We audited the complete financial information of the Company which included the financial information of the subsidiaries at fair value within the 'investments held at fair value' line of the Balance Sheet. This included the incentive accrual, previously non-controlling interest.

We tailored the scope of our audit taking into account the types of investments within the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£5.2m (2015: £5.2m).
How we determined it	1% of net assets.
Rationale for benchmark applied	We believed that net assets was the most appropriate benchmark because this is the key metric against which the performance of the Company is measured. It is also a generally accepted measure used for companies in this industry.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £260,000 (2015: £258,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ICG ENTERPRISE TRUST PLC
CONTINUED

Going concern

The directors have voluntarily complied with Listing Rule 9.8.6(R)(3)(a) of the Financial Conduct Authority and provided a statement in relation to going concern, set out on page 74, required for companies with a premium listing on the London Stock Exchange.

The directors have requested that we review and report on the statement on going concern as required under the Listing Rules for premium listed companies. We have nothing to report having performed our review.

The directors have chosen to voluntarily report how they have applied the UK Corporate Governance Code (the "Code"). Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to the directors' statement about whether they considered it appropriate to adopt the going concern basis in preparing the financial statements. We have nothing material to add or to draw attention to.

As noted in the directors' statement, the directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. The going concern basis presumes that the Company has adequate resources to remain in operation, and that the directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate. However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Company's ability to continue as a going concern.

OTHER REQUIRED AND VOLUNTARY REPORTING

Consistency of other information

Companies Act 2006 opinions

In our opinion:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 68 to 81 with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

ISAs (UK & Ireland) reporting

As a result of the directors' voluntary reporting on how they have applied the Code, under ISAs (UK & Ireland) we are required to report to you if, in our opinion:	
• information in the Annual Report is: – materially inconsistent with the information in the audited financial statements; or – apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or – otherwise misleading.	We have no exceptions to report.
• the statement given by the directors on page 60, in accordance with provision C.1.1 of the Code, that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Company's position and performance, business model and strategy is materially inconsistent with our knowledge of the Company acquired in the course of performing our audit.	We have no exceptions to report.
• the section of the Annual Report on pages 80-81, as required by provision C.3.8 of the Code, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.	We have no exceptions to report.

The directors' assessment of the prospects of the Company and of the principal risks that would threaten the solvency or liquidity of the Company

As a result of the directors' voluntary reporting on how they have applied the Code, under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to:

• the directors' confirmation on page 9 of the Annual Report, in accordance with provision C.2.1 of the Code, that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.	We have nothing material to add or to draw attention to.
• the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.	We have nothing material to add or to draw attention to.
• the directors' explanation on page 9 of the Annual Report, in accordance with provision C.2.2 of the Code, as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.	We have nothing material to add or to draw attention to.

The directors have requested that we review and report on the statement that they have carried out a robust assessment of the principal risks facing the Company and the statement in relation to the longer-term viability of the Company, as required under the Listing Rules for companies with a premium listing on the London Stock Exchange.

Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' remuneration report - Companies Act 2006 opinion

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

Other Companies Act 2006 reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Corporate governance statement

Under the Companies Act 2006 we are required to report to you if, in our opinion, a corporate governance statement has not been prepared by the Company. We have no exceptions to report arising from this responsibility.

The directors have requested that we review the parts of the Corporate Governance Statement relating to the Company's compliance with the ten further provisions of the UK Corporate Governance Code specified for auditor review by the Listing Rules for companies with a premium listing on the London Stock Exchange. We have nothing to report having performed our review.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ICG ENTERPRISE TRUST PLC CONTINUED

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Alex Bertolotti (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London

26 April 2016

GOVERNANCE

GOVERNANCE

THE BOARD

Each of the members of the Board is an independent non-executive director

Mark Fane (Chairman), was appointed to the Board in 2000 and became Chairman of the Board in 2009. He was a non-executive director of Ottakar's from 1992 until its takeover by HMV in July 2006. He is Chairman and Chief Executive of Crocus.co.uk, an internet-based gardening retailer established in 1999. He is a non-executive director of the Royal Horticultural Society and Chairman of the RHS Investment Committee. He is also a non-executive director of Chatsworth House Trust and Chairman of the Garden Museum.

Peter Dicks[1], was appointed to the Board in 1998. He was co-founder of Abingworth PLC, a venture capital investment company, where he worked from 1973 to 1991. Since then he has been non-executive director or chairman of a number of companies. He is currently Chairman of Private Equity Investor PLC and non-executive director of Interactive Investor plc, Mears Group PLC and Miton UK MicroCap Trust plc.

Jeremy Tigue[2], was appointed to the Board in 2008. He joined F&C Management in 1981 and was the fund manager of Foreign & Colonial Investment Trust from 1997 to 2014. He is Chairman of BACIT Limited and a non-executive director of The Mercantile Investment Trust plc, The Monks Investment Trust PLC and Standard Life Equity Income Trust PLC.

Andy Pomfret[2], was appointed to the Board in March 2011. He joined Rathbone Brothers Plc as finance director in 1999, and served as chief executive from 2004 until February 2014. He is currently a director of the Wealth Management Association, a member of the Prudential Regulation Authority's Practioner Panel, non-executive chairman of Miton UK MicroCap Trust plc and a non-executive director of Aberdeen New Thai Investment Trust PLC, Old Mutual Wealth Management Ltd, Interactive Investor plc and Sanne Group Plc.

Lucinda Riches[2], was appointed to the Board in July 2011. She worked at UBS and its predecessor firms for 21 years until 2007 where she was a managing director, global head of Equity Capital Markets and a member of the board of the investment bank. She is a non-executive director of UK Financial Investments Limited, The Diverse Income Trust plc, the British Standards Institution and CRH plc. She is a non-executive member of the Partnership Board of King & Wood Mallesons LLP and a trustee of Sue Ryder.

Sandra Pajarola[2], was appointed to the Board in March 2013. She worked for 13 years at Partners Group, a very large global investor in private equity and other private assets, until 2012. She was a member of the Global Investment Committee which was responsible for commitments to more than 500 private equity funds.

[1] Chairman of Audit Committee and Senior Independent Director
[2] Member of Audit Committee

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 JANUARY 2016

The directors present their report and the audited financial statements for the year ended 31 January 2016

The Directors' Report should be read in conjunction with the Chairman's Statement, Strategic Report, Portfolio Review and Market Review (pages 4 to 17) and the Directors' Remuneration section (pages 76 to 79).

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 2015. The Company will retain its investment trust status with effect from 1 February 2015 provided it continues to satisfy the conditions of Section 1158 of the Corporation Taxes Act 2010. The Company has subsequently directed 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 2016.

Investment policy

The Company's investment policy is set out on page 84. There have been no changes to it since last year.

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

Dividend

An interim dividend in respect of the year ended 31 January 2016 of 5.0p was paid on 20 October 2015. A final dividend of 6.0p per share will, if approved, be paid on 20 June 2016 to holders of ordinary shares on the register at the close of business on 3 June 2016. This would bring the total dividend for the year to 11.0p per share. The final dividend will be paid as an "income distribution" – further details are provided in the Useful Information section on page 95.

Directors

All of the directors listed on page 68 held office throughout the year and up to the date of signing the financial statements. Ms Pajarola is 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.

Mr Dicks and Mr Fane have served on the Board for more than nine years and accordingly stand for re-election for a further year. Ms Pajarola has served on the Board for three years since she first stood for election, and accordingly stands for re-election for a further three years. The Board believes that Mr Dicks, Mr Fane and Ms Pajarola each make a relevant and significant contribution and bring considerable knowledge and experience to the Board. Their re-election is recommended to shareholders.

Directors' remuneration

The Company has no employees or executive directors and consequently does not have a remuneration committee as recommended by the UK Corporate Governance Code.

The Directors' Remuneration Report, which shareholders will be asked to approve at the Annual General Meeting, can be found on pages 78 and 79.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JANUARY 2016 CONTINUED

Former Manager

Graphite Capital Management LLP ("Graphite Capital" or "the Former Manager") acted as manager of the Company during the year.

Graphite Capital is authorised as an Alternative Investment Fund Manager and regulated by the Financial Conduct Authority. The Former Manager provided investment management, company secretarial and general administrative services to the Company under a management agreement.

The Former Manager was paid an investment management fee, which included all administrative and other services. Executives of the Former Manager participate in a co-investment incentive scheme (see next page).

The investment management fee payable during the year was calculated as 1.5% of the investment portfolio and 0.5% of outstanding commitments to funds in investment periods, in both cases excluding the funds managed directly by Graphite Capital (see Figure 4.1).

These were subject to separate arrangements which are set out below:

- For Graphite Capital Partners VIII, the annual management charge was 2.0% of original commitments.
- For the Top Up Funds, the annual management charge was 1.0% of the amounts drawn down and invested.
- For the remaining funds, the annual management charge was between 0.75% and 2.0% of the cost of unrealised investments
- These charges were at the same levels as those paid by third party investors in Graphite Capital funds.
- The incentive arrangements within these funds are comparable to those that are in place in the Company's co-investment incentive scheme (see next page).

New Manager

On 1 February 2016, ICG Alternative Investment Limited ("ICG" or "the Manager") was appointed manager of the Company. ICG is authorised as an Alternative Investment Fund Manager and 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.

GRAPHITE CAPITAL FUNDS

Fig: 4.1

	31 January 2016			31 January 2015		
Fund	Original commitment £'000	Remaining commitment £'000	Fair value £'000	Original commitment £'000	Remaining commitment £'000	Fair value £'000
Graphite Capital Partners VIII	80,000	45,009	29,778	80,000	49,944	27,871
Graphite Capital Partners VIII Top Up Fund	20,000	11,010	6,547	20,000	11,210	8,560
Graphite Capital Partners VII	42,800	5,279	10,162	42,800	5,279	13,513
Graphite Capital Partners VII Top Up Fund	10,000	1,322	1,679	10,000	1,322	3,946
Graphite Capital Partners VII Top Up Fund Plus	6,000	1,042	1,508	6,000	1,042	3,130
Graphite Capital Partners VI	78,188	2,084	23,845	78,188	5,400	26,011
Graphite Capital Partners V	15,000	–	–	15,000	–	240
Total	251,988	65,746	73,519	251,988	74,197	83,271

The investment management fee payable under this new agreement is calculated as 1.4% of the investment portfolio (reduced from 1.5%) and 0.5% of outstanding commitments to funds in their investment periods, in both cases still excluding the funds managed directly by Graphite Capital (see Figure 4.1) and now also excluding the funds managed directly by ICG (see Figure 4.2).

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.

In forming an opinion as to whether the continuing appointment of ICG as manager of the Company is in the best interests of shareholders, the Board has taken into account the performance of the Former Manager. This is relevant as certain investment professionals and operational staff previously employed by the Former Manager to manage the Company transferred to ICG, in order to provide continuity of service to the Company. The Board is satisfied with the performance of the Former Manager in the areas outlined above.

The Chairman's Statement discusses the significant benefits to the Company anticipated from the appointment of ICG as 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.

ICG FUNDS

Fig: 4.2

Fund	31 January 2016 Original commitment £'000*	Remaining commitment £'000*	Fair value £'000*
ICG Europe Fund VI	10,763	11,327	48
ICG Europe Fund V	7,176	514	7,797
ICG European Fund 2006B	16,145	8,937	8,013
Total	34,084	20,778	15,858

* Euro denominated positions translated to sterling at spot rate on 31 January 2016.

Governance

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JANUARY 2016 CONTINUED

The Co-investors are required to contribute 0.5% of the cost of every new fund investment (excluding those by Graphite Capital funds, which have separate comparable arrangements, 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, 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 2016, 72,913,000 ordinary shares of 10.0p each were in issue and fully paid, including 1,586,163 shares which were bought back into treasury during the year ended 31 January 2016. The same number of Treasury Shares, representing 2.2% of the Company's share capital, were held as at 25 April 2016, 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 23,537,856 ordinary shares of 10p each, representing 33% of the Company's issued share capital (excluding shares held as Treasury Shares) (resolution 8 on page 86) as at 25 April 2016; 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 (resolution 9 on page 86); and to renew the directors' authority to buy back up to 10,691,825 ordinary shares (being 14.99% of the issued share capital (excluding shares held as Treasury Shares)) subject to the constraints set out in the resolution (resolution 10 on page 87). 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.

Substantial share interests

At 25 April 2016, the Company had received no notifications of disclosable interests in its issued share capital.

Greenhouse gas emissions

The Company 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.

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.

Corporate governance

The Company is committed to appropriate standards of corporate governance. The Board applied the principles set out in the UK Corporate Governance Code issued by the Financial

Reporting Council in 2014 (the "Governance Code") during the year ended 31 January 2016. A copy of the Governance Code can be obtained from the website of the Financial Reporting Council (www.frc.org.uk).

The Board is currently comprised of six non-executive directors. There is no Chief Executive 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 Governance Code, considers all directors to be independent. There are no relationships or circumstances relating to the Company that are likely to affect their judgement. Mr Dicks is the Senior Independent Director.

Number of meetings attended/ eligible to attend in the year ended 31 January 2016

Fig: 4.3

	Board	Audit
Mark Fane	5/6	–
Peter Dicks	6/6	3/3
Sandra Pajarola	5/6	2/3
Andy Pomfret	6/6	3/3
Lucinda Riches	4/6	2/3
Jeremy Tigue	6/6	3/3

Mr Fane was unable to attend the Annual General Meeting of the Company in 2015 as he was required to attend a court case as a witness. In his absence, the meeting was chaired by Mr Dicks. All other directors attended the AGM.

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.

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. The directors also have access to the advice and services of the company secretary, which is a subsidiary of the Manager.

The quorum for any Board meeting is two directors but attendance by all directors at each meeting is strongly encouraged. During the year under review, four regular meetings were held and attended by all directors. In addition two further formal Board meetings were convened specifically to consider the appointment of ICG as manager. A number of additional telephone meetings regarding routine matters were also held. In the cases where directors were unable to attend Board meetings, the relevant directors were contacted by the Chairman before and/or after the meeting to ensure that they were aware of the issues being discussed and to obtain their input.

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.

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

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JANUARY 2016 CONTINUED

regulated third party custodian, Aztec Financial Services (UK) Limited ("Aztec").

Aztec have also been appointed the Company's depositary, 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 in respect of these assets.

Performance evaluation

The Board has a formal process for the annual evaluation of its own performance and that of the Chairman. This process is based on an open discussion and assessment of the Board and its committees, with the Chairman making recommendations to improve performance where necessary.

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 Mr Fane. 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 approach to diversity is discussed on page 8.

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. New directors are given a detailed briefing on the workings of the Company by the Chairman and by executives of the Manager.

There were no meetings of the Committee during the year (2015: zero).

Going concern

Having reviewed the balance sheet and current activities of the Company, the directors believe that it is appropriate to continue to adopt the going concern basis of preparation of the Company's financial statements. The Company's business activities, together with factors likely to affect its future development, performance, position and cash flows are set out in the Chairman's Statement, Strategic Report, Portfolio Review and Market Review on pages 4 to 17.

Investor relations

Both the Company's Annual Report and Accounts, containing a detailed review of performance and of changes to the investment portfolio, and Interim Report, containing updated information in a more abbreviated form, are made available to investors either by post or through the Company's website. A copy of the latest analyst presentation is available on the Company's website. At the AGM, investors are given an opportunity to question the Chairman, the other directors and the Manager. The Manager holds regular discussions with shareholders and values the feedback obtained in this manner. The Board is kept informed of all material discussions with investors. In addition, the directors and in particular the Senior Independent Director are available to enter into dialogue with shareholders on any relevant matter; they can be contacted via the registered office of the Company (see Useful Information section).

Disclosure of information to auditors

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

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(2) 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

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution re-appointing them and authorising the directors to determine their remuneration will be submitted at the AGM.

Annual General Meeting

The Annual General Meeting of the Company will be held at Stationers' Hall, Ave Maria Lane, London EC4M 7DD on 14 June 2016 at 1.00p.m. The resolutions are set out in the Notice of Meeting on pages 86 and 87.

By order of the Board,

Company Secretary
ICG Nominees 2015 Limited

26 April 2016

DIRECTORS' REMUNERATION

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 CHAIRMAN OF THE BOARD

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. All provisions of this policy are expected to remain in effect until the Annual General Meeting in 2017 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 performed an annual review of directors' fees. The fees payable to the directors were adjusted to reflect the growth of the Company and the remuneration levels of other comparable investment trusts.

COMPONENTS OF REMUNERATION PACKAGE

	Year ended 31 January 2016 £	Year ended 31 January 2015 £
Basic director's fee	33,600	32,800
Additional fee for chairman	19,700	19,200
Additional fee for chairman of the Audit Committee	5,400	5,200
Additional fee for other members of the Audit Committee	3,500	3,400

REMUNERATION POLICY

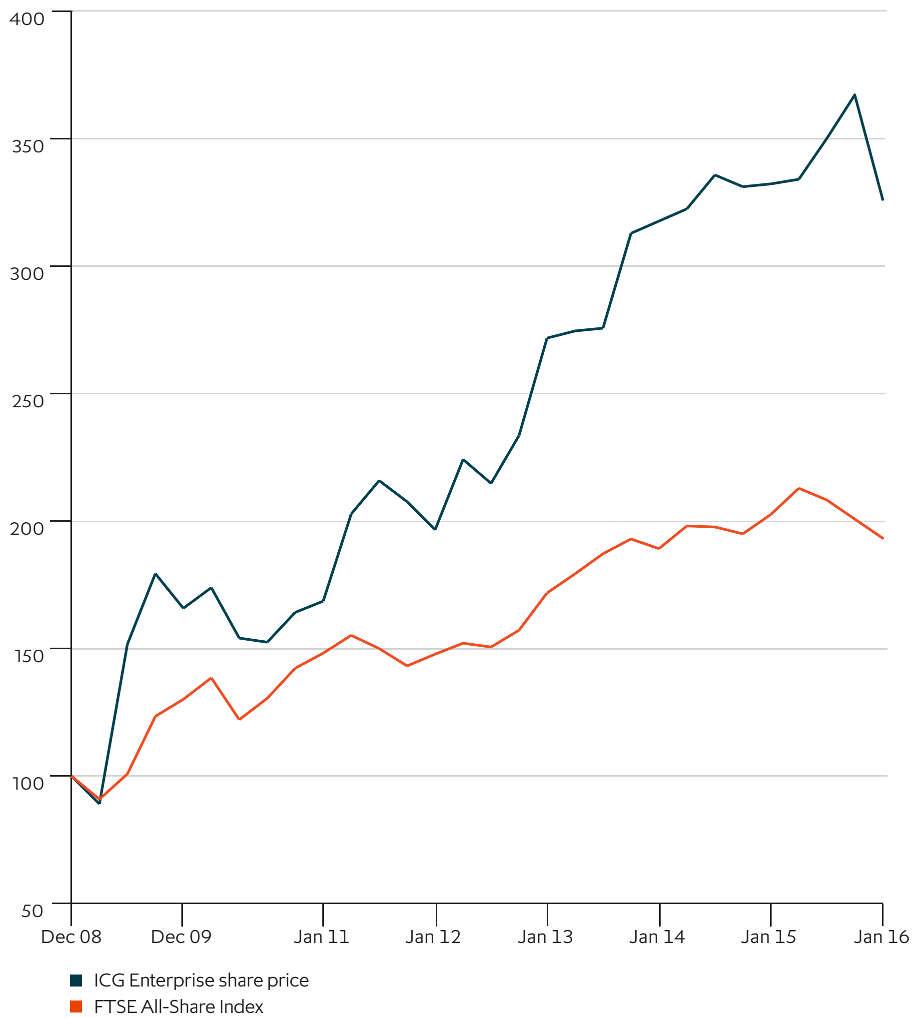
It is the Company's policy to determine the level of directors' fees having regard to the level of fees payable to non-executive directors in the industry generally, the role that individual directors fulfil, the time committed to the Company's affairs and the limits stated by the Company's Articles of Association. It is not the Company's policy to include an element of performance related pay. The remuneration policy is unchanged from the prior year.

The Company's performance is measured against the FTSE All-Share Index as this is considered to be the most appropriate benchmark.

The level of fees for directors is reviewed annually, in arrears, by the Board and any adjustment back-dated to the start of the financial year. For example, the level of fees for the year ending 31 January 2017 will be determined towards the end of that financial year.

SHARE PRICE PERFORMANCE*

Fig: 5.1



* On a total return basis (i.e. including the effect of re-invested dividends)

Until the review is completed, the directors will be remunerated at levels for the year to 31 January 2016 set out above.

The Articles of Association currently limit the aggregate fees payable to the directors to a total of £300,000 per annum. The Board considers this to provide sufficient flexibility in the medium term.

The Board considers the remuneration policy as described above 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.

DIRECTORS' REMUNERATION
CONTINUED

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 Company has had regular dialogue with shareholders throughout the year to 31 January 2016 and confirms that no negative views were expressed in relation to its remuneration policy.

DIRECTORS' REMUNERATION REPORT

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

Remuneration in the year (audited)

	Year ended 31 January 2016			Year ended 31 January 2015		
Name	Fees £'000	Taxable benefits £'000	Total £'000	Fees £'000	Taxable benefits £'000	Total £'000
Mark Fane	53	–	53	52	–	52
Peter Dicks	39	–	39	38	–	38
Sandra Pajarola*	37	12	49	36	–	36
Andy Pomfret	37	–	37	36	–	36
Lucinda Riches	37	–	37	36	–	36
Jeremy Tigue	37	–	37	36	–	36
Total	240	12	252	234	–	234

* Ms Pajarola is resident in Switzerland and the Company has agreed to reimburse her for the costs of travel to London (including appropriate accommodation) to attend meetings of the Board. These costs are presented gross of tax as taxable benefits. The fees were paid to Lake Valley Consulting AG for making her available to serve as director of the Company.

The directors were not entitled to any loss of office payments, pension benefits, share options or other incentives in the year ended 31 January 2016 (2015: £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 2016 and the prior year. This disclosure is a statutory requirement. However the directors consider that this comparison is not meaningful as its objective is to provide shareholders with long term capital growth and share buy-backs and the dividend form only a small part of shareholders' returns.

Components of remuneration package	Year ended 31 January 2016 £'000	Year ended 31 January 2015 £'000
Directors' remuneration	252	234
Shareholder distributions in the year	23,880	11,302

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	31 January 2016 Number of shares	31 January 2015 Number of shares
Mark Fane	143,910	143,910
Peter Dicks	7,000	7,000
Sandra Pajarola	6,000	6,000
Andy Pomfret	20,000	20,000
Lucinda Riches	20,000	20,000
Jeremy Tigue	94,260	94,260
Total	291,170	291,170

There has been no change in the number of shares held since the year end.

Statement of shareholder voting

The remuneration policy was last approved at the Annual General Meeting on 11 June 2014, with the following votes cast:

Votes	Number	%
For	22,498,547	96.6%
Against	788,789	3.4%
Withheld	249,983	

At the Annual General Meeting held on 11 June 2015, a resolution to approve the directors' remuneration report for the year ended 31 January 2015 was passed on a poll with the following votes cast:

Votes	Number	%
For	20,790,859	98.5%
Against	310,883	1.5%
Withheld	211,125	

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 2016 will be put to the members at the forthcoming Annual General Meeting (see resolution 7 on page 85).

On behalf of the Board

Mark Fane

Chairman
26 April 2016

REPORT OF THE AUDIT COMMITTEE

AUDIT COMMITTEE

The Audit Committee is comprised of five non-executive directors: Mr Dicks (Chairman of the Committee), Ms Pajarola, Mr Pomfret, Ms Riches and Mr Tigue. As set out on page 68 the members of the Committee have a range of recent and relevant financial experience.

The Committee operates within written terms of reference 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, 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, are 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 attendance at each meeting is strongly encouraged.

Three meetings were held in the financial year, and were quorate, although Ms Pajarola and Ms Riches each could not attend one meeting. The Company's auditors, PricewaterhouseCoopers LLP, attended all three 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 review of the Company's internal controls, 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 auditor, and the annual and interim financial statements.

SIGNIFICANT ISSUES IN RELATION TO THE FINANCIAL STATEMENTS

In its review of the financial statements, the Committee considers in particular whether the investment portfolio is fairly valued. Before the year end, the Committee discussed the valuation process in detail with the Former 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. 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 has been fairly valued.

Auditing standards require the auditors to consider the risks of fraud in revenue recognition and of management override of internal controls. The auditors also focus on the calculation of the co-investment incentive accrual as it is relatively complex. The principal area of potential material impact from these risks is the valuation of the investment portfolio, which is discussed above.

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 2016, taken as a whole, are fair, balanced and understandable and provide 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. All of the Company's management functions are delegated to the Manager which has its own internal control and risk monitoring arrangements. The Committee has made a preliminary assessment of these arrangements, with reference to the Company's risk matrix. The results were satisfactory. The Manager's arrangements are comparable to those of the Former Manager, which were in place during the year to 31 January 2016.

The Audit Committee assessed the Former Manager's arrangements, with reference to the Company's risk matrix. The Committee also reviewed a Statement of Internal Controls for the year to 31 January 2016 which sets out the key internal controls over the administration of the Company's investments. As in previous years the auditors were engaged to carry out agreed upon procedures to test these controls, and the results were satisfactory.

In accordance with the Alternative Investment Fund Managers Directive ("the Directive"), the Company has appointed Aztec Financial Services (UK) Limited ("the Depositary") as depositary. The Depositary's responsibilities include the monitoring of the cash flows of the Company, the safe keeping 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 Depositary's reports for the period from 1 February 2015 to 31 January 2016, that set out the testing and procedures carried out by the Depositary to satisfy itself that it is fulfilling its obligations, and that the Company and the Former Manager were operating in accordance with the Directive. The report did not identify any issues.

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

Audit independence and effectiveness

The Audit Committee has reviewed the provision of non-audit services and believes them to be cost-effective and not an impediment to the auditors' objectivity and independence. In the year ended 31 January 2016, £5,000 (2015: £6,390) was payable by the Company for the provision of training for the directors. In addition, £53,900 (2015: £52,430) was payable by the Former Manager to the auditors for agreed upon procedures testing designed to provide assurance to the Audit Committee. It has been agreed that all non-audit work to be carried out by the external auditors must be ratified by the Audit Committee. Any special projects would be approved by the Audit Committee in advance.

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. PricewaterhouseCoopers LLP (including its predecessor firms) have acted as auditors to the Company since 1981. In the year ended 31 January 2014, the Committee conducted a formal tender process that led to the reappointment of PricewaterhouseCoopers LLP as auditors. The Committee remains satisfied with the performance of the auditors and recommends that they be reappointed auditor for the year ending 31 January 2017.

Peter Dicks

Chairman of the Audit Committee
26 April 2016

ADDITIONAL DISCLOSURES REQUIRED BY THE ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE

As discussed in the Chairman's Statement and the Report of the Directors, the management of the Company was transferred from Graphite Capital Management LLP ("the Former Manager") to ICG ("the Manager") on 1 February 2016. The Manager became authorised as an AIFM on 10 April 2014.

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, principally Strategic Report (pages 8 and 9), Manager's Review (pages 11 to 20), Financial Information (pages 37 to 66) and Governance (pages 67 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.

LEVERAGE

The Company has no borrowings and therefore is not currently leveraged. 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 Former Manager is governed by a Management Board consisting of senior partners of the firm. The Management Board implemented a risk management policy, and established and authorised a Risk Management Function to review compliance with the risk management policy and procedures.

The Management Board also received detailed risk reports and information regarding the investment activity and other operations of the Company.

In reviewing this information, the Management Board seeks to ensure the fair treatment of investors, in particular considering compliance with stated investment strategies and policies, and clear communication with investors.

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 assists 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 the 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 the Strategic Report (pages 8 and 9).

The sensitivity of the Company to market, credit and investment, and capital risk is discussed in note 17 of the financial statements (page 55). 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 84).

MATERIAL CHANGES

Other than the change of Manager noted above, there have been no material changes in relation to the matters described in Article 23 of the Directive.

REMUNERATION

Under the Alternative Investment Fund Managers Directive ("AIFMD"), we are required to make disclosures relating to remuneration of certain staff working for the Former Manager, which acted as manager of the Company throughout the year ended 31 January 2016.

Amount of remuneration paid

The Former Manager paid the following remuneration to staff in respect of the financial year ending on 31 January 2016 in relation to work on the Company:

	£'000
Fixed remuneration	1,206
Variable remuneration	2,774
Total remuneration	3,980
Number of beneficiaries	17

The above disclosures reflect only those staff of the Former Manager involved in the management of the Company (including those employed by a subsidiary of the Former Manager) and only that element of their remuneration which is attributable to the activities of the Former Manager in respect of the Company. It is not possible to attribute remuneration paid to individual staff directly to income received from any fund and hence the above figures represent a notional approximation only. Variable remuneration includes carried interest received.

Amounts paid to senior staff

	£'000
Aggregate remuneration paid to senior management	1,803
Aggregate remuneration paid to personnel whose actions have a material impact on the risk profile of the Company	1,991

Certain of the members of the senior management of the Former Manager also performed functions that had a material impact on the risk profile of the Company. The remuneration paid to those individuals has consequently been included in both amounts disclosed above and it is therefore not appropriate to aggregate these amounts.

The above disclosures reflect only that element of the individuals' remuneration which is attributable to the activities of the Former Manager in respect of the Company. It is not possible to attribute remuneration paid to individual staff directly to income received from any fund and hence the above figures represent a notional approximation only.

Incentive

The incentive paid by the Company during the year ended 31 January 2016 is disclosed in note 9 to the financial statements.

Remuneration and incentivisation policies and practices

The overriding principle governing the Former 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 firm. Remuneration consists of salary, bonus, profit share and carried interest. (As the Former Manager is a partnership, the first three of these take the form of partnership drawings for those staff who are partners.)

The carried interest arrangements are intended to closely align the interests of investors and the firm – 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 71 and 72.

The Former Manager has a remuneration committee which takes remuneration decisions. The committee takes into account the short and long term performance of the firm, of the funds managed by the firm, and of individuals. Measures of individual performance will be based primarily on non-financial factors, as individuals do not manage their own portfolio of assets or have sole responsibility for business units.

INVESTMENT POLICY

The objective of ICG Enterprise is to provide shareholders with long term capital growth through investment in unquoted companies, mainly through specialist funds but also directly. Both the objective and the policy remain unchanged subsequent to the appointment of ICG as Manager on 1 February 2016.

ASSET ALLOCATION

ICG Enterprise invests principally in unquoted companies either indirectly through a fund or directly in a company. Where investments are made through a fund, that fund may itself be either unquoted or quoted. Unquoted companies in which ICG Enterprise has an interest may from time to time obtain a quotation and the Company may continue to hold its interest in quoted form. Investments in unquoted companies and quoted companies held post-flotation will typically comprise between 50% and 100% of the Company's gross assets.

The Company makes a significant majority of its investments through funds. It also invests directly, mainly in the form of co-investments alongside funds.

The Company expects the largest part of its investment portfolio to be in well established companies. The Company may also invest in infrastructure projects, early stage companies and other unquoted investments.

Underlying investments will mostly be in equity, or equivalent risk instruments. A minority of investments may also be in lower risk instruments such as mezzanine debt.

The Company may from time to time make investments which provide exposure to other asset classes or which provide exposure to unquoted companies in other forms. These investments (including the market exposure provided by them) may comprise up to 40% of the Company's gross assets.

RISK DIVERSIFICATION

ICG Enterprise's policy is to maintain an investment portfolio which provides exposure to unquoted companies across a broad range of sizes, with the greatest emphasis on medium sized and large companies.

The aim is for the portfolio to be diversified by geography, industry sector and year of investment.

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.

BORROWINGS

The companies in which ICG Enterprise invests often use borrowings to enhance the returns to equity investors. The funds through which the Company invests may also use borrowings.

The Company does not expect to take on long term borrowings but may have long term facilities. Short to medium term borrowings may be required from time to time.

OVERCOMMITMENT

Overcommitment is the practice of making commitments to funds which exceed the cash available for immediate investment. The Company may be overcommitted in order to ensure that it is more fully invested in the future. The level of over commitment 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.

SURPLUS CASH

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

BENCHMARK

The Company's benchmark is the FTSE All-Share Index, which measures the share price performance of quoted companies of all sizes in the UK. The Board considers that this provides the most appropriate comparator for the Company's shareholders.

CURRENCY RISK

The Company holds investments 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 ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting (pages 86 and 87) sets out in full the resolutions to be voted on at the Meeting. The effect of each proposed resolution, if passed by the shareholders, is summarised below:

RESOLUTION 1

Approves the audited financial statements for the year ended 31 January 2016 (pages 38 to 60) together with the Independent Auditors' Report (pages 61 to 65) and the Report of the Directors (pages 69 to 75).

RESOLUTION 2

Approves the recommended final dividend of 6.0p per ordinary share for the year ended 31 January 2016.

RESOLUTIONS 3, 4 AND 5

Approve the re-election of Peter Dicks, Mark Fane and Sandra Pajarola. Mr Dicks and Mr Fane have each served on the Board for more than nine years and therefore, as recommended by the UK Corporate Governance Code, retire annually and offer themselves for re-election. Ms Pajarola stands for re-election as she has served three years since first standing for election. The directors' biographies are on page 68.

RESOLUTION 6

Re-appoints the auditors, PricewaterhouseCoopers LLP, who have indicated their willingness to continue in office. This is recommended by the Audit Committee (see page 81).

RESOLUTION 7

Approves the remuneration report as set out in the Directors' Remuneration section for the year ended 31 January 2016.

RESOLUTIONS 8 AND 9

Renew the authority of the Board to increase the share capital of the Company by issuing shares subject to certain conditions (the "Share Issue Authorities").

Resolution 8 gives the Board the ability to issue shares equivalent to 33% of current share capital. In such circumstances, the Companies Act requires that existing shareholders are given the opportunity to participate before new shareholders ("pre- emption"). Resolution 9 gives the Board the ability to issue shares equivalent to 10% of current share capital without pre-emption applying.

The Listing Rules do not permit the Company to issue shares at a discount to NAV per share unless they are offered to existing shareholders first. This would be unchanged by these resolutions.

The Share Issue Authorities will expire at the conclusion of the Annual General Meeting of the Company to be held in 2017 or if earlier, 31 July 2017.

RESOLUTION 10

Renews the authority of the Company to make market purchases of up to 14.99% of the issued ordinary shares (the "Buy-back Authority").

The price paid for a share under the Buy-back Authority will be at least 10p (the nominal value of a share) and no more than the highest of (a) 5% above the average share price over the five business days preceding the date of the market purchase, (b) the price of the last independent trade in the Company's shares and (c) the highest amount bid. These limits are in accordance with company law and the Listing Rules.

The Buy-back Authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2017, or if earlier, 31 July 2017.

RESOLUTION 11

Allows the calling of a general meeting (unless it is an Annual General Meeting) on not less than 14 days' notice.

NOTICE OF MEETING

Notice is hereby given that the thirty-fifth Annual General Meeting of ICG Enterprise Trust plc will be held at Stationers' Hall, Ave Maria Lane, London, EC4M 7DD on 14 June 2016 at 1.00p.m. for the following purposes.

Resolutions 9 to 11 inclusive will be proposed as special resolutions, requiring 75% of votes cast to be in favour in order to be passed. All other resolutions will be proposed as ordinary resolutions, requiring more than 50% of votes cast to be in favour.

ORDINARY BUSINESS

1. To receive and adopt the reports of the directors and auditors and the Company's financial statements for the year ended 31 January 2016.

2. To declare a final dividend of 6.0p on the ordinary shares of the Company.

3. To re-elect P. Dicks as a director.

4. To re-elect M. Fane as a director.

5. To re-elect S. Pajarola as a director.

6. To re-appoint PricewaterhouseCoopers LLP as auditors to the Company to hold office until the conclusion of the next general meeting at which financial statements are laid before the Company, and to authorise the directors to fix the remuneration of the auditors.

7. To consider, and if thought fit, to approve the remuneration report set out in the Directors' Remuneration section of the Annual Report for the year ended 31 January 2016.

AUTHORITY TO ALLOT SHARES

8. THAT:

   a. the directors be generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the "Act"), to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £2,353,785.60 (representing 23,537,856 ordinary shares of 10p each, such amount being equivalent to 33% of the issued ordinary share capital excluding shares held as Treasury Shares) during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the Annual General Meeting of the Company in 2017, or, if earlier, on 31 July 2017; and

   b. all authorities and powers previously conferred under section 551 of the Act are hereby revoked, provided that such revocation shall not have retrospective effect.

SPECIAL BUSINESS

Disapplication of pre-emption rights (see note 1)

9. THAT:

   a. subject to the passing of resolution 8 above the directors be empowered to allot equity securities as defined in section 560(1) or section 560(3) of the Act wholly for cash during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the Annual General Meeting of the Company in 2017, or, if earlier, on 31 July 2017. In connection with an allotment of shares pursuant to the authority referred to in resolution 8 above or the sale of treasury shares, up to an aggregate nominal amount of £713,268.20 (representing 7,132,682 ordinary shares of 10p each, such amount being equivalent to 10% of the issued ordinary share capital (excluding shares held as Treasury Shares)) as if section 561 of the Act did not apply to any such allotment or sale; and

b. by such power the directors may make offers or agreements which would or might require equity securities to be allotted after the expiry of such period.

AUTHORITY TO PURCHASE SHARES

10. THAT:

the Company be and is hereby unconditionally and generally authorised for the purpose of section 701 of the Act to make market purchases (as defined in section 693 of that Act) of ordinary shares of 10p each in the capital of the Company on such terms and in such manner as the directors may determine, provided that:

a. the maximum number of shares which may be purchased is 10,691,892 (being approximately 14.99% of the issued ordinary share capital (excluding shares held as Treasury Shares));

b. the minimum price which may be paid for each ordinary share is 10p;

c. the maximum price which may be paid for a share is an amount equal to the highest of (a) 105% of the average of the closing price of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased, and (b) the price of the last independent trade or (c) the highest current bid, as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 (number 2273/2003) or, from 3 July 2016, Commission-adopted Regulatory Technical Standards pursuant to article 5(6) of the Market Abuse Regulation; and

d. this authority shall expire at the conclusion of the Annual General Meeting of the Company held in 2017 or, if earlier, on 31 July 2017 (except in relation to the purchase of shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry) unless such authority is varied, revoked or renewed prior to such time.

GENERAL MEETING ON A MINIMUM 14 DAYS' NOTICE

11. THAT:

a general meeting other than an Annual General Meeting may be called on not less than 14 days' notice.

By order of the Board

Company Secretary
ICG Nominees 2015 Limited
26 April 2016

Registered office:
Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

NOTICE OF MEETING: EXPLANATORY NOTES

Note 1: In accordance with Listing Rule 15.4.11, unless authorised by shareholders, the Company may not issue shares at a discount to net asset value unless they are first offered to existing shareholders pro-rata to their existing holdings.

Note 2: A member entitled to attend and vote at this meeting may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. If multiple proxies are appointed they must not be appointed in respect of the same shares. To be effective, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, should be lodged at the office of the Company's Registrar, Computershare Investor Services PLC, the Pavilions, Bridgwater Road, Bristol BS99 6ZY not later than 48 hours before the time of the meeting. In view of this requirement, investors holding shares in the Company through the F&C Private Investor, Personal Equity or Pension Savings Plans, an F&C Child Trust Fund, an F&C Junior ISA or in a F&C Individual Savings Accounts should ensure that forms of direction are returned to Computershare Investor Services PLC not later than 120 hours before the time appointed for the meeting. The appointment of a proxy will not prevent a member from attending the meeting and voting in person if he/she so wishes. A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every ordinary share of which he is the holder. Holders of Subscription shares are not entitled to attend and vote at this meeting.

To appoint more than one proxy, members will need to complete a separate proxy specifying clearly on each proxy form how many shares the proxy is appointed in relation to. A failure to specify the number of shares each proxy appointment relates to or specifying an aggregate number of shares in excess of those held by the member will result in the proxy appointment being invalid. Please indicate if the proxy instruction is one of multiple instructions being given. All proxy forms must be signed and should be returned together in the same envelope.

Note 3: A person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 2 above do not apply to a Nominated Person. The rights described in those Notes can only be exercised by registered members of the Company.

Note 4: As at 25 April 2016 (being the last business day prior to the publication of this notice) the Company's issued share capital amounted to 71,326,837 ordinary shares carrying one vote each and 1,586,163 non-voting Treasury Shares which represents approximately 2.2% of the total number of the ordinary share capital of the Company. Total issued share capital, including Treasury Shares, was 72,913,000.

Note 5: Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered on the Register of Members of the Company as at 6.00p.m. on the day which is two days before the day of the meeting (or, in the event of any adjournment, as at 6.00p.m. on the day which is two days prior to the adjourned meeting) shall be entitled to attend in person or by proxy and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Note 6: CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual, which is available to download from the Euroclear website (www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual.

The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting and determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

Note 7: In accordance with section 319A of the Companies Act 2006, the Company must cause any question relating to the business being dealt with at the AGM put by a shareholder attending the meeting to be answered. No such answer need be given if:

a. to do so would:

  i. interfere unduly with the preparation for the AGM, or

  ii. involve the disclosure of confidential information;

b. the answer has already been given on a website in the form of an answer to a question; or

c. it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

NOTICE OF MEETING: EXPLANATORY NOTES
CONTINUED

Note 8: Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to:

a. the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

Note 9: A copy of this Notice of Annual General Meeting is incorporated in the Annual Report for the year ended 31 January 2016 available on the Company's website: www.icg-enterprise.co.uk

Note 10: The following documents will be available for inspection at the registered office of the Company during usual business hours on any weekday (except Saturdays, Sundays and public holidays) until the date of the AGM and at the place of the AGM for a period of fifteen minutes prior to and during the meeting: (a) the terms and conditions of appointment of non-executive directors; and (b) a copy of the Current Articles of Association. None of the directors has a contract of service with the Company.

If you are in any doubt as to the content or action you should take, you should consult immediately your stockbroker, bank manager, solicitor, accountant or other independent financial advisor authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in the Company, please send this document, together with the accompanying Form of Proxy and Attendance Card, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

GENERAL INFORMATION

GENERAL INFORMATION

UNDERSTANDING PRIVATE EQUITY

Listed private equity provides access to an asset class with an attractive operating model for the price of a share

WHAT IS PRIVATE EQUITY?

Private equity is a term used to describe investment in private, unquoted companies; it is an alternative ownership model to a public market listing. One of its principal features is a stronger alignment of interests between investors in companies and their managers. The private equity model has many attractions and these can generate higher returns.

Private equity covers a wide spectrum of investments, from start-up companies capitalised at less than £1 million to acquisitions of large established companies of all sizes. The main sub-sectors of the private equity market are buy-outs, which include management buy-outs (MBOs) and buy-ins (MBIs), and venture capital, which covers early stage investing. ICG Enterprise focuses on buy-out investments.

A buy-out generally involves the purchase of a majority or a significant minority of the equity of a well-established, profitable company by one or more private equity funds, which invest alongside the existing management team (an MBO) or a new management team (an MBI). The sellers may be the founders or other individuals, or larger companies seeking to divest subsidiaries or sell an investment on the secondary market. Quoted companies may also be acquired by private equity investors in public to private transactions.

Private equity managers provide focused strategic and operational guidance to the companies in their portfolio, which contrasts with public ownership where a company may have to deal with the competing demands of a diverse range of shareholders. There is also less short term performance pressure on private equity owned companies than in the public markets, making it possible to adopt a longer term approach.

When companies are ready for disposal, they may be sold to a trade buyer (a company in the same sector), or to a financial buyer (including other private equity funds – known as a secondary buy-out). Alternatively they may be floated on a stock market in an initial public offering (IPO).

Alignment of interest

Both company management teams and private equity managers are incentivised to maximise returns for the ultimate investors in the private equity funds.

Careful use of leverage

As the ownership model increases the confidence of lenders, buy-out investments may use higher levels of debt than similar quoted companies to increase equity returns. This normally includes bank debt (referred to as senior debt) and sometimes mezzanine debt. Mezzanine debt is junior debt with a higher return than senior debt to compensate for the greater risk.

How a private equity fund works

The most common model for a private equity fund is for institutional investors to make commitments to a private equity manager to fund an investment programme.

Once these commitments are in place, the private equity manager then identifies and makes investments in companies over a period of years, drawing down investors' cash only when an investment has been completed.

The manager then works to develop those companies and seeks to achieve their profitable disposal. When investments are sold, cash is returned to investors.

Private equity funds are generally structured with a life of ten years. Most of the cash is typically drawn down over a period of four to six years and may begin to be returned in the fourth or fifth year, reflecting the underlying buying and selling of companies in the fund. As a result, the maximum net amount drawn down by an individual fund is often considerably less than the total amount committed to it.

Fund investing

A private equity fund-of-funds invests primarily in funds managed by private equity managers. The task of the fund-of-funds manager is to select high quality managers, gain access to their funds and construct a diversified, balanced portfolio for investors.

Overcommitment

In order to achieve full or near full investment, it is usual for fund-of-funds to make commitments exceeding the amount of cash immediately available for investment. This is described as overcommitment. When determining an appropriate level of overcommitment, careful consideration needs to be given to the rate at which commitments might be drawn down, and the rate at which realisations will generate cash from the existing portfolio to fund new investment.

Primary and secondary fund investments

A commitment to a private equity fund at the beginning of its life is called a primary commitment. It may also be possible to acquire an interest in a fund which is part way through its life, from an existing investor, and this is called a secondary investment. The price of a secondary investment depends primarily on the quality of the portfolio and its future prospects, and may represent a premium or a discount to the most recent reported net asset value of the portfolio.

Co-investments

When a private equity manager has an investment opportunity that is too large for its fund to make alone (for example, because of diversification limits), they may invite their fund investors to participate alongside that fund. An investment of this kind is called a co-investment. Typically no additional fees are paid to the private equity manager in respect of a co-investment. Co-investments can increase the overall returns from a fund investment programme.

Investor access to private equity

Traditional private equity funds are difficult for most private investors to access, as minimum commitment sizes are typically at least £5 million. It can also be difficult for existing investors in private equity funds to sell their interests, as secondary market liquidity can be limited.

Investors take on a long term obligation to fund a manager's investment programme, which requires careful management of cash resources in order to ensure that all commitments can be met. Private equity managers only report their fund's valuation to investors at most once a quarter.

Benefits of listed private equity

Investing in listed private equity removes many of these barriers to investment. Investors can gain exposure to a diversified private equity portfolio for the price of a share, there is daily liquidity in those shares and the value of the shareholding is known at any point in time. There is no obligation to fund future commitments. In addition, the manager of a listed private equity fund deals with the complex legal structuring that is common to private equity transactions. For these reasons, listed private equity is an attractive way to gain access to the asset class for many types of investor, but particularly for private shareholders and small institutions.

HOW TO INVEST IN ICG ENTERPRISE

ICG Enterprise is listed on the London Stock Exchange and its shares can be bought and sold just as those of any other listed company.

A straightforward way for individuals to purchase and hold shares in the Company is to contact a stockbroker, savings plan provider or online investment platform.

You may be able to find a stockbroker using the website of the independent Wealth Management Association (WMA) at www.thewma.co.uk

You may also be able to purchase shares via your bank account provider.

For a small fee, your chosen intermediary can purchase shares in the Company on your behalf.

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

Information about ISAs and SIPPs, as well as general advice on saving and investing, can be found on the government's free and independent service at www.moneyadviceservice.org.uk

As with any investment into a company listed on the stock market, you should remember that:

- the value of your investment and the income you get from it can fall as well as rise, so you may not get back the amount you invested; and
- past performance is no guarantee of future performance.

This is a medium to long term investment so you should be prepared to invest your money for at least five years.

If you are uncertain about any aspect of your decision to invest, you should consider seeking independent financial advice.

Details of the Company's website and contact information for potential and existing shareholders can be found in the Useful Information section on the next page.

USEFUL INFORMATION

Address

Juxon House,
100 St Paul's, Churchyard
London EC4M 8BU
020 3201 7700

Registered number: 01571089
Place of registration: England

Website

www.icg-enterprise.co.uk

Registrar

Computershare Investor Services PLC,
The Pavilions,
Bridgwater Road,
Bristol BS99 6ZZ
www-uk.computershare.com/investor,
0370 889 4091

F&C savings schemes

Investors through F&C savings schemes can contact the Investor Services team on:

Telephone: 0345 600 3030
E-mail investor.enquiries@fandc.com

Financial calendar

The announcement and publication of the Company's results may normally be expected in the months shown below:

March/April	Final results for year announced, Annual Report and financial statements published
June	Annual General Meeting and first quarter's results
September	Interim figures announced and half-yearly report published
December	third quarter's result

All announcements may be viewed at the Company's website (see above).

Manager

ICG Alternative Investment Limited,
Juxon House,
100 St Paul's, Churchyard
London EC4M 8BU
020 3201 7700

Authorised and regulated by the Financial Conduct Authority (FRN: 606186).

Broker

J.P. Morgan Cazenove,
25 Bank Street,
Canary Wharf,
London E14 5JP

Dividend - 2016

An interim dividend of 5.0p was paid on 20 October 2015.

A final dividend of 6.0p is proposed in respect of the year ended 31 January 2016, payable as follows:

Ex-dividend date (shares trade without rights to the dividend)	2 June 2016
Record date (last date for registering transfers to receive the dividend)	3 June 2016
Dividend payment date	20 June 2016

This dividend will be paid as an "income distribution", which will be taxed in the hands of shareholders as interest income (rather than dividend income); this reduces the tax charge payable by the Company.

Payment of dividends

Cash dividends will be sent by cheque to the first-named shareholder at their registered address, to arrive on the payment date.

Alternatively, dividends may be paid direct into a shareholder's bank account via Bankers' Automated Clearing Service ("BACS"). This may be arranged by contacting the Company's registrar, Computershare Investor Services PLC (see contact details above).

Share price

The Company's mid-market ordinary share price is published daily in the Financial Times and Daily Telegraph under the section 'Investment Companies'. In the Financial Times the ordinary share price and the subscription share price are listed in the sub-section 'Conventional-Private Equity'.

ISIN/SEDOL numbers

The ISIN/SEDOL numbers and code for the Trust's ordinary shares are:

ISIN	GB0003292009
SEDOL	0329200
Reuters	ICGT.L

LPEQ

The Company is a member of LPEQ, the industry association of listed private equity companies. LPEQ's goal is to improve levels of knowledge and understanding about listed private equity among market participants and commentators. www.lpeq.com

AIC

The Company is a member of the Association of Investment Companies. www.theaic.co.uk

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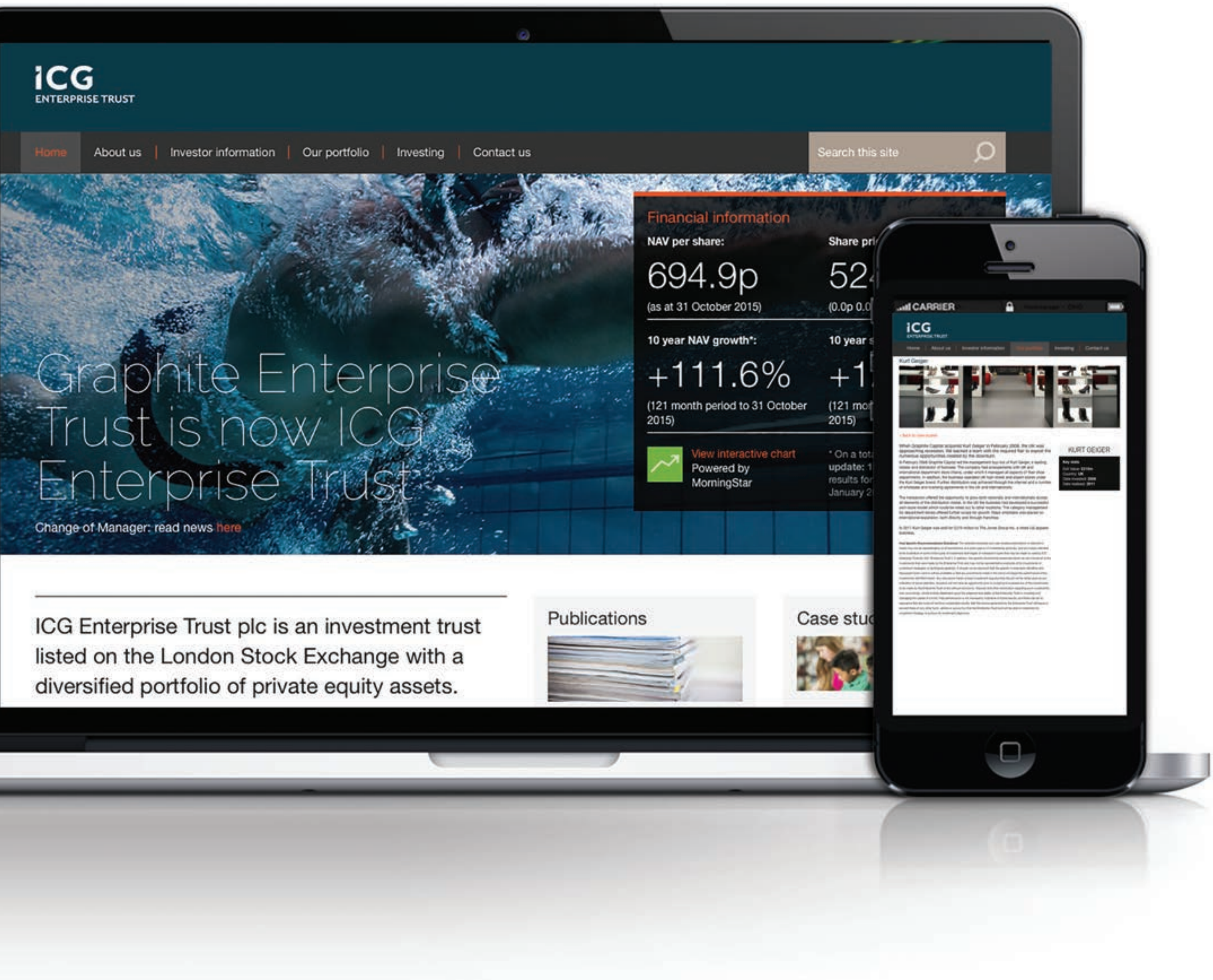
WEBSITE

www.icg-enterprise.co.uk



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