ICG ENTERPRISE TRUST

Unaudited Preliminary Results

For the 12 months ended 31 January 2018

Embargoed until 7:00am on 23 April 2018

CONTINUED STRONG PERFORMANCE AND EXCELLENT PROGRESS AGAINST STRATEGIC GOALS

- **NAV per share of 959p - total return of 12.5%[1] in the year**
  - Growth driven by strong operating performance and realisation uplifts

- **High quality Portfolio[1] and record period for realisations**
  - 16.4% constant currency return on the investment Portfolio; 15.3% return in sterling
  - 12% average LTM earnings growth from Largest 30 Companies; 47% of the Portfolio
  - £227m of realisations; cash proceeds 37% of the opening Portfolio value
  - Realisations at 40% uplift to carrying value; 2.7x multiple to cost

- **Selective investment into compelling opportunities**
  - £142m of new capital deployed; 42% into high conviction investments
  - Flexibility to adapt investment mix according to where the investment team see the best relative value
  - £110m committed to nine primary funds; four new relationships

- **Strategic benefits of move to ICG continue to add significant value**
  - £30m of co-investment alongside ICG; ICG managed investments now represents 18% of the Portfolio
  - Focus on defensive growth companies and structural downside protection
  - Continued geographic diversification; US now represents 22% of the Portfolio

- **Move to progressive annual dividend policy – dividend of 21p**
  - 5% increase on previous year and 2.6% yield on year end share price
  - Move to quarterly dividend payments

- **Continued short, medium and long-term outperformance of public markets**

Performance to 31 January 2018	**1 year**	**3 year**	**5 year**	**10* year**
Net asset value per share (total return)	12.5%	48.0%	67.8%	113.0%
Share price (total return)	20.1%	55.1%	89.7%	107.3%
FTSE All-Share Index (total return)	11.3%	27.4%	50.3%	80.9%

All performance figures are stated on a total return basis (i.e. including the effect of re-invested dividends)
**As the Company changed its year end in 2010, the ten-year figures are for the 121-month period to 31 January 2018.*
[1] *Alternative Performance Measure*

Jeremy Tigue, Chairman, commented:

"This has been another very successful year with continued strong performance and excellent progress against strategic goals.

"The current market dynamics play to the core strengths of our strategy and the team's expertise; a patient and highly selective approach and the ability to be flexible and ensure downside risks are limited. These strengths and our high-quality portfolio should serve us well, and I am confident the Company will continue to deliver long term growth ahead of public markets."

Emma Osborne, ICG, commented:

"I am pleased that the portfolio has continued to perform well, with strong underlying profit growth and a record period for realisations translating into another year of double digit growth.

"Our flexible mandate has meant that we have been able to adapt the mix of new investments for the current market environment, benefitting from proprietary deal flow from ICG and our strong third-party manager relationships.

"We have a strong pipeline of new opportunities and believe the portfolio is well positioned to continue to generate significant shareholder value."

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Comparison to prior year

	31 Jan 2018	31 Jan 2017
NAV	959p	871p
Realisations in the 12 months	£227m	£86m
Cash proceeds as a % of opening portfolio value	37%	20%
Realisations – uplift to carrying value	40%	24%
Realisations – multiple to cost	2.7x	1.9x
Capital deployed	£142m	£128m
% of Capital deployed into high conviction investments	42%	39%
New primary fund commitments	£110m	£118m

Notes

Included in this document are Alternative Performance Measures ("APMs"). APMs have been used if considered by the Board and the Manager to be the most relevant basis for shareholders in assessing the overall performance of the Company, and for comparing the performance of the Company to its peers and its previously reported results. The Glossary includes further details of APMs and reconciliations to IFRS measures, where appropriate. The rationale for the APMs is discussed in detail in the Manager's Review.

In the Chairman's Statement, Manager's Review and Supplementary Information, reference is made to the "Portfolio". This is an APM. The Portfolio is defined as the aggregate of the investment portfolios of the Company and of its subsidiary limited partnerships. The rationale for this APM is discussed in detail in the Manager's Review. The Glossary includes a reconciliation of the Portfolio to the most relevant IFRS measure.

In the Chairman's Statement, Manager's Review and Supplementary Information, all performance figures are stated on a total return basis (i.e. including the effect of re-invested dividends).

ICG Alternative Investment Limited, a regulated subsidiary of Intermediate Capital Group plc, acts as the Manager of the Company.

Disclaimer

This report may contain forward looking statements. These statements have been made by the Directors in good faith based on the information available to them up to the time of their approval of this report and should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying such forward looking information.

These written materials are not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration under the US Securities Act of 1933, as amended, or an exemption therefrom. The issuer has not and does not intend to register any securities under the US Securities Act of 1933, as amended, and does not intend to offer any securities to the public in the United States. No money, securities or other consideration from any person inside the United States is being solicited and, if sent in response to the information contained in these written materials, will not be accepted. This report contains information which, prior to this announcement, was inside information.

Another year of excellent progress and strong returns

I am very pleased to report another year of excellent progress and strong returns, further extending the Company's track record of consistently strong growth over multiple cycles.

Highly selective and balanced approach continuing to drive significant shareholder value

A record period of realisations at significant uplifts to carrying value and continued strong portfolio company operating performance have again driven returns that have outperformed the wider market, with NAV per share increasing from 871p to 959p, a 12.5% total return[1] in the year.

These results and the underlying progress of our Portfolio [2] are driven by the highly selective and balanced approach taken by our investment team. With a focus on consistent and strong returns, the team has, over many years, delivered significant growth, while limiting downside risk. In an environment where volatility is rising and pricing for new investments is high, our flexible mandate allows us to strike the right balance between risk and reward; adjusting the mix of investments to where the team sees the best relative value and increasing exposure to companies that the team believes will outperform, through the cycle.

This approach and our flexible mandate is unique among listed private equity funds and we believe will continue to drive better returns than public markets.

Leveraging the strengths of ICG's global platform

ICG is a leading alternative asset manager, a specialist investor in private credit, debt and equity with €27bn of assets under management and a strong track record spanning 29 years.

The strategic benefits of our move to ICG two years ago are gaining momentum. Not only do insights on the marketplace and private equity managers help inform investment decisions, but we are also seeing significant tangible benefits of the move, in particular, an increase in proprietary deal flow of highly attractive investments. We have become more diversified geographically, with the US now representing 22% of the Portfolio. At the same time there has been more capital deployed into the high conviction portfolio (co-investments, ICG managed funds and secondary fund investments), which we expect to produce the best returns. We have set more precise targets for how and where the Portfolio is invested and over the next five years expect exposure to the US to represent 30% – 40% of the Portfolio and the weighting to high conviction investments to increase to 50% – 60%.

I am delighted with the significant progress we have made in a short period of time and believe that the strategic benefits of the move to ICG will only increase over time.

Move to progressive annual dividend policy and quarterly payments

Towards the end of the year, we announced our intention to grow the annual dividend progressively and move to quarterly dividend payments (subject to sufficient distributable reserves). In line with this, the Directors are proposing a final dividend of 6p, which, together with the interim dividends of 10p and 5p, will take total dividends for the year to 21p. This is a 5% increase on the prior year dividend of 20p and a 2.6% yield on the year end share price. Subject to shareholder approval at the AGM, the final dividend of 6p will be paid on 13 July 2018 to shareholders on the register on 22 June 2018. Further information on the timing of dividend payments can be found in the Annual Report.

Strong balance sheet and accretive share buybacks

The Company had net assets of £664m at the year end (31 January 2017: £613m).

The strong exit environment of the last few years has continued into 2018, a dynamic reflected in our Portfolio with £227m of realisations in the 12 months (31 January 2017: £86m). Against this, £142m of capital has been deployed (31 January 2017: £128m), and we ended the year with cash balances of £78m (31 January 2017: £39m), or 12% of net assets.

Nine primary commitments were made during the 12 months and uncalled commitments stood at £321m at the year end (31 January 2017: £300m). While the Company has an undrawn £104m working capital borrowing line in place (31 January 2017: £103m), we anticipate that these uncalled commitments will be met from cash resources and proceeds from future realisations.

During the year, the Company bought back £8m of shares at a 17% discount to our January 2018 net asset value per share. We have a high quality Portfolio with strong growth prospects and will continue to purchase shares on an opportunistic basis.

Continued evolution of the board

The Board is evolving. I succeeded Mark Fane as Chairman after the AGM in June 2017, and Peter Dicks will be retiring at this year's AGM. Peter has been on the board for 20 years and was chairman of the Audit Committee and Senior Independent Director for many years. He has made a significant contribution to the success of the Company and I would like to thank him for his wise counsel and support.

We have appointed a new non-executive director, Alastair Bruce, with effect from 1 May 2018. Alastair was formerly the Managing Partner of Pantheon Ventures and brings extensive financial and private equity experience to the Board and I welcome him.

Annual general meeting

The Annual General Meeting will be held at The Wren Suite, The Crypt, St Paul's Cathedral, St Paul's Churchyard, London, EC4M 8AD on 18 June 2018 at 3.00pm. There will be a presentation by the Company's investment team and an opportunity for shareholders to meet the investment team and the Board. I encourage you to attend.

Current market environment plays to the strengths of our balanced approach and flexible mandate

This has been another very successful year with the returns driven by the continued strong portfolio company operating performance and realisations at significant uplifts to carrying value.

While private equity managers continue to take advantage of the supportive conditions to sell companies, competition for good quality assets and an abundance of capital available to invest means that pricing for new investments remains high. These market dynamics play to the core strengths of our strategy and the team's expertise; a patient and highly selective approach and the ability to be flexible and ensure downside risks are limited. These strengths and our high quality Portfolio should serve us well, and I am confident the Company will continue to deliver long-term growth ahead of public markets.

Jeremy Tigue
Chairman

23 April 2018

Footnotes

[1] Including reinvested dividends. Please refer to the Glossary for definition of Total Return.

[2] In the Chairman's Statement, Manager's Review and Supplementary Information, reference is made to the "Portfolio". The Portfolio is defined as the aggregate of the investment portfolios of the Company and of its subsidiary limited partnerships. The rationale for this APM is discussed in detail in the glossary.

Manager's Review

We believe our strategy leads to a portfolio which strikes the right balance between concentration and diversification. While diversification at both the manager and company level reduces risk, concentration in our high conviction portfolio ensures that individual winners can make a difference to performance.

Performance overview

Excellent performance across the Portfolio

The Portfolio has continued to build on its strong performance, generating a gain of 16.4% in constant currencies, or 15.3% in sterling (31 January 2017: 28.9%), and ending the year valued at £601m (31 January 2017: £594m). These returns have been driven by both strong operating performance and realisation activity and further extend the average 15.0% p.a. constant currency growth that the Portfolio has generated over the last five years.

Performance in the year was driven primarily by strong earnings growth, which combined with a modest increase in valuation multiples, has translated into valuation write-ups across the Portfolio. In particular, our largest 30 underlying companies, which represent 47% of the Portfolio, continue to perform well, with aggregate LTM earnings growth of 12% and revenue growth of 11%. As we look at the entire Portfolio, the growth and valuation trends are similar, reflecting the high quality of the Portfolio overall. Almost a third of the underlying Portfolio gains came from companies which were realised during the year.

Movement in the portfolio £m	**Year-ended 31 January 2018**	**Year-ended 31 January 2017**
Opening Portfolio**	594.4	428.2
Third-party funds portfolio drawdowns	82.3	80.0
High conviction investments – ICG funds, secondary investments and co-investments	59.6	47.9
Total new investment	141.9	127.8
Realisation Proceeds	(226.6)	(85.5)
Net cash (inflow)/outflow	(84.7)	42.4
Underlying Valuation Movement*	97.7	93.5
% underlying Portfolio growth	16.4%	21.8%
Currency movement	(6.7)	30.3
% currency movement	(1.1%)	7.1%
Closing Portfolio**	**600.7**	**594.4**

* 94% of the Portfolio is valued using 31 December 2017 (or later) valuations.

** Refer to the Glossary for reconciliation to the portfolio balance presented in the unaudited results.

Portfolio overview

Our Portfolio combines investments managed by ICG with those managed by third-parties, in each case both through funds and directly. This approach enables us to enhance returns by proactively increasing exposure to companies that we have a high conviction will outperform through the cycle. The common theme in our high conviction portfolio is that ICG has made the decision to invest in the underlying company, unlike in a conventional fund-of-funds model where the third-party managers make all of the underlying investment decisions.

We believe that our strategy strikes the right balance between concentration and diversification and combines the best elements of both the direct and fund-of-funds models which are prevalent in the listed private equity sector, differentiating us from our peers.

Investment category	% of portfolio
High conviction portfolio	
ICG managed investments	18.3
Third party co-investments	17.1
Third party secondary investments	6.6
Total High Conviction investments	***42.0***
Third party funds' portfolio	
Graphite Capital primary funds	15.1
Third party primary funds	42.9
Total diversified fund investments	***58.0***
Total	**100.0%**

Portfolio of leading private equity funds provides a base of strong diversified returns

Our third-party funds portfolio accounted for 58% of value at the year end and comprised 72 funds, managed by 37 leading private managers with a bias to mid-market and large-cap European and US private equity managers. This part of the Portfolio underpins our strategy providing a base of strong diversified returns and deal flow for the third-party direct co-investments and secondary investments in our high conviction portfolio, which are almost invariably sourced from managers with whom we have a primary fund investment relationship.

Over the last five years, the third-party funds portfolio has generated a constant currency return of 13.1% p.a. and is well positioned to continue to deliver strong diversified returns and ongoing deal flow for our high conviction portfolio.

High conviction portfolio of actively sourced investments enhance returns

The high conviction portfolio of ICG investments, third-party direct co-investments and third-party secondary fund investments, represents 42% of value.

The exposure to ICG managed investments increased to 18% from 10% at the start of the year, with much of this increase driven by co-investment activity. Within this weighting, we are invested in three of ICG's 16 strategies with a focus on funds that have a bias to equity returns, targeting gross annualised returns of at least 15% – 20% p.a. We expect our exposure to ICG investments to increase to between 20% – 30% of the Portfolio over the next three to five years as we continue to selectively co-invest, uncalled commitments are drawn, and further funds added.

Almost a quarter of the Portfolio is weighted towards third-party direct co-investments and secondary fund investments. These investments enhance returns through selectively investing in attractive companies on an opportunistic basis.

Over the last five years, our high conviction portfolio has been a significant driver of performance, generating constant currency returns of 18.6% p.a. and we believe the high conviction portfolio is well positioned to continue to deliver significant shareholder value.

Realisation activity

Record year for realisations at significant uplifts to carrying value and cost

Our underlying managers took advantage of the continued favourable exit environment to sell 59 of our underlying portfolio companies compared with 40 in the prior year. This includes seven of our top 30 companies which helped drive proceeds to a record high of £217m or 2.5 times the amount generated in the previous year. At 37% of the opening portfolio this cash conversion rate is the highest for over a decade.

Realisations generated an average uplift of 40% to the previous carrying value and an average multiple of 2.7x original cost. These significant uplifts build on the Portfolio's strong track record. Over the last five years, realisations have generated average uplifts of 33% and a multiple of 2.2x cost.

In addition to the realisations by our underlying managers, we also executed the sale of one of the third-party funds in the secondary market, reflecting our active approach to managing the Portfolio and bringing total proceeds in the year to £227m (31 January 2017: £86m).

Largest underlying realisations in the year to 31 January 2018

Investment	Manager	Year of investment	Realisation type	Proceeds £m
Micheldever	Graphite Capital	2006	Trade	36.0
Standard Brands	Graphite Capital	2001 & 2014	Trade	16.1
CPA Global	Cinven	2012	Financial buyer	11.2
Formel D	Deutsche Beteiligungs	2013	Financial buyer	7.1
ProXES	Deutsche Beteiligungs	2013	Financial buyer	6.4
AVS Group	Steadfast Capital	2013	Financial buyer	6.2
Quironsalud	CVC	2011	Trade	5.9
Visma	Cinven	2014	Financial buyer	5.5
ista	CVC	2013	Financial buyer	5.4
Froneri	PAI Partners	2013	Recapitalisation	4.9
Total of 10 largest underlying realisations				**104.7**
Total realisations				**226.6**

New investment activity

Increased investment rate into high conviction assets

In the current market environment, a patient and selective investment approach is key, and our focus has mainly been on the highest quality defensive businesses.

High conviction investments accounted for 42% of the £142m of capital deployed in the year, up from 39% last year reflecting our medium-term strategic objective of increasing high conviction investments to 50% – 60% of the Portfolio. The increase in high conviction investments was primarily driven by an increase in ICG investments which accounted for 35% of new investment in the year. This increased from 25% in the previous year, highlighting the continuing strategic benefits of the move to ICG.

Alongside ICG Europe we invested £18m in DomusVi (a leading European nursing home operator) and added £10m to our 2014 investment in Visma (a market leading provider of software for small and medium-sized businesses in Northern Europe). We also participated in a secondary fund recapitalisation which increased our exposure to Gerflor (a global market leading flooring manufacturer) to £13m. Alongside ICG Asia Pacific we invested £8m in Yudo (a leading global manufacturer of mission-critical components for the injection moulding industry). All of these investments have a bias towards structural downside protection, by typically investing in a blend of subordinated debt and equity. This helps to limit downside risk while remaining within our target return range. We believe this approach is particularly attractive at this point in the cycle.

Elsewhere in our high conviction portfolio, we completed a £5m secondary investment in two funds managed by Oak Hill Capital Partners, a US mid-market manager and signed a £7m co-investment alongside Leeds Equity Partners, another US mid-market manager, although this investment did not close until shortly after the year end.

While high quality defensive growth remains our overarching investment philosophy, our flexible strategy allows us also to be opportunistic, and during the year, we were able to find a number of relative value situations facilitated by the transaction dynamics, such as fund recapitalisations and late primary investments (as described below).

Largest underlying new investments in the year to 31 January 2018

Investment	Description	Manager	Country	Cost £m
DomusVi*	Operator of retirement homes	ICG	France	17.6
Visma*	Provider of accounting software and accounting outsourcing services	ICG	Norway	9.9
Yudo	Manufacturer of components for injection moulding	ICG	South Korea	8.2
Gerflor**	Manufacturer of vinyl flooring for professional, sports and residential applications	ICG	France	6.9
YSC	Provider of leadership consulting and management assessment services	Graphite Capital	UK	6.6
Compass Community	Provider of fostering services and children's residential care	Graphite Capital	UK	5.4
Random42	Provider of medical animation and digital media services to the healthcare and pharmaceutical industry	Graphite Capital	UK	5.2
Allegro	Operator of an online marketplace and price comparison website	Cinven/Permira	Poland	2.2
PSB Academy	Provider of private tertiary education	ICG	Singapore	2.1
Park Holidays	Operator of caravan parks	ICG	UK	1.9
Total of 10 largest underlying new investments				**66.0**
Total new investment				**141.9**

* Represents additional investment via co-invest alongside and fund holding in ICG Europe Fund VI; both investments were already in the portfolio at 31 January 2017.

** Represents a secondary position via ICG Recovery Fund 2008B; Gerflor was already in the portfolio at 31 January 2017.

Selective new commitments to both existing and new manager relationships

We completed eight new third-party fund commitments and increased the commitment to ICG Strategic Secondaries Fund II resulting in a total of £110m of primary fund commitments in the year (31 January 2017: £118m). Four of the new third-party funds were raised by managers we have backed successfully for many years (CVC, PAI, TH Lee and Hollyport), while four are new to the Portfolio (New Mountain, Oak Hill, Leeds and HgCapital). Three of the new manager relationships (New Mountain, Oak Hill, and Leeds) are focused on the US mid to upper mid-market reflecting our strategic objective to increase exposure to this important market.

All new commitments are to established managers with successful track records of investing and adding value through cycles and with a bias towards high quality, defensive businesses. We believe that focusing on the most established managers in developed markets reduces risk and leads to more consistent and less volatile returns.

Both the Oak Hill IV and Leeds VI funds had already invested in several portfolio companies, giving us good visibility into the underlying portfolios and opportunities for immediate cash deployment as well as early valuation gains. In the case of Oak Hill IV, the fund recently announced the sale of a portfolio company for a multiple of 3x cost, returning 43% of capital deployed to that fund to date. Situations such as this, known as "late primary" investments, suit our style of investing by applying our bottom-up, underlying company focused due diligence style and help us to deploy capital more efficiently. In the last two years, we have completed 18 new fund commitments of which six were late primary investments.

The £8m increase in commitment to the ICG Strategic Secondaries Fund II is a further example of a late primary investment, with the demonstrable progress of the existing portfolio making the fund a compelling opportunity. To date, the fund has completed six transactions at highly attractive valuations of 6x to 7x EBITDA. The total commitment to this fund is now $35m, with a further $15m co-invested alongside the fund in one of its transactions.

A modest increase in valuation multiples

Within the largest 30 companies, the valuation multiple has increased to 10.6x, up from 9.7x at the start of the year. This increase has been driven by a combination of a change in the mix and overall weightings of the largest underlying companies and a modest increase in aggregate multiples overall. Looking across the wider portfolio, the aggregate valuation multiples are in-line with our largest 30 companies.

The net debt/EBITDA ratio of the largest 30 companies increased to 4.2x from 3.6x, a result of the change of mix and weightings of the underlying companies.

Focus on mid-market companies

Our strategy is focused exclusively on the buyout segment of the private equity market, in which target companies are almost invariably established, profitable and cash generative. The Portfolio is biased towards the mid-market (48%) and large deals (43%), which we view as more defensive, benefiting from experienced management teams and often leading market positions. In contrast, we view small companies as tending to be more vulnerable to economic cycles and we believe our focus on mid-market and larger deals offers the best balance of risk and reward.

Exposure to US increasing

The Portfolio is focused on developed private equity markets: primarily continental Europe (40%), the UK and the US, with almost no emerging markets exposure. In line with one of our strategic objectives, our weighting to the US increased to 22% from 14% at the time of the move to ICG two years ago while the UK bias has reduced to 35% from 45% over the same period.

We expect both of these trends to gather pace as the benefits of being part of ICG's global alternative asset manager platform are further realised. We have a three to five year target to increase the US focus to 30% – 40% of the Portfolio. The US is the largest and most developed private equity market in the world, and we believe will provide the Portfolio with attractive returns and further geographic diversification.

Sector bias towards growth sectors

The Portfolio is weighted towards sectors that primarily have non-cyclical drivers, such as demographics, with 22% of the Portfolio invested in healthcare and education and 16% in business services. The remainder of the portfolio is broadly spread across the industrial (17%), consumer goods and services (15%), leisure (12%) and TMT (10%) sectors.

Attractive and well-balanced vintage year exposure

The Portfolio has an attractive maturity profile which balances near-term realisation prospects with a strong pipeline of medium to longer-term growth.

Investments completed in 2014 or earlier, which are more likely to generate gains from realisations in the shorter-term, represent 45% of the Portfolio. Against this, 55% of value is in investments made between 2015 and 2017, providing the Portfolio with medium to longer term growth as value created within these businesses translates into gains.
Within the more mature holdings, relatively little value remains in companies acquired before 2008, with this category falling from 13% to 3% in the year.

Balance sheet and financing

Strong balance sheet and positive financing outlook

The exceptionally high level of proceeds of £227m far outweighed capital deployed of £142m, and after allowing for dividends, buybacks and expenses resulted in an increase in cash balances to £78m from £39m a year earlier.

Undrawn commitments of £321m provide the Company with a robust medium-term investment pipeline. With total liquidity of £182m, including the undrawn bank facility, commitments therefore exceeded liquidity by 21% of net asset value. This remains within the Company's historical conservative parameters.

	31 Jan 2018	31 Jan 2017
Portfolio	£601m	£594m
Cash	£78m	£39m
Net liabilities	(£15m)	(£20m)
Net assets	**£664m**	**£613m**
Outstanding commitments	£321m	£300m
Total available liquidity (including facility)	£182m	£142m
Overcommitment (including facility)	£139m	£159m
Overcommitment %	21%	26%

Commitments are typically drawn down over a period of four to five years with approximately 10% – 15% retained at the end of the investment period to fund follow-on investments and expenses. If outstanding commitments were to follow a linear investment pace to the end of their respective remaining investment periods, we estimate that approximately £80m would be called over the next 12 months. This leaves significant available capital for high conviction investments over and above those that will be made by our underlying funds.

In managing the Company's balance sheet our objective is to be broadly fully invested through the cycle while ensuring that we have sufficient liquidity to be able to take advantage of attractive investment opportunities as they arise. We do not intend to be geared other than, potentially, for short-term working capital purposes.

Outlook

Continued investment activity and a strong pipeline of new opportunities

Since the year end, the Portfolio has continued to benefit from the favourable exit environment, with £18m of proceeds received in the two months to 31 March 2018. Against this, we have paid £17m of calls and have recently committed £30m to Graphite Capital IX and €40m to ICG Europe VII, ICG's latest European mezzanine and equity fund.

Portfolio well positioned to generate significant shareholder value

We have a high quality Portfolio with strong underlying profit growth and realisation activity continuing to drive performance across the Portfolio.

Against the current backdrop of a favourable exit environment, continuing geopolitical uncertainties and increasing volatility, we remain cautious in deploying the high levels of cash generated by the Portfolio. Our flexible mandate allows us to be patient and selective, adapting the Portfolio mix to market conditions and where we see the best relative value in our high conviction portfolio. We remain focused on investing in the highest quality defensive businesses and situations where we have clear visibility on performance drivers.

We have a strong pipeline of new opportunities and believe the Portfolio is well positioned to continue to generate significant shareholder value.

Private Equity Funds Investment Team

Supplementary information

This section presents supplementary information regarding the Portfolio (see Manager's Review and the Glossary for further details and definitions).

The 30 largest underlying companies

The table below presents the 30 companies in which ICG Enterprise had the largest investments by value at 31 January 2018. 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.

	Company	Manager	Year of investm ent	Country	Value as a % of portfolio
1	**City & County Healthcare Group** Provider of home care services	Graphite Capital	2013	UK	3.5%
2	**DomusVi** [1 / 2] Operator of retirement homes	ICG	2017	France	2.9%
3	**Visma** [1] Provider of accounting software and accounting outsourcing services	ICG & Cinven	2014 & 2017	Europe	2.5%
4	**Gerflor** [2] Manufacturer of vinyl flooring	ICG	2011	France	2.2%
5	**Education Personnel** [1 / 2] Provider of temporary staff for the education sector	ICG	2014	UK	2.2%
6	**David Lloyd Leisure** [1] Operator of premium health clubs	TDR Capital	2013	UK	2.1%
7	**Roompot** [1] Operator and developer of holiday parks	PAI Partners	2016	Netherlands	2.1%
8	**nGAGE** Provider of recruitment services	Graphite Capital	2014	UK	2.0%
9	**PetSmart** [1] Retailer of pet products and services	BC Partners	2015	USA	1.9%
10	**ICR Group** Provider of repair and maintenance services to the energy industry	Graphite Capital	2014	UK	1.7%
11	**Froneri** [1 / 2] Manufacturer and distributor of ice cream products	PAI Partners	2013	UK	1.7%
12	**System One** [1] Provider of specialty workforce solutions	TH Lee	2016	USA	1.6%
13	**Beck & Pollitzer** Provider of industrial machinery installation and relocation	Graphite Capital	2016	UK	1.6%
14	**The Laine Pub Company** [1] Operator of pubs and bars	Graphite Capital	2014	UK	1.6%
15	**Skillsoft** [1] Provider of off the shelf e-learning content	Charterhouse	2014	USA	1.5%
16	**Frontier Medical** [1] Manufacturer of medical devices	Kester Capital	2013	UK	1.5%

	Company	Manager	Year of investm ent	Country	Value as a % of portfolio
17	**TMF** [2] Provider of management and accounting outsourcing services	Doughty Hanson	2008	Netherlands	1.5%
18	**Yudo** [1] Manufacturer of components for injection moulding	ICG	2018	South Korea	1.4%
19	**Cambium** [2] Provider of educational solutions and services	ICG	2016	USA	1.3%
20	**Swiss Education** [1] Provider of hospitality training	Invision Capital	2015	Switzerland	1.2%
21	**YSC** Provider of leadership consulting and management assessment services	Graphite Capital	2017	UK	1.1%
22	**New World Trading Company** Operator of distinctive pub restaurants	Graphite Capital	2016	UK	1.1%
23	**U-POL** [2] Manufacturer and distributor of automotive refinishing products	Graphite Capital	2010	UK	1.0%
24	**Cognito** [1] Supplier of communications equipment, software & services	Graphite Capital	2002	UK	1.0%
25	**Compass Community** Provider of fostering services and children's residential care	Graphite Capital	2017	UK	0.9%
26	**Random42** Provider of medical animation and digital media services	Graphite Capital	2017	UK	0.9%
27	**Ceridian** [1] Provider of payment processing services	TH Lee	2007	USA	0.8%
28	**Odgers** [1] Provider of recruitment services	Graphite Capital	2009	UK	0.6%
29	**Minimax** [2] Supplier of fire protection systems and services	ICG	2014	Germany	0.6%
30	**CeramTec** Manufacturer of high performance ceramics	Cinven	2013	Germany	0.6%
Total of the 30 largest underlying investments					**46.6%**

[1] All or part of this investment is held directly as a co-investment or other direct investment.

[2] All or part of this investment was acquired as part of a secondary purchase.

The 30 largest fund investments

The table below presents the 30 largest funds by value at 31 January 2018. The valuations are net of any carried interest provision.

	Fund	Year of Commitment	Country/ Region	Value £m	Outstanding Commitment £m
1	**Graphite Capital Partners VIII** [1] Mid-market buyouts	2013	UK	74.8	26.6
2	**ICG Europe VI** [2] Mezzanine and equity in mid-market buyouts	2015	Europe	21.6	4.6
3	**BC European Capital IX** [2] Large buyouts	2011	Europe/USA	20.5	0.8
4	**Fifth Cinven Fund** Large buyouts	2012	Europe	16.0	1.6
5	**CVC European Equity Partners VI** Large buyouts	2013	Europe/USA	15.8	2.2
6	**CVC European Equity Partners V** [2] Large buyouts	2008	Europe/USA	12.8	0.4
7	**Graphite Capital Partners VII** [1/2] Mid-market buyouts	2007	UK	12.6	4.7
8	**ICG Strategic Secondaries Fund II** Secondary fund recapitalisations	2016	Europe/USA	12.0	16.2
9	**Permira V** Large buyouts	2013	Europe/USA	10.9	0.6
10	**Thomas H Lee Equity Fund VII** Mid-market and large buyouts	2015	USA	10.8	6.1
11	**ICG Velocity Partners Co-Investor** [2] Mid-market buyout fund recapitalisations	2016	USA	10.7	2.0
12	**Thomas H Lee Parallel Fund VI** Mid-market and large buyouts	2007	USA	10.0	1.0
13	**One Equity Partners VI** Mid-market buyouts	2016	Europe/USA	9.4	2.1
14	**PAI Europe VI** Mid-market and large buyouts	2013	Europe	9.4	6.7
15	**TDR Capital III** Mid-market and large buyouts	2013	Europe	8.8	3.1
16	**Egeria Private Equity Fund IV** Mid-market buyouts	2012	Netherlands	8.7	2.0
17	**Doughty Hanson & Co V** [2] Mid-market and large buyouts	2006	Europe	8.6	6.7
18	**Hollyport Secondary Opportunities V** Tail-end secondary portfolios	2015	Global	8.5	2.3
19	**ICG Europe V** [2] Mezzanine and equity in mid-market buyouts	2012	Europe	8.4	0.9
20	**Activa Capital Fund III** Mid-market buyouts	2013	France	8.0	5.9

Fund		Year of Commitment	Country/ Region	Value £m	Outstanding Commitment £m
21	**IK VII** Mid-market buyouts	2013	Europe	7.9	0.4
22	**ICG European Fund 2006 B**[2] Mezzanine and equity in mid-market buyouts	2014	Europe	7.5	2.1
23	**Graphite Capital Partners VI** [2] Mid-market buyouts	2003	UK	7.5	2.1
24	**Bowmark Capital Partners IV** Mid-market buyouts	2007	UK	7.5	-
25	**Deutsche Beteiligungs Fund VI** Mid-market buyouts	2012	Germany	7.4	1.2
26	**Nordic Capital Partners VIII** Mid-market and large buyouts	2013	Europe	7.4	1.9
27	**ICG Asia Pacific Fund III** Mezzanine and equity in mid-market buyouts	2016	Asia Pacific	5.9	5.4
28	**Advent Global Private Equity VIII** Large buyouts	2016	Europe/USA	5.8	7.2
29	**Activa Capital Fund II** Mid-market buyouts	2007	France	5.6	1.9
30	**Gridiron Capital Fund III** Mid-market buyouts	2016	USA	5.6	5.4
Total of the largest 30 fund investments				**366.4**	**124.1**
Percentage of total investment Portfolio				61.0%	

[1] Includes the associated Top Up funds.
[2] All or part of an interest acquired through a secondary fund purchase.

Portfolio analysis

Closing Portfolio by value at 31 January 2018

Portfolio by investment type	% of value of underlying investments
Mid-market buyouts	48.1%
Large buyouts	42.4%
Small buyouts	8.2%
Other	1.3%
Total	**100.0%**

Portfolio by calendar year of investment	% of value of underlying investments
2018	2.1%
2017	19.3%
2016	20.9%
2015	12.9%
2014	17.8%
2013	12.4%
2012	3.3%
2011	2.4%
2010	2.2%
2009	1.2%
2008	2.1%
2007	1.3%
2006 and before	2.1%
Total	**100.0%**

Portfolio by sector	% of value of underlying investments
Healthcare and education	22.4%
Industrials	17.4%
Business services	15.6%
Consumer goods and services	14.7%
Leisure	12.1%
TMT	10.2%
Financials	4.9%
Other	2.7%
Total	**100.0%**

Portfolio by geographic distribution based on location of company headquarters	% of value of underlying investments
Europe	40.0%
UK	35.2%
North America	21.8%
Rest of world	3.0%
Total	**100.0%**

Commitments analysis

The following tables analyse commitments at 31 January 2018. Original commitments are translated at 31 January 2018 exchange rates.

Total undrawn commitments

	Original commitment £'000	Outstanding commitment £'000	Average drawdown percentage	% of commitments
Investment period not commenced	35,962	35,962	0.0%	11.2%
Funds in investment period	483,217	231,466	52.1%	72.1%
Funds post investment period	678,006	53,738	92.1%	16.7%
Total	**1,197,185**	**321,166**	**73.2%**	**100.0%**

Movement in outstanding commitments in year ended 31 January 2018	£m
As at 1 February 2017	300.3
New primary commitments	109.9
New commitments relating to co-investments and secondary purchases	9.5
Drawdowns	(99.3)
Currency and other movements	0.8
As at 31 January 2018	**321.2**

New commitments during the year to 31 January 2018

Fund	Strategy	Geography	£m
Primary commitments			
PAI VII	Mid-market and large buyouts	Europe	22.0
CVC VII	Large buyouts	Europe/USA	20.9
THLee VIII	Mid-market and large buyouts	USA	14.9
Oak Hill IV	Mid-market buyouts	USA	12.0
New Mountain V	Mid and large market buyouts	USA	11.5
ICG Strategic Secondaries II	Secondary fund recapitalisations	Europe/USA	8.0
Hollyport VI	Tail-end secondary portfolios	Global	7.6
Leeds VI	Mid-market buy-outs	USA	7.5
Hg Capital 8	Mid-market buy-outs	Europe	5.5
Total primary commitments			109.9
Commitments relating to co-investments and secondary investments			9.5
Total new commitments			**119.4**

Currency exposure

Portfolio[1]	31 January 2018 £m	31 January 2018 %	31 January 2017 £m	31 January 2017 %
Sterling	235.8	39.3	269.1	45.3
Euro	174.3	29.0	156.5	26.3
US Dollar	119.6	19.9	115.4	19.4
Other European	49.8	8.3	41.5	7.0
Other	21.2	3.5	11.8	2.0
Total	**600.7**	**100.0**	**594.3**	**100.0**

[1] Currency exposure is calculated by reference to the location of the underlying Portfolio companies' headquarters.

Outstanding commitments	31 January 2018 £m	31 January 2018 %	31 January 2017 £m	31 January 2017 %
– Sterling	63.2	19.7	77.5	25.8
– Euro	170.0	52.9	166.2	55.4
– US Dollar	86.1	26.8	54.5	18.1
– Other European	1.9	0.6	2.1	0.7
Total	**321.2**	**100.0**	**300.3**	**100.0**

Principal Risks and uncertainties

Risk management

The Board is responsible for risk management and determining the overall risk appetite. The Audit Committee assesses and monitors the risk management framework and specifically reviews the controls and assurance programmes in place.

The Board accepts a level of investment risk to achieve its targeted returns. There is a very low tolerance for financing risk with the aim to ensure that even under the most severe stress scenario, the Company is likely to meet its funding requirements and financial obligations. Similarly, there is a very low risk tolerance with respect to legal, taxation and regulatory risk.

Principal risks and uncertainties

The execution of the Company's investment strategy is subject to risk and uncertainty and the Board and Manager have identified a number of principal risks to the Company's business. A comprehensive risk assessment process is undertaken regularly to re-evaluate the impact and probability of each risk materialising and the financial or strategic impact of the risk. Where the residual risk is determined to be outside of appetite, appropriate action is taken. Further information on risk factors are set out on pages 35 to 39 of the Financial Statements.

Risk	Mitigation
Investment	
Investment performance The Manager selects the fund investments and direct co-investments for the Company's Portfolio. The underlying managers of those funds in turn select individual investee companies. The origination, investment selection and management capabilities of both the Manager and the third-party managers are therefore key to the performance of the Company.	The Manager has a highly selective investment approach and disciplined process. Further, the Company's Portfolio is diversified reducing the likelihood of a single investment decision impacting portfolio performance. ICG Enterprise's investment committee within the Manager comprises a balance of skills and perspectives.
Valuation By valuing its investments in private equity funds and unquoted companies and publishing its NAV, the Company relies to a significant extent on the accuracy of financial and other information provided by these funds and companies to the Manager. There is the potential for inconsistency in the valuation methods adopted by the managers of these funds and companies.	The Manager carries out a formal valuation process involving a quarterly review of third-party valuations, verification of the latest audited reports, as well as a review of any potential adjustments that are required to ensure the valuation of the underlying investments are in accordance with the fair market value principles required under International Financial Reporting Standards ("IFRS").
Political and macroeconomic uncertainty Political and macroeconomic uncertainty, including impacts from the EU referendum or similar scenarios, could impact the environment in which the Company, and its investment portfolio companies, operate.	The Manager actively monitors these developments, with the support of a dedicated in-house economist and professional advisers where appropriate, to ensure it is prepared for any potential impacts.

Risk	Mitigation
Private equity sector The private equity sector could fall out of favour with investors leading to a reduction in demand for the Company's shares and a widening of the Company's discount. This has the potential to damage the Company's reputation and cause shareholder dissatisfaction.	Private equity has outperformed public markets over the long term and it has proved to be an attractive asset class through various cycles. The Manager is active in marketing the Company's shares to a wide variety of investors to ensure the market is informed about the Company's performance and investment proposition. The Board monitors the discount to NAV and considers appropriate solutions to address any ongoing or substantial discount to NAV, including share buybacks.
Operational	
Regulatory, legislative and taxation compliance Failure by the Manager to comply with relevant regulation and legislation could have an adverse impact on the Company. This includes the Corporation Tax Act 2010, the Companies Act, the Alternative Investment Fund Managers Directive, accounting standards, investment trust regulations and the Listing Rules and Disclosure Guidance and Transparency Rules.	The Board is responsible for ensuring the Company's compliance with all applicable regulations. Monitoring of this compliance, and regular reporting to the Board thereon, has been delegated to the Manager. The Manager's in-house legal counsel provides regular updates to the Board covering relevant changes to legislation and regulation.
People Loss of a key investment professional at the Manager could impair the Company's ability to deliver its investment strategy if replacements are not found in a timely manner.	The Manager regularly updates the Board on team developments. The Manager's compensation policy is designed to minimise turnover of key people and historically turnover has been low. In addition, the senior investment professionals are required to co-invest alongside the Company for which they are entitled to a share of investment profits if performance hurdles are met.
The Manager and other third party advisers The Company is dependent on third parties for the provision of all systems and services (in particular, those of the Manager, the Administrator and the Depository) and any control failures and gaps in these systems and services could result in a loss or damage to the Company.	The Audit Committee formally assesses the internal controls of the Manager, the Administrator and Depositary on an annual basis. The assessment in respect of the current year is discussed in the Report of the Audit Committee. The Management Agreement is subject to a notice period that is designed to provide the Board with adequate time to put in place alternative arrangements.
Information security The Company is dependent on effective information technology systems at both the Manager and Administrator. These systems support key business functions and are an important means of safeguarding sensitive information. Any significant disruption to these IT systems, including breaches of data confidentiality or cybersecurity, could result in, among other things, financial losses, in inability to perform business critical functions, regulatory censure, legal liability and reputational damage.	Application of the Manager's and Administrator's information security policies is supported by a governance structure and a risk framework that allows for the identification, control and mitigation of technology risks. The adequacy of the systems and controls the Manager and Administrator has in place to mitigate the technology risks is continuously monitored and subject to regular testing. The effectiveness of the framework is periodically assessed.

Risk	Mitigation
Financial (Credit and liquidity)	
Foreign exchange Foreign exchange The Company makes investments in US dollars, Euros and other currencies as well as Sterling. Accordingly, the movement in exchange rates between these currencies may have a material effect on the performance of the Company.	The Board regularly reviews the Company's exposure to currency risk and reconsiders possible hedging strategies on an annual basis. Furthermore, the Company's multi-currency bank facility permits the borrowings to be drawn in Euro's if required. At present the Company does not hedge its currency exposures.
Financing The Company has outstanding commitments in excess of total liquidity to private equity funds that may be drawn down at any time. The ability to fund this difference is dependent on receiving cash proceeds from investments (the timing of which are unpredictable) and the availability of financing facilities. There is a risk the Company will encounter difficulties in meeting its outstanding commitments.	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 co-investments and secondary investments, which are discretionary, to preserve liquidity for funding its commitments. The Company could also dispose of assets. The total available liquidity as at 31 January 2018 stood at £182m, comprising £78m in cash balances and £104m in undrawn bank facilities. As a result, the available financing along with the private equity portfolio exceeded the outstanding commitments by a factor of 2.4 times.

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 (IFRS) 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 IFRS 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 the group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the company and the group 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, confirm that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with IFRS 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

Jeremy Tigue
Chairman

23 April 2018

Income statement (unaudited)

		Year to 31 January 2018			Year to 31 January 2017		
	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	8	22,257	60,124	82,381	9,892	105,194	115,086
Deposit interest		59	–	59	242	–	242
Other income		70	–	70	17	–	17
Foreign exchange gains and losses		–	826	826	–	2,993	2,993
		22,386	**60,950**	**83,336**	**10,151**	**108,187**	**118,338**
Expenses							
Investment management charges	4	(1,791)	(5,374)	(7,165)	(1,552)	(4,657)	(6,209)
Other expenses		(1,659)	(1,075)	(2,734)	(1,638)	(1,145)	(2,783)
		(3,450)	**(6,449)**	**(9,899)**	**(3,190)**	**(5,802)**	**(8,992)**
Profit before tax		**18,936**	**54,501**	**73,437**	**6,961**	**102,385**	**109,346**
Taxation	5	(2,435)	2,294	(141)	(1,184)	787	(397)
Profit for the year		**16,501**	**56,795**	**73,296**	**5,777**	**103,172**	**108,949**
Attributable to:							
Equity shareholders		**16,501**	**56,795**	**73,296**	**5,777**	**103,172**	**108,949**
Basic and diluted earnings per share	6			105.56p			153.43p

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, in line with the Statement of Recommended Practice for Financial Statements of Investment Trust Companies and Venture Capital Trusts issued by the Association of Investment Companies. There is no Other Comprehensive Income.

Balance sheet (unaudited)

	Notes	31 January 2018 £'000	31 January 2017 £'000
Non-current assets			
Investments held at fair value			
Unquoted investments	8	478,362	491,099
Quoted investments	8	1,733	364
Subsidiary investments	8	96,392	80,718
		576,487	**572,181**
Current assets			
Cash and cash equivalents		78,389	38,522
Receivables	9	10,410	2,384
		88,799	**40,906**
Current liabilities			
Payables	10	963	354
Net current assets		87,836	40,552
Total assets less current liabilities		**664,323**	**612,733**
Capital and reserves			
Share capital	11	7,292	7,292
Capital redemption reserve		2,112	2,112
Share premium		12,936	12,936
Capital reserve		630,738	581,753
Revenue reserve		11,245	8,640
Total equity		**664,323**	**612,733**
Net asset value per share (basic and diluted)	**12**	**959.1p**	**871.0p**

Cash flow statement (unaudited)

	Notes	Year to 31 January 2018 £'000	Year to 31 January 2017 £'000
Operating activities			
Sale of portfolio investments		147,888	50,338
Purchase of portfolio investments		(99,601)	(102,621)
Interest income received from portfolio investments		15,967	7,263
Dividend income received from portfolio investments		6,230	2,629
Other income received		129	259
Investment management charges paid		(7,090)	(6,143)
Other expenses paid		(1,456)	(1,380)
Net cash inflow/(outflow) from operating activities		**62,067**	**(49,655)**
Financing activities			
Bank facility fee		(1,320)	(1,089)
Purchase of shares into treasury		(7,810)	(6,201)
Equity dividends paid	7	(13,896)	(11,357)
Net cash outflow from financing activities		**(23,026)**	**(18,647)**
Net increase/(decrease) in cash and cash equivalents		**39,041**	**(68,302)**
Cash and cash equivalents at beginning of year		38,522	103,831
Net increase/(decrease) in cash and cash equivalents		39,041	(68,302)
Effect of changes in foreign exchange rates		826	2,993
Cash and cash equivalents at end of year		**78,389**	**38,522**

Statement of changes in equity (unaudited)

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 2018							
Opening balance at 1 February 2017	7,292	2,112	12,936	355,946	225,807	8,640	612,733
Profit for the year and total comprehensive income	–	–	–	(34,586)	91,381	16,501	73,296
Dividends paid or approved	–	–	–	–	–	(13,896)	(13,896)
Purchase of shares into treasury	–	–	–	(7,810)	–	–	(7,810)
Closing balance at 31 January 2018	**7,292**	**2,112**	**12,936**	**313,550**	**317,188**	**11,245**	**664,323**

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 2017							
Opening balance at 1 February 2016	7,292	2,112	12,936	363,325	121,457	14,220	521,342
Profit for the year and total comprehensive income	–	–	–	(1,178)	104,350	5,777	108,949
Dividends paid or approved	–	–	–	–	–	(11,357)	(11,357)
Purchase of shares into treasury	–	–	–	(6,201)	–	–	(6,201)
Closing balance at 31 January 2017	**7,292**	**2,112**	**12,936**	**355,946**	**225,807**	**8,640**	**612,733**

Notes to the financial statements (unaudited)

1) General information

These financial statements relate to ICG Enterprise Trust plc ("the Company"). ICG Enterprise Trust plc is registered in England and Wales and domiciled in England. The registered office is Juxon House, 100 St Paul's Churchyard, London EC4M 8BU. The Company's objective is to provide shareholders with long term capital growth through investment in unquoted companies, mostly through private equity funds but also directly.

2) Unaudited financial report

This financial report does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year to 31 January 2017 were approved by the Board of Directors on 4 May 2017 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statements under section 498(2) or (3) of the Companies Act 2006.

Statutory accounts for the year to 31 January 2018 will be delivered to the Registrar of Companies following the Company's Annual General Meeting which will be held at The Wren Suite, St Paul's Cathedral at 3.00pm on 18 June 2018.

3) Basis of preparation

The financial information for the year ended 31 January 2018 has been prepared in accordance with the Companies Act 2006 as applicable to companies using International Financial Reporting Standards ("IFRS") and the Statement of Recommended Practice ("SORP") as amended in November 2014 and updated in January 2017 with consequential amendments issued by the Association of Investment Companies.

IFRS comprises standards and interpretations approved by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee as adopted in the European Union as at 31 January 2018.

These financial statements have been prepared on a going concern basis and on the historical cost basis of accounting, modified for the revaluation between items of 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 certain assets at fair value.

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 Recommended Practice for investment trusts issued by the Association of Investment Companies in November 2014. The following requirements of the SORP have been followed:

- The income statement shows a revenue column and a capital column prepared in accordance with the guidance per the SORP.
- 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(i).

In accordance with IFRS 10 (amended), the Company is deemed to be an investment entity on the basis that:

(a) it obtains funds from one or more investors for the purpose of providing investors with investment management services;

(b) it commits to its investors that its business purpose is to invest funds for both returns from capital appreciation and, investment income; and

(c) it measures and evaluates the performance of substantially all of its investments on a fair value basis.

As a result, the Company's subsidiaries are included in unquoted investments at fair value as the subsidiaries are also deemed to be investment entities.

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. Given that the subsidiaries and associates are held at fair value and are exposed to materially similar risks as the Company, we do not expect the risks to materially differ from those disclosed in note 13.

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 Graphite Capital Management LLP (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. At 31 January 2018, the accrual was estimated as the theoretical value of the interests if the portfolio had been sold at the carrying value at that date.

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.

The Company holds an interest (including indirectly through its subsidiaries) of more than 20% in a small number of investments that may normally be classified as subsidiaries or associates. These investments are not considered subsidiaries or associates as the Company does not exert control or significant influence over the activities of these companies/partnerships as they are managed by other third parties.

4) Investment Management charges

Management fees amounted to 1.12% (2017:1.10%) of the average net assets in the period. The management fee charged for managing the Company remains at 1.4% (2017: 1.4%) of the fair value of invested assets and 0.5% (2017: 0.5%) of outstanding commitments, in both cases excluding funds managed by Graphite Capital Management LLP and ICG. No fee is charged on cash or liquid asset balances. The allocation of the total investment management charge was unchanged in 2018 with 75% of the total allocated to capital and 25% allocated to revenue.

The amounts charged during the year are set out below.

	Year ended 31 January 2018			Year ended 31 January 2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management charge	1,791	5,374	7,165	1,552	4,657	6,209

The table below sets out the management charges that the Company has borne in respect of its investments in funds managed by members of the ICG Group on an arms length basis.

	Year ended 31 January 2018 £'000	Year ended 31 January 2017 £'000
ICG Europe Fund VI	234	299
ICG Europe Fund V	100	320
ICG Europe Fund 2006B	54	94
ICG Recovery Fund 2008B	59	–
ICG Strategic Secondaries Fund II	469	185
ICG Velocity Partners Co-investor	143	115
ICG Asia Pacific III	272	124
	1,331	1,137

5) 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 20% to 19% with effect from 1 April 2017. Accordingly the Company's profits for the year ended 31 January 2018 are taxed at an effective rate of 19.16%. The effect of this and other items affecting the tax charge is shown in note 5(b) below.

	Year ended 31 January 2018 £'000	Year ended 31 January 2017 £'000
a) Analysis of charge in the year		
Tax charge on items allocated to revenue	2,435	787
Tax charge on items relating to prior years	–	397
Total tax charge allocated to revenue	2,435	1,184
Tax credit on items allocated to capital	(2,294)	(787)
Corporation tax	141	397
b) Factors affecting tax charge for the year		
Profit on ordinary activities before tax	73,437	109,346
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.16% (2017: 20%)	14,072	21,869
Effect of:		
– net investment returns not subject to corporation tax	(11,679)	(21,637)
– dividends not subject to corporation tax	(1,194)	(526)
– current year management expenses (utilised)/not utilised	(1,058)	294
– overseas tax suffered	–	397
Total tax charge	141	397

The Company has no carried forward excess management expenses (2017: £5.5m). There are no carried forward deferred tax assets or liabilities (2017: 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.

The total tax charge in the prior year relates to the write off of irrecoverable Italian withholding tax previously recognised on the balance sheet.

6) Earnings per share

	Year ended 31 January 2018	Year ended 31 January 2017
Revenue return per ordinary share	23.76p	8.13p
Capital return per ordinary share	81.80p	145.30p
Earnings per ordinary share (basic and diluted)	105.56p	153.43p

Revenue return per ordinary share is calculated by dividing the revenue return attributable to equity shareholders of £16.5m (2017: £5.8m) 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 £56.8m (2017: £103.2m) 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 £73.3m (2017: £108.9m) 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 69,435,737 (2017: 71,010,218). There were no potentially dilutive shares, such as options or warrants, in either year.

7) Dividends

	Year ended 31 January 2018 £'000	Year ended 31 January 2017 £'000
Interim in respect of year ended 31 January 2017: 10.0p per share	–	7,077
Final in respect of year ended 31 January 2017: 10.0p (PY: 6.0p) per share	6,960	4,280
Interim in respect of year ended 31 January 2018: 10.0p per share	6,936	–
Total	13,896	11,357

The Company paid an interim dividend of 5.0p per share in March 2018. The Board has proposed a final dividend of 6.0p per share (totalling £4,155,723) in respect of the year ended 31 January 2018 which, if approved by shareholders, will be paid on 13 July 2018, to shareholders on the register of members at the close of business on 22 June 2018.

8) 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.

Investments are held by both the Company and through the underlying subsidiary Partnerships. The subsidiary Partnerships hold investments which are eligible for the co-investment incentive scheme. An analysis of gains and losses on a looking-through legal structure on an underlying investment basis is presented in the Supplementary Information.

	Quoted £'000	Unquoted £'000	Subsidiary Undertakings £'000	Total £'000
Cost at 1 February 2017	432	333,579	40,281	374,292
Unrealised appreciation at 1 February 2017	(68)	157,520	40,437	197,889
Valuation at 1 February 2017	364	491,099	80,718	572,181
Movements in the year:				
Purchases at cost	1,983	97,976	11,029	110,988
Transfer of instrument to level 1	469	(469)	–	–
Sales				
– capital proceeds	(932)	(165,874)	–	(166,806)
– realised gains and losses based on carrying value at previous balance sheet date	(69)	(31,188)	–	(31,257)
Movement in unrealised appreciation	(82)	86,818	4,645	91,381
Valuation at 31 January 2018	1,733	478,362	96,392	576,487
Cost at 31 January 2018	1,552	338,539	51,310	391,401
Unrealised appreciation at 31 January 2018	181	139,823	45,082	185,086
Valuation at 31 January 2018	1,733	478,362	96,392	576,487

Cost at 1 February 2016	–	264,466	28,184	292,650
Unrealised appreciation at 1 February 2016	–	92,473	28,984	121,457
Valuation at 1 February 2016	–	356,939	57,168	414,107
Movements in the year:				
Purchases at cost	460	102,161	12,097	114,718
Sales				
– capital proceeds	(29)	(61,809)	–	(61,838)
– realised gains and losses based on carrying value at previous balance sheet date	–	844	–	844
Movement in unrealised appreciation	(67)	92,964	11,453	104,350
Valuation at 31 January 2017	364	491,099	80,718	572,181
Cost at 31 January 2017	432	333,579	40,281	374,292
Unrealised appreciation at 31 January 2017	(68)	157,520	40,437	197,889
Valuation at 31 January 2017	364	491,099	80,718	572,181

	31 January 2018 £'000	31 January 2017 £'000
Realised gains based on cost	72,927	28,762
Amounts recognised as unrealised in previous years	(104,184)	(27,918)
Realised gains based on carrying values at previous balance sheet date	(31,257)	844
Increase in unrealised appreciation	91,381	104,350
Gains on investments	60,124	105,194

Related undertakings

At 31 January 2018, the Company held interests in three limited partnership subsidiaries, ICG Enterprise Trust Limited Partnership, ICG Enterprise Trust (2) Limited Partnership, and ICG Enterprise Trust Co-investment Limited Partnership. The value of these interests represented 94%, 70%, and 69% (2017: 89%, 70% and 100%) respectively of the net assets of each partnership at the balance sheet date. The registered address and principal place of business of the 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:

As at 31 January 2018

Investment	Instrument	% interest*
Cognito IQ Limited^	Preference shares	44.0%
Cognito IQ Limited^	Ordinary shares	36.1%
CSP Secondary Opportunities II Unit Trust**	Limited partnership interests	59.7%
Graphite Capital Partners VI+	Limited partnership interests	20.8%
Graphite Capital Partners VII Top Up Plus+	Limited partnership interests	20.0%
Graphite Capital Partners VIII Top Up+	Limited partnership interests	41.1%
The Groucho Club Limited***	Ordinary shares	21.6%
The Laine Pub Company Limited****	Preference shares	42.6%
The Laine Pub Company Limited****	Ordinary shares	32.4%

As at 31 January 2017

Investment	Instrument	% interest*
Cognito IQ Limited^	Preference shares	43.7%
Cognito IQ Limited^	Ordinary shares	34.1%
CSP Secondary Opportunities II Unit Trust**	Limited partnership interests	59.7%
Graphite Capital Partners VI+	Limited partnership interests	20.8%
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	65.8%
The Groucho Club Limited***	Ordinary shares	21.6%
The Laine Pub Company Limited****	Preference shares	42.6%
The Laine Pub Company Limited****	Ordinary shares	32.4%

* 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 Rivergate House, Newbury Business Park, London Road, Newbury, United Kingdom, RG14 2PZ.

** 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, United Kingdom, W1J 6BQ.

Address of principal place of business is Cleeve Court, Cleeve Rd, Leatherhead KT22 7SD.

*** Address of principal place of business is 45 Dean Street, London, England, W1D 4QB.

**** Address of principal place of business is Park House Crawley Business Quarter, Manor Royal, Crawley, West Sussex, United Kingdom, RH10 9AD.

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

9) Receivables - current

	31 January 2018 £'000	31 January 2017 £'000
Fund distribution receivable	6,095	–
Prepayments and accrued income	992	939
Subsidiary undertakings	3,323	1,445
	10,410	2,384

As at 31 January 2018, prepayments and accrued income included £0.5m (2017: £0.5m) of unamortised costs in relation to the bank facility. Of this amount £0.3m (2017: £0.3m) is expected to be amortised within 12 months from the Balance Sheet date.

10) Payables – current

	31 January 2018 £'000	31 January 2017 £'000
Accruals	464	354
Corporation tax payable	141	-
Fund capital call payables	358	–
	963	354

11) Share capital

Equity share capital	Number	Authorised Nominal £'000	Number	Issued and fully paid Nominal £'000
Balance at 31 January 2017 and 31 January 2018	120,000,000	12,000	72,913,000	7,292

All ordinary shares have a nominal value of 10.0p. At 31 January 2018, 72,913,000 shares had been allocated, called up and fully paid. Of this total, the Company held 3,650,945 shares in treasury (2017: 2,568,508) leaving 69,262,055 (2017: 70,344,492) shares outstanding, all of which have equal voting rights. The market value of the Company's ordinary shares at 31 March 1982 was 16p.

12) Net asset value per share

The net asset value per share is calculated on equity attributable to equity holders of £664.3m (2017: £612.7m) and on 69,262,055 (2017: 70,344,492) 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 959.1p (2017: 871.0p).

13) 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 2018	Sterling £'000	Euro £'000	USD £'000	Other £'000	Total £'000
Investments	266,602	219,281	83,700	6,904	576,487
Cash and cash equivalents and other net current assets	40,090	44,526	2,168	1,052	87,836
	306,692	263,807	85,868	7,956	664,323

31 January 2017	Sterling £'000	Euro £'000	USD £'000	Other £'000	Total £'000
Investments	274,454	223,854	66,694	7,179	572,181
Cash and cash equivalents and other net current assets	33,447	2,611	4,338	156	40,552
	307,901	226,465	71,032	7,335	612,733

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 £51.0m and £51.3m in the value of shareholders' equity at 31 January 2018 respectively (2017: £36.5m and £36.3m 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 £32.6m and £77.6m (2017: fall and rise of £18.9m and £60.6m based on 25% movement).

The effect of a 25% increase or decrease in the sterling value of the USD would be a fall and a rise of £27.8m and £29.3m in the value of shareholders' equity at 31 January 2018 respectively (2017: fall and a rise of £30.6m and £31.8m based on 25% movement). The effect of a 25% increase or decrease in the sterling value of the USD on profit after tax would be a fall and a rise of £7.9m and £53m (2017: fall and a rise of £12.5m and £54.2m based on 25% movement).

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. The percentages applied are reasonable based on the managers' expectation of potential changes in portfolio valuation in light of volatility in the market.

	31 January 2018		31 January 2017	
	Increase in variable £'000	Decrease in variable £'000	Increase in variable £'000	Decrease in variable £'000
30% (2017: 30%) movement in the price of investments				
Impact on profit after tax	202,759	(157,662)	199,156	(157,465)
Impact as a percentage of profit after tax	276.6%	(215.1%)	182.8%	(144.5%)
Impact on shareholders' equity	167,507	(169,018)	165,350	(168,413)
Impact as a percentage of shareholders' equity	25.2%	(25.4%)	27.0%	(27.5%)

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 £78.4m (2017: £38.5m). Of this amount £47.8m was deposited at Royal Bank of Scotland ("RBS"), which currently has a credit rating of BAA3 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 2018 (2017: 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 seek 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 £104m, which are structured as parallel sterling and euro facilities of £50m and €61.7m (£54.0m). The facilities are provided jointly by Lloyds and The Royal Bank of Scotland ("RBS"). Of the total facilities, the balance of £20m and €23.6m will expire in March 2020 after being renewed in March 2017 on the following basis:

- Upfront Cost: 90bps
- Non-utilisation fees: 90bps
- Margin: 300bps

The remaining balance of £30m and €38.1m will expire in April 2019.

As at 31 January 2018 the Company's financial liabilities amounted to £1.0m of payables (2017: £0.3m) 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 2018, the composition of which is shown on the balance sheet was £664.3m (2017: £612.7m).

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 3.

The sensitivity of the Company's investments to a change in value is discussed on page 36.

The following table presents the assets that are measured at fair value at 31 January 2018. 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	–	–	379,921
Unquoted investments – direct	–	–	98,441
Quoted investments – direct	1,733	–	–
Subsidiary undertakings	–	–	96,392
Total investments held at fair value	1,733	–	574,754

The following table presents the assets that are measured at fair value at 31 January 2017. 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	–	–	383,068
Unquoted investments – direct	–	–	108,031
Quoted investments – direct	364	–	–
Subsidiary undertakings	–	–	80,718
Total investments held at fair value	364	–	571,817

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

The following tables present the changes in level 3 instruments for the year to 31 January 2018.

31 January 2018	**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	383,068	108,031	80,718	571,817
Additions	81,122	16,853	11,029	109,004
Disposals	(128,941)	(36,933)	–	(165,874)
Transfer of instrument to level 1	-	(469)	-	(469)
Gains and losses recognised in profit or loss	44,672	10,959	4,645	60,276
Closing balance	379,921	98,441	96,392	574,754
Total (losses)/gains for the year included in income statement for assets held at the end of the reporting period	(53,072)	(7,277)	4,645	(55,704)

The following tables present the changes in level 3 instruments for the year to 31 January 2017.

31 January 2017	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	272,495	84,444	57,168	414,107
Additions	94,116	8,365	12,097	114,578
Disposals	(49,920)	(11,889)	–	(61,809)
Gains and losses recognised in profit or loss	66,377	27,111	11,453	104,941
Closing balance	383,068	108,031	80,718	571,817
Total gains for the year included in income statement for assets held at the end of the reporting period	45,734	19,838	11,453	77,025

14) Related Party Transactions

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

Subsidiary	Nature of transaction	Year ended 31 January 2018 £'000	Year ended 31 January 2017 £'000
ICG Enterprise Trust Limited Partnership	Increase in amounts owed to subsidiaries	7,623	3,338
	Income allocated	1,205	248
ICG Enterprise Trust (2) Limited Partnership	Increase in amounts owed to subsidiaries	11,192	1,683
	Income allocated	1,719	1,080
ICG Enterprise Trust Co–Investment Limited Partnership	Increase in amounts owed by subsidiaries	30,441	14,991
	Income allocated	426	204

Amounts owed by subsidiaries represent 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.

Subsidiary	Amounts owed by subsidiaries 31 January 2018 £'000	Amounts owed by subsidiaries 31 January 2017 £'000	Amounts owed to subsidiaries 31 January 2018 £'000	Amounts owed to subsidiaries 31 January 2017 £'000
ICG Enterprise Trust Limited Partnership	–	–	36,332	28,709
ICG Enterprise Trust (2) Limited Partnership	36,939	36,939	14,136	2,944
ICG Enterprise Trust Co – Investment Limited Partnership	45,432	14,991	–	–

A full list of related undertakings is presented in note 8.

Funds managed by the Company's Manager:

Fund	Year ended 31 January 2018 Original commitment £'000	Year ended 31 January 2018 Remaining commitment £'000	Year ended 31 January 2018 Fair value £'000	Year ended 31 January 2017 Original commitment £'000	Year ended 31 January 2017 Remaining commitment £'000	Year ended 31 January 2017 Fair value £'000
ICG Europe Fund VI*	21,868	4,561	21,601	21,457	12,101	9,683
ICG Europe Fund V*	13,451	892	8,392	13,198	1,191	10,828
ICG Europe Fund 2006B*	9,204	2,104	7,531	19,312	2,065	7,163
ICG Recovery Fund 2008B*	10,497	8,135	2,821	–	–	–
ICG Strategic Secondaries Fund II**	24,664	16,176	12,032	19,879	14,005	6,873
ICG Velocity Partners Co-Investor**	10,570	2,012	10,703	11,927	2,270	10,994
ICG Asia Pacific III**	10,570	5,383	5,923	11,927	9,510	3,119
Total	100,824	39,263	69,003	97,700	41,142	48,660

* Euro denominated positions translated to sterling at spot rate on 31 January 2017 and 31 January 2018.

** US dollar denominated positions translated to sterling at spot rate on 31 January 2017 and 31 January 2018.

At the balance sheet date the Company has fully funded its share of all commitments due to ICG managed funds in which it is invested.

Glossary

Alternative Performance Measures ("APMs") are a term defined by the European Securities and Markets Authority as "financial measures of historical or future performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework".

APMs are used in this report if considered by the Board and the Manager to be the most relevant basis for shareholders in assessing the overall performance of the Company and for comparing the performance of the Company to its peers, taking into account industry practice. Definitions and reconciliations to IFRS measures are provided in the main body of the report or in this Glossary, where appropriate.

Buyout funds are funds that acquire controlling interests in companies with a view towards later selling those companies or taking them public.

CAGR or Compound Annual Growth Rate represents the annual growth rate of an investment over a specified period of time longer than one year.

Carried interest is equivalent to a performance fee, this represents a share of the profits that will accrue to the underlying private equity managers, after achievement of an agreed preferred return.

Co-investment is a direct investment in a company alongside a private equity fund.

Co-investment incentive scheme accrual represents the estimated value of interests in the co-investment incentive scheme operated by the Company. At both 31 January 2018 and 31 January 2017, the accrual was estimated as the theoretical value of the interests if the Portfolio had been sold at its carrying value at those dates.

Commitment represents the amount of capital that each limited partner agrees to contribute to the fund which can be drawn at the discretion of the general partner.

Discount arises when the Investment trust shares trade at a discount to NAV. In this circumstance, the price that an investor pays or receives for a share would be less than the value attributable to it by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. For example, if the NAV was 100p and the share price was 90p, the discount would be 10%.

Drawdowns are amounts invested by the Company into funds when called by underlying managers in respect of an existing commitment.

EBITDA stands for earnings before interest, tax, depreciation and amortisation, which is a widely used performance measure in the private equity industry.

Enterprise value is the aggregate value of a company's entire issued share capital and net debt.

FTSE All-Share Index Total return is the change in the level of the FTSE All-Share Index, assuming that dividends are re-invested on the day that they are paid.

Full realisations are exit events (e.g. trade sale, sale by public offering, or sale to a financial buyer) following which the residual exposure to an underlying company is zero or immaterial.

Funds in investment period are those funds which are able to make new platform investments under the terms of their fund agreements, usually up to five years after the initial commitment.

General partner ("GP") is the entity managing a private equity fund that has been established as a limited partnership. This is commonly referred to as the Manager.

Hedging is an investment technique designed to offset a potential loss on one investment by purchasing a second investment that is expected to perform in the opposite way.

High conviction comprises co-investments, ICG managed funds and secondary fund investments.

Initial Public Offering ("IPO") is an offering by a company of its share capital to the public with a view to seeking an admission of its shares to a recognised stock exchange.

Internal Rate of Return ("IRR") is the annualised rate of return received by an investor in a fund. It is calculated from cash drawn from and returned to the investor together with the residual value of the investment.

Last Twelve Months ("LTM") refers to the time frame of the immediately preceding 12 months in reference to a financial metric used to evaluate the company's performance.

Limited partner ("LP") is an institution or individual who commits capital to a private equity fund established as a limited partnership. These funds are generally protected from legal actions and any losses beyond the original investment.

Limited Partnership includes one or more general partners, who have responsibility for managing the business of the partnership and have unlimited liability, and one or more limited partners, who do not participate in the operation of the partnership and whose liability is ordinarily capped at their capital and loan contribution to the partnership. In typical fund structures, the general partner receives a priority profit share ahead of distributions to limited partners.

Management Buyin ("MBI") is a change of ownership, where an incoming management team raises financial backing, normally a mix of equity and debt, to acquire a business.

Management Buyout ("MBO") is a change of ownership, where the incumbent management team raises financial backing, normally a mix of equity and debt, to acquire a business it manages.

Net asset value per share ("NAV") is the value of the Company's assets attributable to one Ordinary share. It is calculated by dividing 'shareholders' funds' by the total number of Ordinary shares in issue. Shareholders' funds are calculated by deducting current and long-term liabilities, and any provision for liabilities and charges, from the Company's total assets.

Net asset value per share Total Return is the change in the Company's net asset value per share, assuming that dividends are re-invested at the end of the quarter in which the dividend was paid.

Net debt is calculated as the total short term and long-term debt in a business, less cash and cash equivalents.

Overcommitment refers to where private equity fund investors make commitments exceeding the amount of cash immediately available for investment. When determining the 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.

Portfolio represents the aggregate of the investment Portfolios of the Company and of its subsidiary limited partnerships. This is consistent with the commentary in previous annual and interim reports. The Board and the Manager consider that this is the most relevant basis for shareholders to assess the overall performance of the Company and comparison with its peers.

The closest equivalent amount reported on the balance sheet is "investments at fair value". A reconciliation of these two measures is presented below.

£m	Investments at fair value as per balance sheet	Cash held by subsidiary limited partnerships	Balances receivable from subsidiary limited partnerships	Co-investment incentive scheme accrual	Portfolio
31 January 2018	**576.5**	**–**	**1.7**	**22.5**	**600.7**
31 January 2017	572.2	–	1.4	20.7	594.3

Post-crisis investments are defined as those completed in 2009 or later.

Pre-crisis investments are defined as those completed in 2008 or before, based on the date the original deal was completed, which may differ from when the Company invested if acquired through a secondary.

Preferred return is the preferential rate of return on an individual investment or a portfolio of investments, which is typically 8% per annum.

Premium occurs when the share price is higher than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets.

Public to private ("P2P") The purchase of all of a listed company's shares using a special-purpose vehicle funded with a mixture of debt and unquoted equity.

Quoted company is any company whose shares are listed or traded on a recognised stock exchange.

Realisation proceeds are amounts received by the Company in respect of the Portfolio, which may be in the form of capital proceeds or income such as interest or dividends.

Secondary investments occur when a Company purchases existing private equity fund interests and commitments from an investor seeking liquidity.

Share price Total Return is the change in the Company's share price, assuming that dividends are re-invested on the day that they are paid.

Total Ongoing Charges is explained in the Director's Report.

Total Return is a performance measure that assumes the notional re-investment of dividends. This is a measure commonly used by the listed private equity sector and listed companies in general.

Underlying valuation movement is the change in the valuation of the Company's Portfolio, before the effect of currency movements.

Undrawn commitments are commitments that have not yet been drawn down (see definition of drawdowns).

Unquoted company is any company whose shares are not listed or traded on a recognised stock exchange.

Uplift on exit represents the increase in gross value relative to the underlying manager's most recent valuation prior to the announcement of the disposal. Excludes a small number of investments that were public throughout the life of the investment. May differ from valuation gains in the reporting period in certain instances due to timing differences.

Valuation multiples are earnings or revenue multiples applied in valuing a business enterprise

The tables below set out the share price and the net asset value per share growth figures for periods of one, three, five and ten years to the balance sheet date, on both an unadjusted basis (i.e. without dividends re-invested) and on a Total Return basis.

Unadjusted performance in years to 31 January 2018	**1 year**	**3 year**	**5 year**	**10 year***
Net asset value per share	10.1%	38.0%	51.9%	84.7%
Share price	17.1%	42.3%	68.0%	72.6%
FTSE All-Share Index	7.2%	14.2%	25.9%	25.9%

Total Return performance in years to 31 January 2018	**1 year**	**3 year**	**5 year**	**10 year***
Net asset value per share	12.5%	48.0%	67.8%	113.0%
Share price	20.1%	55.1%	89.7%	107.3%
FTSE All-Share Index	11.3%	27.4%	50.3%	80.9%

* As the Company changed its year end in 2010, the ten year figures are for the 121 month period to 31 January 2018.

Venture capital refers to investing in companies at a point in that company's life cycle that is either at the concept, start-up or early stage of development.