



Effective oversight of strategy and risk is particularly important to promote the long-term success of the Company.

JANE TUFNELL
Chair

Aligning our culture with our purpose

Dear shareholders,

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

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

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

Board developments

NEW DIRECTORS

Adiba Ighodaro and Janine Nicholls joined the Board as non-executive directors of the Company on 1 July 2022 and have received a comprehensive induction programme. We look forward to continuing to work with them on the Board and respective Committees. These changes allow the Board to maintain a diverse membership in terms of gender, ethnicity, experience and background.

Role of the Board

STRATEGIC OVERSIGHT

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

COMPLIANCE WITH THE CODE

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

BOARD PERFORMANCE EVALUATION

The Board has a formal process for the annual evaluation of its performance and that of the Chair. The most recent evaluation concluded in January 2023 that the Board and its members continue to operate effectively. An external review will be undertaken in the year ended 31 January 2024.

CULTURE AND VALUES

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

SUCCESSION PLANNING

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

REGULAR MEETINGS

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

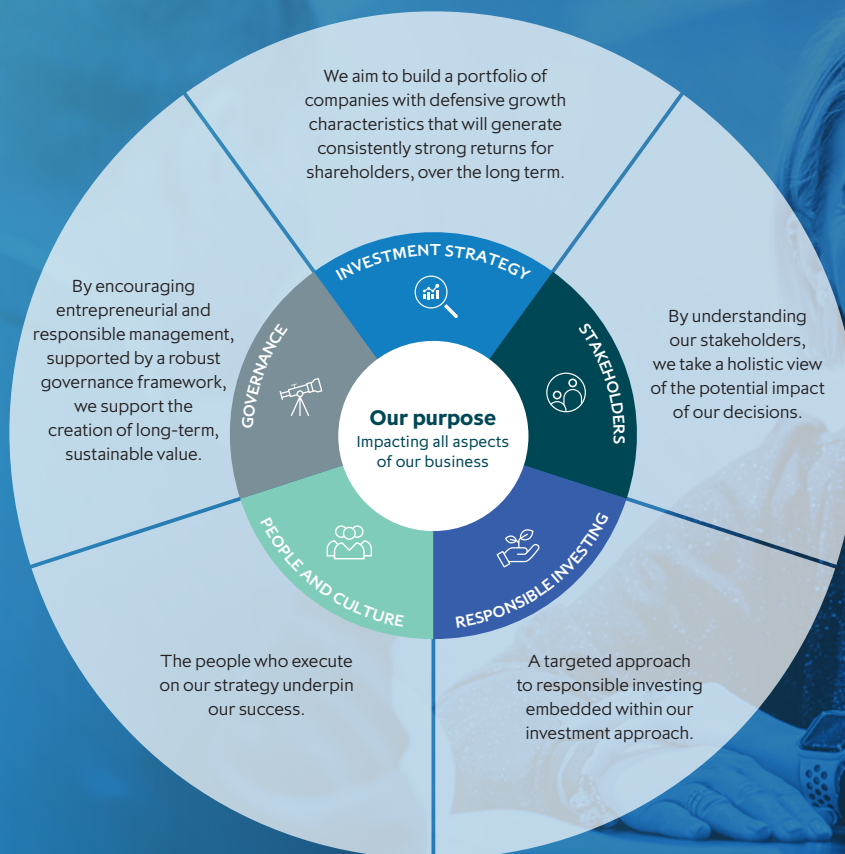
Fulfilling our purpose

Our purpose is to provide shareholders with access to the attractive long-term returns generated by investing in private companies, with the added benefit of daily liquidity.

At ICG Enterprise Trust, our purpose is clear and our track record of fulfilling it is strong.

It defines the way we manage our Portfolio and our approach to selecting new investments.

By fulfilling our purpose, we generate value for our stakeholders.



BOARD OF DIRECTORS



JANE TUFNELL



Chair and Chair of the Nominations Committee

BACKGROUND

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

EXPERIENCE

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



GERHARD FUSENIG



Independent Non-Executive Director

BACKGROUND

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

EXPERIENCE

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



DAVID WARNOCK



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

BACKGROUND

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

EXPERIENCE

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



ALASTAIR BRUCE



Independent Non-Executive Director and Chair of the Audit Committee

BACKGROUND

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

EXPERIENCE

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



JANINE NICHOLLS

Independent Non-Executive Director

BACKGROUND

Janine Nicholls was appointed to the Board in 2022. She has more than 30 years' experience in private equity and financial services and is currently COO of Snowball, a multi-asset impact investor. She previously held the same role at private equity firms GHO Capital and Hermes GPE. Prior to this, Janine held a number of direct, co-investment and primary funds' investment roles and also held a number of related advisory board seats. She began her career by qualifying as a chartered accountant with Price Waterhouse.

EXPERIENCE

Janine brings to the Board diverse financial, investment and operational experience. In addition to her private equity investment experience, she has experience overseeing functions including Regulatory Compliance, Risk Management, Accounting, Human Resources and Investor Relations and has a broad perspective on the private equity industry. Janine is also a Non-Executive Director on the board of Calculus Venture Capital Trust, where she is Chair of the Audit Committee. Janine is a qualified chartered accountant.



ADIBA IGHODARO

Independent Non-Executive Director

BACKGROUND

Adiba Ighodaro was appointed to the Board in 2022. Adiba is a former Partner and founding member of the international private equity firm Actis, where she held both investor and fundraising leadership roles in the UK, Nigeria and the US. Prior to this she worked with CDC Group plc (now British International Investment) from which, combined with Actis, she has close to 30 years of investing across private equity, energy infrastructure and real estate. Adiba began her career practising corporate and commercial law.

EXPERIENCE

Adiba brings extensive expertise in global private markets from over 30 years of experience, including legal structuring, development finance, private equity origination and investment. Adiba is currently an Independent Non-Executive Director on the board of Standard Chartered Bank Nigeria Ltd, where she is Chair of the Appointments and Remuneration Committee and a member of the Risk and Credit Committees. Adiba is also a Trustee on the board of the English National Opera.

At a glance

GENDER REPRESENTATION

	Number of Board members	Percentage of the Board	Number of senior positions on the Board ¹
Men	3	50%	1
Women	3	50%	1

ETHNICITY REPRESENTATION

	Number of Board members	Percentage of the Board	Number of senior positions on the Board ¹
White British or other White (including minority white groups)	5	83.3%	2
Black/African/Caribbean/Black British	1	16.7%	0

¹ Defined as Chair, Chief Executive Officer ('CEO'), Chief Financial Officer ('CFO') or Senior Independent Director. The Company does not have a CEO or a CFO.

MATRIX OF SKILLS AND EXPERIENCE

	Jane Tufnell	David Warnock	Alastair Bruce	Gerhard Fusenig	Adiba Ighodaro	Janine Nicholls
Investment Trusts	✓	✓	✓		✓	✓
Private Equity		✓	✓	✓	✓	✓
Asset Management	✓	✓	✓	✓	✓	✓
UK Corporate Governance	✓	✓	✓	✓	✓	✓
International			✓	✓	✓	
Finance/Audit	✓		✓		✓	✓

COMMITTEE MEMBERSHIP

A Audit

M Management Engagement

N Nominations

The Company is committed to appropriate standards of corporate governance and the Board has applied the principles of the AIC Code of Corporate Governance ('AIC Code'). The AIC Code adapts the Principles and Provisions set out in the UK Corporate Governance Code ('the Code') issued by the Financial Reporting Council to make them more relevant for investment companies.

CORPORATE GOVERNANCE

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders. The Board remains cognisant of the provisions of the Code. A copy of the AIC Code and the Code can be obtained from the websites of the Association of Investment Companies (www.theaic.co.uk) and of the Financial Reporting Council (www.frc.org.uk) respectively.

Throughout the year, the Company complied with the provisions of the AIC Code. The Board subscribes to the view that long-serving directors should not be prevented from forming part of an independent majority. It does not consider that a director's tenure necessarily reduces his or her ability to act independently and, following formal performance evaluations, believes that each of the directors is independent in character and judgement and that there are no relationships or circumstances which are likely to affect their judgement.

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

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

Each non-executive director is appointed by a letter of appointment on an ongoing basis and shareholders vote on whether to elect/re-elect him or her at every Annual General Meeting. A non-executive director will only be proposed for re-election at an Annual General Meeting if the Board is satisfied with the non-executive director's performance, independence and ongoing time commitment. There is no absolute limit to the period that a non-executive director can serve for; however the Board recognises wider views regarding length of service and factors these in when considering whether or not directors' appointments should be continued.

The Directors' Remuneration Report, including the Directors' Remuneration Policy which shareholders will be asked to approve at the Annual General Meeting, can be found on page 60.

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

Composition and independence

The Board is currently comprised of six non-executive directors. There is no Chief Executive Officer position within the Company as day-to-day management of the Company's affairs has been delegated to the Manager. The Board regularly reviews the independence of its members and, having due regard to the definitions and current guidelines on independence under the Code, considers all directors to be independent. There are no relationships or circumstances relating to the Company that are likely to affect their judgement.

The Board agreed that during 2022 it would act as a host Board for an apprentice under the Board Apprentice Scheme, which is designed to increase access to board-level positions for those who have not previously had this experience. The Board apprentice is not a member of the Board but attends, and contributes, to all meetings. Please see page 39 for more details of this scheme.

Senior Independent Director

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

Induction and training

Board training is provided regularly to ensure that Board members are well placed to conduct their role.

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

Performance evaluation

The Board reviews its performance annually with an external assessment undertaken every three years. The assessment covers the effectiveness and performance of the Board as a whole, the committees of the Board and an evaluation of each director. This process helps ensure that the Board's operations remain aligned with the culture, purpose and values of the Company. The last external assessment was undertaken in the year ended 31 January 2021. The next external assessment will take place in the year ended 31 January 2024.

The Board conducted an internal self-evaluation led by the Chair. This involved the submission of written questionnaires and then a full discussion of the output. The review concluded that the Board continues to operate effectively and coherently, with a collaborative approach taken. As a result of the review, the Board has made some refinements to its annual programme, including enhancing the annual strategy session to allow detailed focus on strategic matters. Each individual director was also assessed as part of the evaluation and it was concluded that each director continues to make a valuable contribution to the Board.

Board of Directors

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

JANE TUFNELL

Chair of the Board

DAVID WARNOCK

Senior Independent Director

ALASTAIR BRUCE

Non-Executive Director

GERHARD FUSENIG

Non-Executive Director

ADIBA IGHODARO

Non-Executive Director

JANINE NICHOLLS

Non-Executive Director

MEETINGS

Board member	Board	Audit	MEC	Nominations
Jane Tufnell	6/6	3/3	1/1	1/1
David Warnock	6/6	3/3	1/1	1/1
Alastair Bruce	6/6	3/3	1/1	1/1
Gerhard Fusenig	6/6	3/3	1/1	1/1
Sandra Pajarola ¹	2/2	1/1	N/A	1/1
Adiba Ighodaro	4/4	2/2	1/1	N/A
Janine Nicholls	4/4	2/2	1/1	N/A

¹ Retired from the Board on 28 June 2022.

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

BOARD OVERVIEW

Composition and independence

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

Board diversity

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

Tenure

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



AUDIT COMMITTEE

Alastair Bruce (Chair)

Gerhard Fusenig

Adiba Ighodaro

Janine Nicholls

Jane Tufnell

David Warnock

KEY RESPONSIBILITIES

Reviewing the interim and annual financial statements

Reviewing the effectiveness and scope of the external audit

Reviewing the risks to which the Company is exposed and mitigating controls

Overseeing compliance with regulatory and financial reporting requirements

[Report of the Audit Committee 64 →](#)



MANAGEMENT ENGAGEMENT COMMITTEE

David Warnock (Chair)

Alastair Bruce

Gerhard Fusenig

Adiba Ighodaro

Janine Nicholls

Jane Tufnell

KEY RESPONSIBILITIES

Monitoring and evaluating the performance and remuneration of the Manager

Monitoring and evaluating the performance and remuneration of other key service providers

[Corporate governance report 52 →](#)



NOMINATIONS COMMITTEE

Jane Tufnell (Chair)

Alastair Bruce

Gerhard Fusenig

Adiba Ighodaro

Janine Nicholls

David Warnock

KEY RESPONSIBILITIES

Selecting and proposing suitable candidates for appointment or reappointment to the Board

[Corporate governance report 52 →](#)

Directors' time commitments

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

Board diversity

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

Tenure

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

Role of the Board

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

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

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

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

The Board meetings follow a formal agenda, which is approved by the Chair and circulated by the Company Secretary in advance of the meeting to all the directors and other attendees. At each Board meeting every agenda item is considered against the Company's strategy, its investment objectives and its investment policy.

A typical agenda includes:

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

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

Company Secretary

The directors also have access to the advice and services of the Company Secretary, Andrew Lewis (on behalf of ICG FMC Limited), as well as a wider team and Juniper, an independent investment company specialist.

Insurance and indemnities

During the year under review, the Board has maintained appropriate insurance cover in respect of legal action against the directors. The policy does not cover dishonest or fraudulent actions by the directors.

Stewardship

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

Conflicts of interest

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

Manager policies

The Manager has policies and processes in place, including those over the following areas. Regular training is provided for all employees. The Board has reviewed these processes and found them adequate.

- Anti-bribery and corruption policy
- Whistleblowing policy
- Environmental policy

COMMITTEES

Nominations Committee

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

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

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

During the financial year the Nominations Committee reviewed the composition of the Board and identified the capabilities needed for Board roles and succession timeframes; with this in mind, the Committee conducted a thorough search with regard to the necessary skillset, experience and diversity required and was successful in identifying Adiba Ighodaro and Janine Nicholls as non-executive directors of the Company.

Remuneration Committee

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

Please see page 60 for the Directors' Remuneration Report.

Audit Committee

Please see page 64 for the Report of the Audit Committee.

Management Engagement Committee

In accordance with industry good practice, in February 2021 the Company formed a Management Engagement Committee ('MEC') to review the activities of the Manager and other key service providers. The MEC meets at least annually, is chaired by the Senior Independent Director and is comprised of all of the directors. The Committee held its annual review of all key service providers in November 2022. It conducted a detailed review of the performance of all key service providers, including the Manager, and reviewed and agreed a new proposed fee arrangement with the Manager. A number of follow-up actions were agreed, however, the Committee concluded that in all material respects all service providers were performing to the required standards.

Engagement with service providers

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

Stakeholder engagement

Please see page 36 for further details.

INTERNAL CONTROLS

The Board, at least annually, assesses the internal controls of the Manager. There have been no material adverse findings from this review. Please see page 64 for details of this in the Report of the Audit Committee.

SHAREHOLDER RELATIONS

The Company's Annual Report and Accounts, containing a detailed review of performance and of changes to the investment Portfolio, our regular factsheets, containing updated information in a more abbreviated form, and the latest Company presentations are made available to shareholders through the Company's website (www.icg-enterprise.co.uk). Quarterly releases in respect of the Company's performance are announced to the market and available to shareholders. At the Annual General Meeting, in ordinary circumstances a presentation is made by the Manager and investors are given an opportunity to question the Chair, the other directors and the Manager.

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

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

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

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

Directors can be contacted via the registered office of the Company (see the Shareholder information section on page 103).

Jane Tufnell

Chair
10 May 2023

The directors present their report and the audited financial statements for the year ended 31 January 2023.

The Report of the Directors should be read in conjunction with the Strategic Report (pages 1 to 47) and the Directors' Remuneration Report (pages 60 to 63).

STATUS OF THE COMPANY

ICG Enterprise Trust Plc (the 'Company') is an investment company as defined by Section 833 of the Companies Act 2006 and is registered and domiciled in England (number 1571089). During the year under review the Company carried on the business of an investment trust. The Company will continue to be an investment trust provided it continues to satisfy the conditions of Section 1158 of the Corporation Tax Act 2010. The Company has continued to direct its affairs with the objective of retaining such approval.

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

REPORTING PERIOD

This Annual Report has been prepared for the year to 31 January 2023.

SIGNIFICANT SHAREHOLDINGS

At 2 May 2023, the Company had received no notifications of disclosable interests in its issued share capital.

INVESTMENT POLICY

The Company's investment policy is set out on page 104. The policy has not changed since last year.

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

PURCHASE OF SHARES

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

During the course of the year, the Company purchased 191,480 shares (representing 0.3% of the issued share capital of the Company on 2 May 2023, being the latest practical date before publication of this document) at an average price of 1,111p, for a total cost of £2.1m at a weighted average discount of 40.0%. These shares are held in treasury.

DIVIDEND

Quarterly dividends in respect of the year ended 31 January 2023 were paid on 22 July 2022 (7.0p per share), 2 December 2022 (7.0p per share) and 3 March 2023 (7.0p per share) for a total of 21.0p per share. A final dividend of 9p per share will, if approved, be paid on 21 July 2023 to holders of ordinary shares on the register at the close of business on 6 July 2023. This would bring the total dividend for the year to 30p per share.

DIRECTORS

All of the directors listed on page 50 (excluding Adiba Ighodaro and Janine Nicholls who joined the Board as non-executive directors of the Company on 1 July 2022) held office throughout the year and up to the date of signing the financial statements, and all directors will stand for re-election at the forthcoming Annual General Meeting.

Gerhard Fusenig is resident in Switzerland. All of the other directors of the Company are resident in the UK. The directors' biographical details demonstrate the wide range of skills and experience that they bring to the Board. The Board has decided that all directors will submit themselves for re-election every year.

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

MANAGER

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

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

The investment management fee payable under this agreement is calculated as 1.4% of the investment portfolio and 0.5% of outstanding commitments to funds in their investment periods, in both cases excluding the funds managed directly by ICG (see note 18 on page 93) and by the former manager of the Company, Graphite Capital (see below). From 1 February 2023 this fee is subject to cap at 1.25% of Net Asset Value ('NAV') up to £1.5bn of NAV, 1.10% on NAV in excess of £1.5bn and below £2.0bn, and 1.0% of NAV in excess of £2.0bn.

The effective management fee charged by the Manager in the year was 1.34% of the Company's net assets and the Company's Ongoing Charges ratio was 1.48% as calculated in accordance with AIC guidance and as shown in the Glossary. Further information around cost disclosures can be found in the Company's Key Information Document on the Shareholder resources section of the Company's website.

Had the revised management fee rate been in place for the year ended 31 January 2023 the management fee would have been capped at 1.25% and the Company's Ongoing Charges ratio would have reduced to 1.39%.

For the ICG-managed funds (as disclosed in note 18 to the financial statements on page 93) the annual management charge is between 1.3% and 1.5% of original commitments for funds in their investment period, and between 0.8% to 1.5% of unrealised cost for funds where their investment period has ended.

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

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

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

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

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

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

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

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

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

INVESTMENTS IN GRAPHITE CAPITAL FUNDS (FORMER MANAGER)

Fund	31 January 2023			31 January 2022		
	Original commitment £'000	Remaining commitment £'000	Fair value £'000	Original commitment £'000	Remaining commitment £'000	Fair value £'000
Graphite Capital Partners IX	30,000	5,805	13,894	30,000	20,296	8,084
Graphite Capital Partners VIII	40,000	899	21,959	40,000	4,151	28,695
Graphite Capital Partners VIII Top Up Fund	20,000	1,295	4,068	20,000	1,295	2,181
Graphite Capital Partners VII	35,138	907	5,948	35,138	1,984	9,397
Graphite Capital Partners VII Top Up Fund	8,157	–	–	8,157	348	2,677
Graphite Capital Partners VII Top Up Fund Plus	4,158	–	–	4,158	300	2,388
Total	137,453	8,906	45,869	137,453	28,374	53,422

CO-INVESTMENT INCENTIVE SCHEME

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

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

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

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

Further details of these arrangements can be found in note 9 to the financial statements.

CAPITAL

As at 31 January 2023, 72,913,000 ordinary shares of 10.0p each were in issue and fully paid, including shares which had been bought back into treasury. 4,868,123 treasury shares, representing 6.7% of the Company's share capital, were held as at 2 May 2023, being the latest practical date before publication of this document.

Resolutions will be proposed at the forthcoming Annual General Meeting to:

- allot up to a maximum of 22,681,620 ordinary shares of 10p each, representing 33% of the Company's issued share capital (excluding shares held as treasury shares) as at 2 May 2023; and
- disapply pre-emption rights on up to 10% of the issued share capital (excluding shares held as treasury shares) to enable the Board to re-issue any ordinary shares held in treasury without having first to offer them to all existing shareholders; and to renew the directors' authority to buy back up to 10,199,927 ordinary shares (being 14.99% of the issued share capital (excluding shares held as treasury shares as at 2 May 2023)) subject to the constraints to be set out in the proposed resolution. The authority will be used where the directors consider it to be in the best interest of shareholders. It is the current intention of the Board that any shares thus purchased would be held as treasury shares.

GREENHOUSE GAS EMISSIONS

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

TRANSFER OF SHARES AND VOTING RIGHTS

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

INDEPENDENT AUDITORS

As set out in the Report of the Audit Committee, Ernst & Young LLP were appointed as auditors for the year ended 31 January 2023 at the Annual General Meeting in 2022 and are recommended for reappointment by the Audit Committee. A resolution reappointing them and authorising the directors to determine their remuneration will be submitted at the Annual General Meeting.

INCORPORATION BY CROSS REFERENCE

Certain information required to be disclosed in the Report of the Directors is shown within other sections of the Annual Report and Accounts. Please refer to the Report of the Directors on page 56.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 27 June 2023. Further details will be provided in the notice of general meeting to be circulated to shareholders.

By order of the Board:

Andrew Lewis

On behalf of ICG FMC Limited
10 May 2023

DIRECTORS' REMUNERATION REPORT

REMUNERATION COMMITTEE

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

STATEMENT BY THE CHAIR

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

The Remuneration Policy sets out how the Company proposes to pay the directors, including each element of remuneration that the directors are entitled to, and how this supports the Company's long-term strategy and performance.

All provisions of this policy are expected to remain in effect until the Annual General Meeting in 2023 when the Company is next required to submit its policy on the remuneration of its directors to the members. At the 2023 Annual General Meeting, the Remuneration Policy as set out below will be resubmitted to a vote of shareholders. No changes are proposed to the Remuneration Policy.

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

In accordance with the Remuneration Policy set out below, the Board performs an annual review of directors' fees. The fees payable to the directors for the year ended 31 January 2024 were considered in January 2023. An increase in fees of 6% was applied, reflecting inflation and market comparables.

TABLE OF REMUNERATION BY ROLE

Fund	Year ended 31 January 2024 £	Year ended 31 January 2023 £	Year ended 31 January 2022 £
Directors' fee ¹	46,407	43,780	42,300
Chair of the Audit Committee	57,378	54,130	52,300
Chair of the Board	71,020	67,000	64,600

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

PROPOSED REMUNERATION POLICY

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

The Articles of Association and subsequent shareholder resolutions currently limit the aggregate fees payable to the directors to a total of £378,700 per annum. The limit in the articles increases annually in line with inflation and would also increase pro-rata in the event of an additional appointment increasing the number of Board members.

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

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

Share price performance¹



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

Service contracts

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

Notice period and loss of office payment policy

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

Statement of consideration of conditions elsewhere in the Company

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

Statement of consideration of shareholder views

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

DIRECTORS' REMUNERATION REPORT CONTINUED

DIRECTORS' REMUNERATION

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

The directors were not entitled to any loss of office payments, pension benefits, share options or other incentives in the year ended 31 January 2023 (2022: £nil).

Relative importance of spend on pay

The following table compares the remuneration paid to the directors with aggregate distributions to shareholders in the year to 31 January 2023 and the prior year. This disclosure is a statutory requirement. However, the directors consider that this comparison is not meaningful as (a) the Company has no employees, and (b) its objective is to provide shareholders with long-term capital growth, and share buybacks and the dividend form only a small part of total shareholders' returns.

Components of remuneration package	Year ended 31 January 2023 £'000	Year ended 31 January 2022 £'000
Directors' remuneration	280	262
Shareholder distributions		
Dividends paid	19,866	18,500
Share buybacks	2,016	2,968
Total distributions to shareholders	21,882	21,197

Remuneration in the year (audited)

Name	Fees		Expenses		Total		Change in annual fee over years ended 31 January		
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023	2022	2021
Jane Tufnell ¹	67	65	–	–	67	65	3%	22%	61%
Lucinda Riches ²	–	17	–	–	–	17	N/A	(60)%	0%
Alastair Bruce	54	52	–	–	54	52	4%	19%	0%
Gerhard Fusenig ^{3,4}	44	42	4	2	48	44	9%	7%	116%
Adiba Ighodaro ⁵	26	–	–	–	26	–	N/A	N/A	N/A
Janine Nicholls ⁵	26	–	–	–	26	–	N/A	N/A	N/A
Sandra Pajarola ^{4,6}	19	42	4	2	23	44	(48)%	7%	(7)%
David Warnock ⁷	44	42	–	–	44	42	5%	504%	N/A
Total	280	260	8	4	288	264			

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

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

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

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

⁵ Joined the Board in July 2022 and served for part of the year ended 31 January 2023.

⁶ Retired from the Board in June 2022 and served for part of the year ended 31 January 2023.

⁷ Joined the Board in December 2020 and served for part of the year ended 31 January 2021.

Directors' shareholdings and share interests (audited)

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

Name	Year ended 31 January 2023 Number of shares	Year ended 31 January 2022 Number of shares
Jane Tufnell	30,025	28,025
Alastair Bruce	25,000	25,000
Gerhard Fussenig	22,803	15,000
Adiba Ighodaro	–	N/A
Janine Nicholls	2,219	N/A
David Warnock	20,000	20,000
Total	100,047	88,025

Note that Sandra Pajarola, who retired from the Board in June 2022, held 35,000 shares at the date of her retirement. There has been no change in the number of shares held by the existing directors since the year end.

As at 2 May 2023, the Portfolio Manager, Oliver Gardey, holds 59,282 shares in the Company, which have been acquired in the open market at market rates. In aggregate, and including the Portfolio Manager, employees of ICG hold a total of 135,086 shares in the Company, which were also acquired in the open market at market rates. The Company does not compensate any employees of ICG through the issuance of shares, nor does it offer employees of ICG the opportunity to acquire shares in the Company at preferential prices.

In addition, as at 31 January 2023, current employees of ICG have in aggregate made personal co-investments totalling a cash cost of £2.0m as part of the Co-Investment Incentive Scheme.

Statement of shareholder voting

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

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

At the Annual General Meeting held on 28 June 2022, a resolution to approve the Directors' Remuneration Report for the year ended 31 January 2022 was passed with the following proxy votes cast:

Votes	Number	%
For	22,129,474	98.90
Against	246,504	1.10
Withheld	254,246	–

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

Resolution to approve Directors' Remuneration Report

A resolution to approve the Remuneration Report for the year ended 31 January 2023 will be put to the members at the forthcoming Annual General Meeting.

On behalf of the Board:

Jane Tufnell

Chair

10 May 2023



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

ALASTAIR BRUCE
Chair of the Committee

Key responsibilities

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

Committee members

Alastair Bruce (Chair of the Committee)

Gerhard Fusenig

Adiba Ighodaro

Janine Nicholls

Jane Tufnell

David Warnock

Committee activities

Four meetings held in the financial year; all were quorate

Oversight of audit conducted by the Company's auditors

Continued review and scrutiny of valuations

Introduction

All Board members currently serve on the Audit Committee. Sandra Pajarola served on the Committee until her retirement in June. As set out on page 50, the members of the Committee have a range of recent and relevant financial experience. They also have relevant experience in the sector in which the Company operates.

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

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

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

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

SIGNIFICANT JUDGEMENTS IN RELATION TO THE FINANCIAL STATEMENTS

Valuation of the investment Portfolio

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

The Committee has been satisfied with the process established by the Manager. After the year end, the Manager reported the results of the valuation process, including the sources of valuation information and the methodologies used. The auditors separately reported the results of their audit work to the Committee. The Committee concluded that the valuation process had been properly carried out and that the investment Portfolio had been fairly valued in accordance with IFRS, in line with International Private Equity and Venture Capital Valuation Guidelines.

Going concern and viability

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

- an assessment of the Company's business activities, as set out in the Chair's statement on page 6 and the Manager's review on page 14;
- the Company's principal risks and their mitigants, as noted on page 43; and
- the Company's ability to manage its liquidity and overcommitment levels over the period of 12 months and longer from the date of this report, incorporating the Company's balance sheet and cash flow projections provided by the Manager.

These projections included scenarios with varying levels of Portfolio gains and losses, fund drawdowns and realisations, availability of the credit facility, exchange rates, and possible remedial action that the Company could undertake if required in the event of significant Portfolio declines and/or reductions in liquidity. Further details around liquidity risk and overcommitment risk are detailed on page 91 within the notes to the financial statements. Accordingly, the Committee was satisfied that the 'going concern' basis of accounting remained appropriate for the Company.

OTHER MATTERS

Auditing standards require the auditors to identify and consider the risks of material misstatement, including that due to fraud and failure of internal controls. In the current year the auditors focused on a number of key audit matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements.

Following a thorough review, and discussion with the Manager and the auditors, the Committee has advised the Board that the Annual Report and Accounts for the year ended 31 January 2023, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

INTERNAL CONTROLS AND NEED FOR AN INTERNAL AUDIT FUNCTION

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

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

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

The Committee also received a report, based on agreed-upon procedures, from the Manager's internal audit function.

In accordance with the Alternative Investment Fund Managers Directive ('the Directive'), the Company has appointed Aztec Financial Services (UK) Limited ('the Depositary') as depositary. The Depositary's responsibilities include the monitoring of the cash flows of the Company, the safekeeping of the Company's assets, and the general oversight of the Company including its compliance with its investment policy. The Audit Committee has reviewed the Depositary's reports for the period from 1 February 2022 to 31 January 2023, that set out the testing and procedures carried out by the Depositary to satisfy itself that it is fulfilling its obligations, and that the Company was operating in accordance with the Directive. The reports did not identify any issues.

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

AUDIT INDEPENDENCE AND EFFECTIVENESS

EY were appointed as auditors for the year ended 31 January 2023 at the Annual General Meeting in June 2022. The Company has complied with the terms of the September 2014 Competition and Markets Authority Order, including in respect of audit tendering.

The Audit Committee has reviewed the provision of non-audit services and believes them to be cost-effective and not an impediment to the auditors' objectivity and independence. Details of the total fees paid to EY by the Company are set out in note 4 to the financial statements. In the year ended 31 January 2023, £39k (2021: £34k) was payable to the auditors in respect of non-audit services. It has been agreed that all non-audit work to be carried out by the external auditors must be approved in advance by the Audit Committee, and in line with the latest guidelines for the provision of non-audit services by the Company's auditors.

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

The 2023 year-end audit was EY's fourth as auditors and oversight of their work has been a key focus of the Committee during the year. The Committee has been pleased with the work undertaken by both the Manager and EY. We look forward to continuing to build on the relationship with EY and the fresh insights that they will bring to the Committee.

The Committee accordingly recommends that Ernst & Young LLP be appointed auditors for the year ending 31 January 2024.

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

Alastair Bruce

Chair of the Audit Committee
10 May 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Accordingly, the directors have prepared the financial statements in accordance with UK-adopted International Accounting Standards ('UK-IAS') and the Statement of Recommended Practice ('SORP') for investment trusts issued by the Association of Investment Companies in July 2022. Company law also requires that the directors do not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the relevant period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company financial position and financial performance;
- state whether IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

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

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

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

Each of the directors, whose names and functions are listed on page 50, confirm that, to the best of their knowledge:

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

On behalf of the Board:

Jane Tufnell
Chair
10 May 2023