

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

Company Number: 55917

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

Contents

Overview

- 03 Corporate Summary
- 04 Financial Summary
- 05 Chairman's Statement
- 07 Investment Manager's Report
- 11 Investment Policy

Governance

- 12 Board of Directors
- 13 Report of the Directors
- 21 Directors' Responsibilities Statement
- 23 Corporate Governance Report
- 36 Report of the Audit and Risk Committee
- 41 Independent Auditor's Report

Financial Statements

- 49 Statement of Comprehensive Income
- 50 Statement of Financial Position
- 51 Statement of Changes In Equity
- 52 Statement of Cash Flows
- 53 Notes to the Financial Statements

Other Information

- 75 Alternative Performance Measures
- 76 Glossary of Capitalised Defined Terms
- 79 Directors and General Information
- 80 Cautionary Statement

All capitalised terms are defined in the Glossary of Capitalised Defined Terms on pages 76 to 78 unless separately defined.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CORPORATE SUMMARY

INVESTMENT OBJECTIVE

In line with the revised Investment Objective and Policy approved by shareholders at the Extraordinary General Meeting in January 2021, the Company is undertaking an orderly realisation of its investments.

STRUCTURE

The Company is a non-cellular company limited by shares and incorporated in Guernsey on 29 November 2012 under the Companies Law. The Company's registration number is 55917 and it has been registered with the Guernsey Financial Services Commission (GFSC) as a registered closed-ended collective investment scheme. The Company's Ordinary Shares were admitted to the premium segment of the Financial Conduct Authority's (FCA) Official List and to trading on the Main Market of the London Stock Exchange as part of its IPO which completed on 5 February 2013. The issued share capital comprises the Company's Ordinary Shares denominated in Pounds Sterling.

INVESTMENT MANAGER

The Company has appointed ICG Alternative Investment Limited as external discretionary investment manager, under the Alternative Investment Fund Managers Directive (AIFMD) within a remit set by the Board.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

FINANCIAL SUMMARY

FOR THE YEAR ENDED 31 JANUARY 2025

Key Developments

- In line with its Investment Objective, the Company is continuing to progress an orderly realisation of its assets. While all remaining loans are (or have been) subject to formal enforcement processes, as at the date of this report, two assets are under offer with the third being prepared for further marketing.
- Total loans outstanding at amortised cost plus interest receivable, excluding ECL adjustments, amount to £68.03 million as at 31 January 2025 (£66.12 million as at 31 January 2024 and £67.46 million as at 31 July 2024).
- Total loans outstanding net of ECL adjustments were £29.90 million as at 31 January 2025 (£33.64 million as at 31 January 2024 and £31.91 million as at 31 July 2024).
- In line with the evolving bidding evidence on the properties securing the Company's loans, and the expected time frames for realisation, the Company has made further adjustments to the ECL provisions across the portfolio, which has reduced NAV per share at 31 Jan 2025 (27.15 pence per share) by 2.71 pence compared to 31 January 2024 (29.86 pence per share).

Performance

- NAV of £32.93 million as at 31 January 2025 after total ECL provision of £(38.13 million) (31 January 2024: £36.22 million after total ECL provision of £(32.48) million).
- NAV per share as at 31 January 2025 of 27.15 pence (31 January 2024: 29.86 pence).
- Loss after tax of £3.30 million for the year ended 31 January 2025 (31 January 2024: £(24.87) million).
- Loss per share for the period of (2.72) pence (31 January 2024: (20.51) pence).

Dividend

- In line with the Board's guidance, no dividends were declared or paid in the year to 31 January 2025 (year to 31 January 2024: nil).

Investment Portfolio

- As at 31 January 2025, the Company's investment portfolio comprised three loans with an aggregate principal balance of £57.75 million, and a carrying value after provision for ECL of £29.90 million (31 January 2024: three loans with an aggregate principal balance of £58.01 million, and a carrying value of £33.64 million).
- The Company is realising the remaining investments, which are or have been subject to enforcement processes controlled by administrators or receivers. The Investment Manager continues to progress asset management initiatives alongside these parties while working towards sales and realisations.

*Unless stated otherwise, loan balances are stated gross of ECL provisions for impairment. A comparison to the carrying value of the loans is set out in Note 5 to the accounts.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CHAIRMAN'S STATEMENT

Introduction

On behalf of the Board, I present the Annual Report for the Company for the year ended 31 January 2025.

The Company continues to be focused on the most effective way to realise its remaining investments. In my discussions with shareholders over the past year I have noted, and share, some of the frustrations around the delayed pace of this realisation. Shareholders have, however, been equally clear that they wish to avoid assets being sold at distressed prices, and the Board and Investment Manager have been assessing the exit strategies for each investment with this firmly in mind.

As the Investment Manager reports below, while market conditions remain difficult with uncertainty prevailing, there has been a modest improvement in transaction volumes for prime stock and in certain preferred sectors. Despite this, liquidity for mid-market or regional assets such as those held by the Company remains patchy with bid-ask spreads often wide and only opportunist buyers prepared to offer. While finance market conditions have eased somewhat, interest rates have not fallen as far or as fast as some had projected at the time of our previous annual report, and – until the recent tariff-led disruption – the benchmark five-year swap rate has in fact been higher in 2025 than in the same period last year.

The Company's three remaining investments with a total principal balance outstanding of £57.75 million (before impairment), are, or have been, subject to enforcement processes. At the time of writing, the Affinity and Southport assets are under offer for sale, with further detail set out by the Investment Manager below. The Royale investment continues to be managed by the Investment Manager's preferred operating partner, who are reporting improving buyer interest in acquiring individual bungalow homes as the UK residential market enters its peak buying season.

The Investment Manager is continuing to explore the right time for an exit of Royale and has engaged with a number of parties during the reporting period. Shareholders may have seen media reports of a legal claim being filed by the lenders against Avison Young, the valuer of the portfolio assets, and I can confirm that the Company is a party to this claim. While we will keep shareholders updated on any material developments in respect of the claim, for legal reasons we are not able to provide any further detail at this stage and no value is ascribed to it in these accounts.

As I have highlighted previously, the Company's remaining investments are impaired and so the only plausible exit route is through sale of the underlying assets or the loans themselves, rather than a refinancing. This means the Company is entirely reliant on a liquid investment market in order to exit and, as a result of unsupportive market conditions, we have continued to experience delays in these realisation processes.

In light of the slow progress of realisations the Board has been focused on controlling costs and during the period negotiated a halving of the Investment Manager's fee rate, which took effect in May 2024. Latterly, the Board have concluded that it is appropriate to reduce the size of the Board itself, with both Stuart Beevor and Fiona Le Poidevin retiring as Directors as at 31 January 2025. I would like to extend my thanks to both of them for their hard work and service during their tenures.

Valuation and Impairment

As in our previous annual report and accounts issued in May 2024, and interim report and accounts from October 2024, the Board and Investment Manager have carefully considered the expected realisable value of its remaining investments, balancing the range of expected proceeds and the target timeframe for returning capital to investors. The Board is also very conscious of the time value of money and the opportunity cost of unproductive capital. And while steps have been taken to dramatically reduce operating expenses, the cost of maintaining a listed vehicle is significant. In these circumstances, the Board understands the urgency in effecting sales at reasonable but fair prices. We believe the Investment Manager has been very diligent in their pursuit of this objective. Their approach has been informed by prevailing market conditions and bidding evidence for the assets securing the remaining investments. The Board has also considered the sensitivity to both price movements and timings as set out in note 4 to the accounts. Accounting standards require us to provide against unpaid interest, which has led to adjustments to the ECL (Expected Credit Loss) provisions on the remaining investments.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CHAIRMAN'S STATEMENT (CONTINUED)

In aggregate, ECL provisions totalling net £5.66 million have been charged in the reporting period, reflecting £2.59 million related to loan principal and £3.07 million in respect of accrued default interest. The net impact on NAV is a reduction of £2.59 million.

The breakdown of these adjustments across the three outstanding loans is as follows:

- Affinity – an additional ECL provision of £1.14 million in the year, although this reflected an increase of £2.32 million recognised at 31 July 2024, with a subsequent improvement of £1.18 million for the six months to 31 January 2025, driven by an increasing probability of a sale completing.
- RoyaleLife – an additional ECL provision of £2.75 million, driven by the expected lower probability attached to a near term sale and by a change to the projected time frame for full realisation.
- Southport – an additional ECL provision of £1.76 million, reflecting the advance and subsequent impairment of a working capital facility, and adjustment to the anticipated time frame for completion.

The net impact of trading and all adjustments to ECLs during the reporting period equates to a diminution of NAV of 2.14 pence per share.

Dividend and Return of Capital

The Company will only look to declare dividends when cashflow and profits prudently allow. No dividends were paid in the period and the Board does not envisage the declaration of any dividends henceforth.

No capital distribution was made during the period and the level and pace of capital returns will be dictated by the realisation of the remaining loans.

NAV and Share Price Performance

The Company's NAV stood at £32.93 million as at 31 January 2025 (31 January 2024: £36.22 million), largely as a result of the increase in ECL provisions detailed above.

The Company's share price ended the period at 22.40 pence per share, up from 21.30 pence as at 31 January 2024. The Board notes that, in general, trading volumes in the stock have been very modest, reflecting the status of the Company in run off. The share price reflected, at period end, a 17.5% discount to the Company's NAV.

Outlook

The Company continues to make slow but sure progress towards exiting its remaining positions in the light of market conditions which still provide headwinds for challenged assets. These headwinds have increased over the past few weeks as investors in all asset classes try to take stock of the implications of US tariffs and the potential impact of global trade wars. The Board, therefore, does not foresee any near term improvement in local market conditions and indeed have been concerned that such uncertainties appear to have added further delay to already protracted deal negotiations. However, the Board remains hopeful that the Investment Manager's continued diligent management of the former RoyaleLife portfolio will lead to growing liquidity for that investment in the coming months.

As in previous reports I wish to thank shareholders for their ongoing patience. The Board is acutely aware that many wish to see the assets sold and vehicle wound up. Nonetheless, the Board remains focused on protecting shareholder value through avoiding forced sales, and delivering realisations and returns of capital as expediently as possible.

Jack Perry
Chairman
30 April 2025

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

INVESTMENT MANAGER'S REPORT

The Investment Manager's Report refers to the performance of the loans and the portfolio for the year to 31 January 2025, and the general market conditions prevailing at that date. Any forward-looking statements in this report reflect the latest information available as at 28 April 2025.

Investment Objective

The investment objective of the Company, as approved by its shareholders in January 2021, is to conduct an orderly realisation of the assets of the Company.

Summary

As at 31 January 2025 the Company had three investments remaining, all of which are being managed and realised through enforcement processes, or have previously been subject to those processes. This report provides a summary update on the realisation progress for each investment, and steps being taken by the Investment Manager to secure optimum outcomes.

At the year end, and as discussed further below, the Company made further provisions for impairment against each of its remaining loans reflecting deteriorating market conditions and property values. The aggregate carrying value of the investments is now £29.90 million, or 24.65 pence per ordinary share, against the aggregate principal advanced of £57.75 million.

Portfolio Summary

Portfolio statistics	31 January 2025	31 July 2024 (unaudited)	31 January 2024
Number of loan investments	3	3	3
Aggregate principal advanced	£57,754,806	£57,754,806	£58,007,806
Aggregate carrying value after ECL	£29,896,891	£31,913,445	£33,639,051
Cash held	£3,200,201	£2,791,562	£2,945,897

Breakdown of Book Value of Loans

Project	Balance outstanding (£m) ⁽¹⁾	31 January 2025		31 July 2024 (unaudited)		31 January 2024	
		Book Value after ECL (£m)	Book Value per share (p)	Book Value after ECL (£m)	Book Value per share (p)	Book Value after ECL (£m)	Book Value per share (p)
Affinity	16.57	9.53	7.9	8.92	7.4	11.34	9.3
Southport	15.80	7.07	5.8	8.80	7.3	7.91	6.5
RoyaleLife	25.38	13.30	11.0	14.19	11.7	14.39	11.9
Total	57.75	29.90	24.7	31.91	26.4	33.64	27.7

⁽¹⁾ Balance outstanding excludes accrued interest. A comparison to the carrying value of the loans is set out in Note 5 to the accounts.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Investment Update

Southport

The hotel remains in administration with Michels & Taylor, as sector specialist, operating the property on behalf of the administrator and lender. The lengthy administration process has seen trading performance begin to suffer in some areas given the ongoing uncertainty, and regrettably the business environment in the entire town of Southport has been challenged as a consequence of the horrific stabbings seen during July 2024.

More positively for the medium term, the local Council has continued to make progress on the development of the Marine Lake Events Centre ("MLEC") on the site adjoining the hotel. Demolition works of the previous venue are nearing completion and Graham Construction has been appointed as preferred contractor for the new complex. Alongside the administrator, we have had constructive dialogue with the Council in the past year (who are also the freeholder of the hotel site) to engage with them on the evolving project and opportunity for a hotel owner.

The hotel has been subject to competing bids, and although progress on a sale has been protracted, we have now settled on a preferred buyer who is an experienced north-west based hotelier. The buyer has provided proof of funding and has instructed solicitors, and continues to progress the legal documentation. While the bid price is materially above the carrying value of the loan, and envisages a sale completion in the next three months, in view of the historic challenges and time taken to progress a sale of this asset we have prudently also placed weight on alternative or delayed exit scenarios in assessing the carrying value of the loan.

Affinity

The property was subject to a competitive bid process in the fourth quarter of 2024, with two leading parties identified. We formally placed the asset under offer in late November with the expectation of exchanging contracts in the early part of 2025. As the buyer progressed its due diligence several delays arose, some of which were understandable and some which seem to have been the result of the buyer prioritising other projects. While legals had been concluded and we had hoped to be in a position to exchange contracts in March 2025, the buyer's original equity partner unexpectedly withdrew from the deal at a very late stage. While a replacement partner has been found there has been a further delay while new joint venture documentation is drafted.

There has been no change in the agreed price for the asset, and the underbidder's interest remains live while the sale process concludes. The rising potential to exchange contracts at the agreed price has been reflected in the carrying value of the loan, and we consider that a three-month period should be sufficient to conclude a sale to the current or underbidder.

RoyaleLife

The portfolio continues to be run effectively by our chosen operating partner, the Ambassador Group, under the new branding of Regency Living. Several of the portfolio sites have been relaunched for sale under the new branding, with bungalow sales restarting in earnest in the fourth quarter.

We continue to receive various approaches from potential buyers for some or all of the portfolio, and have engaged with those we consider to be credible. We spent significant time with one such potential buyer who expended considerable monies on due diligence, however as time passed we became concerned about their ability to perform and will revisit with them at a later time. Moreover, with the business on a steadily surer footing, we have also carefully considered the optimal marketing strategy from a process and timing perspective, and have engaged professionals in this regard.

As set out earlier in this report, during the period we initiated legal proceedings on behalf of the lenders against one of the parties involved in the transaction. While the claim is a matter of public record, and the Company is a party to the claim, we are not in a position to comment on the matter further and are unlikely to be in a position to do so while proceedings continue.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Economy and Financial Market Update

The reporting period was dominated by the outcomes of the various elections in major economies, with the UK in July, the US in September and most recently Germany in February. While the election in the UK of a Labour government with a commanding majority was hoped to bring an element of stability and the prospect of a return to meaningful economic growth, this was stymied by the government's first budget which contained significant tax rises which were widely seen as unfriendly to business, job creation and growth.

The return of the Trump administration in the US generated a whirlwind of policy announcements, most relevant being across tariff and trade policy. In addition to it becoming increasingly apparent that Europe is no longer a US geopolitical priority or preferred trading partner, the direction of trade policy has been and is expected to remain highly uncertain and volatile.

More recently the UK government seems to have acknowledged the challenges presented with a tougher public spending settlement expected alongside a recognition that taxpayer monies will be reallocated towards defence and critical infrastructure. The government is also beginning to win plaudits for some proposed supply side reforms, particularly to the labyrinthine planning system.

Overall the UK economic picture remains relatively subdued, and while the inflation prints and outlook appear more benign than in previous years (partly due to base effects), GDP growth is still largely flatlining with many forecasters including the OBR revising forecasts downwards. With government borrowing still significant, 10-year gilt rates exceeded 4.9% in January before slipping back, and, relevant to real estate markets, the benchmark five-year swap rate is actually higher than at the time of our last report.

Occupational Demand/Supply

Offices

The occupational story in the Office sector continues to show strength in parts, particularly for prime assets. At 3.5m sq ft of take up in Q4 2024, the Central London market posted its third consecutive quarter of growth, and marginally outperformed the Q4 long term average level. As a result, the pipeline of transactions under offer now stands significantly below long term average, however availability has also declined to just over 20m sq ft, at a vacancy rate of 7.6%.

The Regional occupational market also performed well in parts across 2024. Headline rental growth continued, confirming occupier appetite for quality accommodation, albeit the second half was more subdued than H1, finishing 2024 at c. 5% growth across the year. The overall regional office vacancy rate remained higher than Central London at 8.7%, with significant variance between cities (Edinburgh Grade A vacancy stood at <0.5%, against Newcastle at 4.0%).

Industrials

Letting sizes have fallen, with 2024 showing only seven transactions of over 500,000 sq ft, reflecting 27% of the Big Box market and down from 47% at 2020 peak. Across the wider market (including Mid Box and Multi-let industrial) take up in H1 2024 outperformed H2, with Q4 take up of 6.4m sq ft marginally ahead of Q3. Retail and Manufacturing occupiers were most active. Vacancy has increased both against 2023 and quarter-on-quarter, standing at 6.3%, in line with levels recorded 2010-2015.

The composition of units has changed however, as the amount of Grade A space available is at its highest level in over a decade, and Grade C space has contracted to sub-10% - a result of withdrawal of units from market for refurbishment and redevelopment. Reflecting the evolving demand and supply landscapes, annual rental growth moderated to 3.4% for Mid Box units, and 3.1% for Big Box.

Retail & Leisure

The long running monthly GfK / NIQ consumer confidence survey remains in a holding pattern, with only small, point by point increases in confidence in Q4, after a sharp decrease in Q3. This built the backdrop for an unexpected quarter-on-quarter fall in Q4 2024 retail sales, despite rising real earnings and historically low unemployment. Softening of pricing in the leisure sector also reflected this.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Occupational Demand/Supply (continued)

Retail & Leisure (continued)

Sentiment in the West End prime retail subsector remained strong, with vacancy rates now down to 2.2%, and rental growth in Central London increasing very slightly in Q4 to result in a 10.4% annual uplift. Contrasting figures from national shopping centres and high streets showed vacancy rates holding steady at 17% and 13% respectively. Nationally, net effective rents fell 3.8% in these subsectors in Q4, thought to be a reaction to the Chancellor's budget. It remains to be seen how the employer national insurance and minimum wage increases announced in that budget affects occupational decisions across both retail and leisure sectors. Lord Wolfson, the respected CEO of Next, has suggested his retailer's wage bill will increase by £70m per annum from the changes.

Property Investment Market

Annual investment volumes in the UK were £53.6bn, according to CBRE. This showed a modest level of year-on-year growth, albeit remains subdued with the 2024 total still c. 10% below the long term (10 year) average. Activity across sectors was more evenly divided than in previous years, and across the full year, the Living and Office sectors saw the highest transaction volumes at £10.4bn and £9.2bn respectively, with some market participants suggesting this represents a potential bottoming out of the office markets (as volumes were almost unchanged, year on year).

We also observed the continued institutionalisation of the Living market, which has posted investment volumes of c. £10bn consistently for six years now, despite new development being constricted. These levels may temporarily reduce in 2025/2026 as the Building Safety Act delays the new supply pipeline. The only sector posting markedly above-average volumes was Hotels, at £5.5bn.

Finance Markets

During the reporting period we observed a steady tightening of lending margins, particularly on traditional senior loans, which has continued through to the date of this report. Overall, we estimate that average senior lending margins are circa 25bp tighter than 12 months ago, with LTV ratios circa 2.5% to 5% higher. We consider that prime lending margins now stand at 150 – 200 basis points, depending on sector. This is reflective of the return to the market of UK and international banks, who as a group seem to be far more active than in prior years, with competition for strong transactions in the sub-60% LTV space now more intensive. We would caution that for any transactions or property assets falling outside traditional banks' risk appetite, liquidity is often thinner and lending margins can be materially higher.

An emerging area of liquidity is in larger loans, where debt funds are the primary financiers, often supported by 'back leverage', particularly loan-on-loan or repo facilities. This has been an attractive financing tool both for debt funds who can diversify fund exposures and potentially enhance returns, but also for the underlying banks where the regulatory capital treatment of loan-on-loan investments can be superior to direct lending. Finally we have seen something of a re-emergence of the CMBS market in Europe in 2025, where in prior years transactions had been limited to a handful of loans sponsored by Blackstone. At the time of writing, 2025 issuance of European CMBS was already higher than the whole of 2024.

Outlook

Although many market participants started 2025 with a feeling of optimism, the recent market disruption caused by US tariff policy has undoubtedly affected sentiment in recent weeks. With investors in many cases playing a waiting game, the prospect of a material recovery in transaction volumes or asset pricing in 2025 now appears lower than earlier in the year, albeit the improvement in lending margins and recent reduction in UK reference swap rates, if sustained, may help some real estate investors to see value in the markets.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

INVESTMENT POLICY

Investment Objective

The investment objective of the Company, as approved by the shareholders, is to conduct an orderly realisation of the Company's assets.

Investment Policy

The assets of the Company are being realised in an orderly manner, returning cash to Shareholders at such times and in such manner as the Board may, in its absolute discretion, determine. The Board will endeavour to realise all the Company's investments in a manner that achieves a balance between maximising the net value received from those investments and making timely returns to Shareholders.

The Company may not make any new investments save that:

- investments may be made to honour commitments under existing contractual arrangements or to preserve the value of the underlying property security; and
- cash held by the Company may be invested in quoted bond and other debt instruments with a final maturity of less than 365 days as well as money market funds for the purposes of cash management provided any such instrument has a minimum credit rating.

The Company will continue to comply with the restrictions imposed by the Listing Rules in force from time to time.

Any material change to the Company's published investment policy will be made only with the prior approval of Shareholders by ordinary resolution at a general meeting of the Company.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

BOARD OF DIRECTORS

Jack Perry CBE – *Chairman and Non-Executive Independent Director*

Appointment: Appointed to the Board and as Chairman in November 2012

Experience: Jack is an independent non-executive board member and adviser to a number of public and private companies. He was appointed to the Board of Alliance Witan PLC on 10 October 2024, having been a director and Chairman of the Audit & Risk Committee of the Witan Investment Trust plc. He previously served as Chief Executive of Scottish Enterprise, Scotland's enterprise, innovation and investment agency for six years until November 2009.

Prior to this, he was the managing partner of Ernst & Young in Glasgow. In addition, he was Regional Industry Leader for Scotland and Northern Ireland for Ernst & Young's Technology & Communications and Consumer Products practices.

He is the former Chairman of European Assets Trust PLC and a non-executive director of FTSE 250 company, Robert Wiseman Dairies PLC and Capital for Enterprise Ltd. He also served as a member of the Advisory Committee of Barclays UK & Ireland Private Bank.

Jack is a member of the Institute of Chartered Accountants of Scotland.

Committee Membership: Audit and Risk Committee, Nomination Committee, Management Engagement Committee, Remuneration Committee

Paul Meader – *Non-Executive Independent Director*

Appointment: Appointed to the Board in November 2012

Experience: Paul is an independent director of investment companies, insurers and investment funds. Until 2012, he was Head of Portfolio Management for Canaccord Genuity based in Guernsey, prior to which he was Chief Executive of Corazon Capital. He has over 35 years' experience in financial markets in London, Dublin and Guernsey, holding senior positions in portfolio management and trading. Prior to joining Corazon, he was managing director of Rothschild's Swiss private banking subsidiary in Guernsey.

Paul is a Chartered Fellow of the Chartered Institute for Securities & Investments, a past Commissioner of the Guernsey Financial Services Commission and past Chairman of the Guernsey International Business Association. He is a graduate of Hertford College, Oxford. Paul is a resident of Guernsey.

Committee Membership: Audit and Risk Committee (Chair), Nomination Committee, Management Engagement Committee, Remuneration Committee

Stuart Beevor, who has served as Director and Fiona Le Poidevin, who has served as a Director and Chair of the Audit and Risk Committee, have retired from the Board of the Company with effect from 31 January 2025.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

The Directors hereby submit the Annual Report and Financial Statements for the Company for the year ended 31 January 2025. This Report of the Directors should be read together with the Corporate Governance Report on pages 23 to 35.

Business Review

A review of the Company's business and its likely future development is provided in the Chairman's Statement on pages 5 to 6 and in the Investment Manager's Report on pages 7 to 10.

Listing Requirements

Since being admitted on 5 February 2013 to the Official List maintained by the FCA, the Company has complied with the applicable UK Listing Rules.

Results and Dividends

The results for the year are set out in the Financial Statements on pages 49 to 74.

The Directors do not recommend the payment of a dividend in respect of the year ended 31 January 2025 (31 January 2024: nil)

Share Capital

The Company has one class of Ordinary Shares. The issued nominal value of the Ordinary Shares represents 100% of the total issued nominal value of all share capital. Under the Company's Articles of Incorporation, on a show of hands, each shareholder present in person or by proxy has the right to one vote at Annual General Meetings. On a poll, each shareholder is entitled to one vote for every share held.

Holders of Ordinary Shares are entitled to all dividends paid by the Company and, on a winding up, providing the Company has satisfied all its liabilities, the shareholders are entitled to all of the surplus assets of the Company. The Ordinary Shares have no right to fixed income.

Under Company Articles the Company may, from time to time, issue Redeemable B Shares in order to return capital to holders of Ordinary Shares. The Company made no issuances during the year.

Shareholdings of the Directors

The Directors' beneficial interests in the shares of the Company as at 31 January 2025 and 2024 are detailed below:

Director	Ordinary Shares of £1 each held 31 January 2025	% holding at 31 January 2025	Ordinary Shares of £1 each held 31 January 2024	% holding at 31 January 2024
Mr Perry	108,609	0.09	108,609	0.09
Mr Beevor ⁽¹⁾	30,000	0.02	30,000	0.02
Mr Meader	305,921	0.25	305,921	0.25
Mrs Le Poidevin ⁽¹⁾	-	0.00	-	0.00

⁽¹⁾ Mr Beevor and Mrs Le Poidevin retired from the Board with effect from 31 January 2025.

Mr Perry's and Mr Meader's beneficial interests in the shares of the Company as at 30 April 2025, being the most current information available, are unchanged from those disclosed above.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Directors' Authority to Buy Back Shares

The Directors believe that the most effective means of minimising any discount to Net Asset Value which may arise on the Company's share price, is to realise optimal recoveries from the Company's investment portfolio in both absolute and relative terms. However, the Board recognises that wider market conditions and other considerations will affect the rating of the shares in the short term and the Board may seek to limit the level and volatility of any discount to Net Asset Value at which the shares may trade. The means by which this might be done could include the Company repurchasing shares. Therefore, subject to the requirements of the Listing Rules, the Companies Law, the Articles and other applicable legislation, the Company may purchase shares in the market in order to address any imbalance between the supply of and demand for shares or to enhance the Net Asset Value of shares.

In deciding whether to make any such purchases the Directors will have regard to what they believe to be in the best interests of shareholders and in accordance with the applicable Guernsey legal requirements which require the Directors to be satisfied on reasonable grounds that the Company will, immediately after any such repurchase, satisfy a solvency test prescribed by the Companies Law and any other requirements in its Memorandum and Articles of Incorporation. The making and timing of any buybacks will be at the absolute discretion of the Board and not at the option of the shareholders. Any such repurchases would only be made through the market for cash at a discount to Net Asset Value.

Annually the Company passes a resolution granting the Directors general authority to purchase in the market up to 14.99% of the shares in issue immediately following Admission at a price not exceeding the higher of (i) 5% above the average mid-market values of shares for the five business days before the purchase is made or (ii) the higher of the last independent trade or the highest current independent bid for shares. The Directors intend to seek renewal of this authority from the shareholders at the Annual General Meeting.

Pursuant to this authority, and subject to the Companies Law and the discretion of the Directors, the Company may purchase shares in the market on an ongoing basis with a view to addressing any imbalance between the supply of and demand for shares.

Shares purchased by the Company may be cancelled or held as treasury shares. The Company may borrow and/or realise investments in order to finance such share purchases.

The Company has not purchased any shares for treasury or cancellation during the year or to date. During the year, the Board considered if such a purchase of shares would be appropriate and concluded that it would not be in the best interests of shareholders.

Directors' and Officers' Liability Insurance

The Company maintains insurance in respect of Directors' and Officers' liability in relation to their acts on behalf of the Company.

Substantial Shareholdings

As at 31 January 2025, the Company had been notified, in accordance with Chapter 5 of the Disclosure and Transparency Rules, of the following substantial voting rights as shareholders of the Company.

Shareholder	Shareholding	% holding
TrinityBridge	20,100,181	16.57%
Canopus	12,276,107	10.12%
Almitas Capital	11,972,209	9.87%
TDC Pensionskasse	10,600,000	8.74%
Premier Miton Investors	10,500,000	8.66%
Intermediate Capital Group	10,000,000	8.24%
Philip J Milton, stockbrokers	7,267,641	5.99%
Hargreaves Lansdown, stockbrokers (EO)	6,907,137	5.69%
CG Asset Management	4,882,100	4.02%
Bhavesh Patel	4,782,430	3.94%

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Substantial Shareholdings (continued)

In addition, the Company also provides the same information as at 16 April 2025, being the most current information available.

Shareholder	Shareholding	% holding
TrinityBridge	19,844,186	16.36%
Canopus	12,276,107	10.12%
Almitas Capital	11,972,209	9.87%
TDC Pensionskasse	10,600,000	8.74%
Premier Miton Investors	10,500,000	8.66%
Intermediate Capital Group	10,000,000	8.24%
Philip J Milton, stockbrokers	7,257,771	5.98%
Hargreaves Lansdown, stockbrokers (EO)	6,581,705	5.43%
CG Asset Management	4,882,100	4.02%
Bhavesh Patel	4,782,430	3.94%

The Directors confirm that there are no securities in issue that carry special rights with regard to the control of the Company.

Independent External Auditor

Deloitte LLP has been the Company's external auditor since the Company's incorporation. The Audit and Risk Committee reviews the appointment of the external auditor, its effectiveness and its relationship with the Company, which includes monitoring the use of the external auditor for non-audit services and the balance of audit and non-audit fees paid, as included in Note 14 to the Financial Statements. Following a review of the independence and effectiveness of the external auditor, a resolution was proposed and accepted at the 2024 Annual General Meeting to re-appoint Deloitte LLP. Each Director believes that there is no relevant information of which the external auditor is unaware. Each had taken all steps necessary, as a director, to be aware of any relevant audit information and to establish that Deloitte LLP is made aware of any pertinent information. This confirmation is given and should be interpreted in accordance with the provisions of Section 249 of the Companies Law. Further information on the work of the external auditor and reasons for not putting the audit service out to tender is set out in the Report of the Audit and Risk Committee on pages 36 to 40.

Articles of Incorporation

The Company's Articles of Incorporation may only be amended by special resolution of the shareholders.

AIFMD

The Company is a non-EU domiciled alternative investment fund and appointed ICG Alternative Investments Limited as its discretionary Investment Manager on 25 November 2020. Prior to this appointment the Company was internally managed. Any offer of shares to prospective investors within selected member states of the European Economic Area and the UK will be made in accordance with the applicable national private placement regime, and the Company will notify its intention to market to the competent authority in each of the selected member states for the purposes of compliance with AIFMD.

AEOI Rules

Under AEOI Rules the Company continues to comply with both FATCA and CRS requirements to the extent relevant to the Company.

The Board is committed to upholding and maintaining a zero-tolerance policy towards the criminal facilitation of tax evasion.

Change of Control

There are no agreements that the Company considers significant and to which the Company is party that may affect its control following a takeover bid.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Going Concern

The Directors, at the time of approving the Financial Statements, are required to consider whether they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and whether there is any threat to the going concern status of the Company. At the EGM of the Company on 14 January 2021, following a recommendation from the Board published in a circular on 16 December 2020, shareholders voted by the requisite majority in favour of a change to the Company's Objectives and Investment Policy which would lead to an orderly realisation of the Company's assets and a return of capital to shareholders.

It is intended that, following the appointment of receivers or administrators in respect of the last remaining loans, the investments will be realised and sold in an orderly manner. The Company may take actions to accelerate or delay the marketing and realisation processes for each investment in order to optimise shareholders' returns.

Whilst the Directors are satisfied that the Company has adequate resources to continue in operation throughout the realisation period and to meet all liabilities as they fall due, given the Company is now in a managed wind down, the Directors consider it appropriate to adopt a basis other than going concern in preparing the financial statements.

In the absence of a ready secondary market in real estate loans by which to assess market value of the loans, the basis of valuation for investments is amortised cost net of impairment, recognising the net realisable value of each property in the orderly wind down of the Company. In accordance with the Company's IFRS 9 Policy the staging of each loan has been reviewed and all loans are now considered to be at Stage 3. Consequently, valuations reflect the ECL assuming a twelve month realisation period, as detailed in Note 5. No material adjustments have arisen solely as a result of ceasing to apply the going concern basis.

Viability Statement

The AIC Code requires that, the Directors make a viability statement in which they assess the prospects of the Company over a period longer than the 12 months required by the going concern provision.

A change in Investment Policy was approved by the shareholders at the EGM on 14 January 2021 with the resultant intention that the Company undergo an orderly realisation of assets, returning capital to shareholders.

For this reason, and as discussed above, the Company is preparing the financial statements on a basis other than going concern due to the Company being in a managed wind down.

Since the EGM, 8 loans have repaid in full and £54.46 million of capital has been returned to Shareholders. The Company's remaining three loans are now past due and receivers or administrators have been appointed in each case to stabilise the property assets and realise the security underpinning the loans in an orderly manner. As discussed elsewhere in this report, market conditions have been, and remain, unfavourable to near term realisations except to opportunistic buyers seeking material discounts to value in the face of high funding costs in order to generate their target returns.

The valuations applied to the loans reflect the Board's current expectations of net realisable values within a twelve month period, however the Board have considered the Company's working capital requirements, assuming no further income or capital receipts over a two year period, due to the Company's investment policy being an orderly realisation of the assets and the likely timing of sales. The Board considers two years to be an appropriate period being the maximum foreseeable future life of the Company.

Cashflow projections are prepared regularly. The Board intends to return surplus capital to investors following the realisation of the collateral supporting each loan, whilst it remains prudent to do so and taking into account the commitments, liabilities and expected duration of the Company at the time.

Having conducted a robust analysis on this basis, the Directors remain satisfied that the Company can meet its liabilities as they fall due over the period under consideration to February 2027, if the Company continues in operation up until that date. The Company is likely to operate with a cashflow deficit in most quarters. Cash reserves are held to cover these periods and will be re-assessed with each loan repayment. The Company will, on a prudent basis, maintain working capital reserves to meet all liabilities as they fall due.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Directors' Responsibilities to Stakeholders

Section 172 of the UK Companies Act 2006 applies directly only to UK domiciled companies. Nonetheless, the AIC Code requires that the matters set out in section 172 are reported on by all companies, irrespective of domicile. This requirement does not conflict with Guernsey company law.

Section 172 recognises that Directors are responsible for acting in a way that they consider, in good faith, is the most likely to promote the success of the Company for the benefit of its shareholders as a whole. In doing so, they are also required to consider the broader implications of their decisions and operations on other key stakeholders and their impact on the wider community and the environment. Key decisions are those that are either material to the Company or are significant to any of the Company's key stakeholders. The Company's engagement with key stakeholders and the key decisions that were made or approved by the Directors during the year are described below.

Stakeholder Group	Methods of Engagement	Benefits of Engagements
<p>Shareholders</p> <p>The major investors in the Company's shares are set out on page 14.</p> <p>Following a series of economic shocks and the Company share price falling to a deep discount to NAV, shareholders supported a recommendation by the Board in 2021, to wind down the Company.</p> <p>The Company sought to maintain shareholder satisfaction through:</p> <ul style="list-style-type: none"> • Transparency of communication • Capital preservation • Return of capital on loan repayments 	<p>The Company engages with its shareholders through the issue of portfolio updates in the form of RNS announcements.</p> <p>The Company provides in depth commentary on the investment portfolio, corporate governance and corporate outlook in its semi-annual and annual financial statements.</p> <p>The Board receives quarterly feedback from its Broker in respect of their investor engagement and investor sentiment.</p> <p>The engagement with shareholders, through update calls and the AGM, will continue through the wind down period as capital is returned to investors.</p> <p>The Chairman meets major shareholder regularly following the release of annual and half year results. He remains available for further discussion at shareholders' request.</p>	<p>The Company has continued in its objective to execute the orderly realisation of assets of the Company during the year. During a period when market conditions have not been favourable towards this goal, the Directors, the Investment Manager and the Company's brokers have held a number of meetings with major shareholders during the year, with meetings centred around the release of the annual and half-year results of the Company. In addition, a series of ad-hoc discussions were held during the year. Shareholders have generally been understanding of the difficulties associated with disposal and have overwhelmingly expressed a preference to avoid fire sales.</p> <p>Engagement with shareholders through these meetings and announcements enables shareholders to take informed decision as to the winding up process and timetable.</p>

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Stakeholder Group	Methods of Engagement	Benefits of Engagements
<p>Borrowers/Administrators and Receivers</p> <p>The Company's principal clients are the borrowers to whom the Company provides term finance.</p> <p>During the year, the Company continues to have administrators or receivers in respect of its remaining loans, and, the receiver/administrator fulfils the duties of the borrower and acts on behalf of any other relevant creditors to the borrower entity.</p>	<p>The Company engaged with its Borrowers, and now engages with the administrators and receivers, through its Investment Manager.</p> <p>The Investment Manager has formed and maintained a close working relationship with these parties through regular update calls and the ongoing quarterly monitoring of loans over their respective terms.</p> <p>Following the appointment of receivers/administrators, the Investment Manager holds regular meetings to monitor the performance of the underlying properties and actions being undertaken to protect, enhance and ultimately realise their value.</p> <p>The Board monitors the timeliness and quality of these engagements through its regular engagement with the Investment Manager.</p> <p>During the year, a Director of the Company has regularly met both virtually and in person with two of the administrators/receivers and conducted site visits at certain of the secured properties to understand the specific market dynamics impacting liquidity and value of the subject properties.</p>	<p>During the course of the year, the Investment Manager has provided and the Board reviewed regular updates to the portfolio and investments. Further specific updates have been provided on investment specific matters throughout the year.</p> <p>The Investment Manager regularly engaged with all its Borrowers during the year to seek orderly repayment of the Company's loans, but continue to appoint receivers/administrators due to the borrowers' defaults under the terms of the original loans.</p> <p>Through its engagement with the administrators and receivers, the Investment Manager is able to advise on and monitor all actions being taken to prepare assets for sale and the ensuing sales process, and take actions to support the asset level performance to protect or enhance value.</p>
<p>Service Providers</p> <p>The Company does not have any direct employees; however, it works closely with a number of service providers (the Investment Manager, Administrator, Company Secretary, Broker and other professional service providers) whose interests are aligned to the success of the Company.</p> <p>The quality and timeliness of their service provision is critical to the success of the Company.</p>	<p>The Company's Management Engagement Committee has identified its key service providers. On an annual basis it undertakes a review of performance based on a questionnaire through which it also seeks feedback.</p> <p>Furthermore, the Board and its sub-committees engage regularly with its service providers on both a formal and informal basis.</p> <p>The Management Engagement Committee will also regularly review all material contracts for service quality and value.</p>	<p>The information provided given by the service providers is used to review the Company's policies, controls, and procedures to ensure open lines of communication, operational efficiency, robustness and, appropriate pricing for services provided. Feedback has been given to all relevant service providers during the year.</p> <p>In addition, following extensive discussion between the Board and the Investment Manager, the Investment Management fee has reduced to 0.5% of Net Asset Value from 1% previously, as discussed in the Chairman's statement and with effect from 9 May 2024.</p>

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

<p>Community & Environment</p> <p>As an investment company whose purpose was the provision of and investment in commercial real estate debt, the Company's direct engagement with the local community and the environment is limited.</p> <p>However, the Board recognises the role the Company can play in terms of the environment by supporting and guiding Borrowers to find environmentally friendly sustainable solutions in the maintenance of their properties and delivery of their business plan objectives more generally.</p>	<p>Within its investment strategy, the environmental and social impact of the properties on which the Company's loans are secured was an important consideration when it had made its investments, and has remained so through the monitoring of the loans and actions of the Borrowers.</p> <p>The community, environmental and social impact has also been a consideration in the choice to appoint receivers/administrators in respect of the Company's remaining loans.</p>	<p>In the year to 31 January 2025, the Company made no new loans.</p> <p>In monitoring its investments and providing working capital facilities for the protection of development of the properties the Investment Manager and the Board have continued to consider the environmental and social impact or such developments or expenditure.</p> <p>With respect to the loans now in administration or receivership the Investment Manager, on behalf of the Company, continues to engage with the relevant parties to ensure that the properties are being maintained in good order for their occupants and in the case of operational properties a duty of care to all stakeholders is being observed. The ESG report provides further information on the Investment Manager's approach to this important subject.</p>
--	---	--

Key Decisions

Key decisions are defined as both those that are material to the Company but also those that are significant to any of our key stakeholders as discussed above.

In making the following key decisions, the Board considered the outcome from its stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct and the need to act fairly between the members of the Company:

The Board agreed to the Investment Manager's recommendation that the Company participates in legal action against one of the parties involved in the original RoyaleLife transaction.

The Board agreed to pursue a sale of the asset securing the Affinity loan and to the agent, receiver and Investment Manager recommendations as to the acceptability of the sale price agreed.

The Board determined to retain a working capital buffer to ensure the Company's viability in the absence of any further income or capital receipts during the foreseeable realisation period of the remaining investments.

The Board has sought to minimise the fixed cost base of the Company and it agreed it was an appropriate time to reduce the size of the Board from four to two Directors.

The Board reviewed the performance of the Investment Manager, which was considered to be satisfactory. Following negotiations with the Investment Manager, a reduction in the Investment Manager's fees to 0.5% from 1% previously of Net Asset Value was agreed to control the Company's cost base and improve the ultimate value returned to shareholders. The new fee basis came into effect from 9 May 2024. Accordingly, the Investment Manager's reappointment was confirmed.

The Board also agreed to participate in legal proceedings against one of the parties linked to the RoyaleLife transaction.

Financial Risk Management Policies and Procedures

Financial Risk Management Policies and Procedures are disclosed in Note 11 to the Financial Statements on pages 68 to 72.

Principal Risks and Uncertainties

Principal Risks and Uncertainties are discussed in the Corporate Governance Report on pages 23 to 35.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Subsequent Events

Significant subsequent events have been disclosed in Note 16 to the Financial Statements on page 74.

Alternative Performance Measures

The Directors believe that the performance indicators detailed in the Financial Summary on page 4, which are typical for entities investing in real estate debt, will provide shareholders with sufficient information to assess how effectively the Company is meeting its objectives. The alternative performance measures are described in the table on page 75.

Annual General Meeting

The AGM of the Company will be held at 8:30am BST on 19 June 2025 at Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY. Details of the resolutions to be proposed at the AGM, together with explanations of the AGM arrangements, will appear in the Notice of Meeting to be distributed to shareholders.

Members of the Board will be in attendance at the AGM and will be available to answer shareholder questions.

By order of the Board

Jack Perry
Chairman
30 April 2025

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

The Companies Law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors are required to prepare the Financial Statements in accordance with UK adopted international accounting standards ("IFRS"). Under the Companies 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 in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state that the Company has complied with IFRS, 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 confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the Financial Statements comply with Companies Law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

The Directors are responsible for ensuring that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Directors are also responsible under the AIC Code to promote the success of the Company for the benefit of its members as a whole and in doing so have regard for the needs of wider society and other stakeholders.

As part of the preparation of the Annual Report and Financial Statements the Directors have received reports and information from the Company's Administrator and Investment Manager. The Directors have considered, reviewed and commented upon the Annual Report and Financial Statements throughout the drafting process in order to satisfy themselves in respect of the content.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the website (www.lbow.co.uk).

Legislation in Guernsey governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT (CONTINUED)

Responsibility Statement of the Directors in Respect of the Annual Report under the Disclosure and Transparency Rules

Each of the Directors, whose names are set out on page 12, confirms to the best of their knowledge and belief that:

- the Financial Statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole;
- the Annual 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 faced.

Responsibility Statement of the Directors in Respect of the Annual Report under the Corporate Governance Code

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations. Having taken advice from the Audit and Risk Committee, the Directors consider the Annual Report and Financial Statements, taken as a whole, as fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

By order of the Board

Jack Perry
Chairman
30 April 2025

Paul Meader
Director
30 April 2025

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CORPORATE GOVERNANCE REPORT

As a UK premium listed Company, ICG-Longbow Senior Secured UK Property Debt Investment Limited's governance policies and procedures are based on the principles of the Corporate Governance Code as required under the Listing Rules. The Corporate Governance Code is available on the Financial Reporting Council's website, www.frc.org.uk.

The Company became a member of the AIC effective 27 February 2013 and has therefore put in place arrangements to comply with the AIC Corporate Governance Code 2024 ("the AIC Code") and thereby complies with the UK Corporate Governance Code. The Directors recognise the importance of sound corporate governance, particularly the Principles and Provisions addressed within the AIC Code. The AIC Code is available on the AIC's website www.theaic.co.uk.

The Company is subject to the GFSC Code, which applies to all companies registered as collective investment schemes in Guernsey. The GFSC has also confirmed that companies which report against the UK Corporate Governance Code or AIC Code are deemed to meet the GFSC Code.

The AIC Code addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies such as the Company. The Board considers that reporting against the principles and recommendations of the AIC Code provides appropriate information to shareholders.

The Board monitors developments in corporate governance to ensure the Board remains aligned with best practice.

Throughout the year ended 31 January 2025, the Company has complied with the recommendations of the AIC Code and the relevant provisions of Section 1 of the Corporate Governance Code, except as set out below.

The Corporate Governance Code includes provisions relating to:

- Board Leadership and Company Purpose (Principles A to E);
- Division of Responsibilities (Principles F to I);
- Composition, Succession and Evaluation (Principles J to L);
- Audit, Risk and Internal Control (Principles M to O); and
- Remuneration (Principles P to R)

For the reasons set out in the AIC Code, and as explained in the UK Corporate Governance Code, the Board considers that the above provisions other than succession are not currently relevant to the position of the Company, which delegates most day-to-day functions to third parties.

The Directors have access to the services provided by the Company Secretary, Ocorian Administration (Guernsey) Limited, who ensure statutory obligations of the Company are achieved.

As an investment company, the Company has no employees, all Directors are non-executive and independent of the Investment Manager and, therefore, the Directors consider the Company has no requirement for a Chief Executive or Senior Independent Director and the Board is satisfied that any relevant issues can be properly considered by the Board. The absence of an internal audit function is discussed in the Report of the Audit and Risk Committee on page 39.

As the Company is in wind down, the Board has determined not to implement a succession plan for Directors as outlined on page 29. The Board considers all Directors remain independent.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CORPORATE GOVERNANCE REPORT (CONTINUED)

Environmental, Social and Governance Report

As an investment company, the Company's activities only have a limited direct impact on the environment.

Following the change in Investment Objective and Policy approved by shareholders in January 2021, the Company is now conducting an orderly realisation of its investments. As such, the opportunity to implement material ESG changes across its portfolio is relatively limited and ESG considerations are expected to be limited to monitoring the existing investments for their own performance in this area.

Nonetheless, the Board continues to believe that it is in shareholders' interests to consider environmental, social and governance factors in monitoring its investments. The parent of the Investment Manager is a longstanding signatory to the UN Principles for Responsible Investment and has a fully formalised and embedded Responsible Investing Policy which is applied to all investment decisions and the monitoring of each investment opportunity.

The parent of the Investment Manager continues to develop its ESG policies and procedures. Its responsible investment policy is available to view at: [Responsible Investing Policy - ICG](https://www.icgam.com/sustainability/investing-responsibly/responsible-investing-policy/) - www.icgam.com/sustainability/investing-responsibly/responsible-investing-policy/

As the Company will no longer make any new investments and is actively seeking to realise the remaining assets in its portfolio, the opportunities to support borrowers in ESG matters is limited. However, where receivers and administrators have been appointed to realise the value of the underlying security assets, the Company and the Investment Manager remain mindful of its ESG responsibilities particularly toward the stakeholders in the operating assets.

Culture and Values

The Board recognises that its tone and culture is important and will greatly impact its interactions with shareholders and service providers as well as the development of long-term shareholder value. The importance of sound ethical values and behaviours is crucial to the ability of the Company to achieve its objectives successfully.

The Board individually and collectively seeks to act with diligence, honesty and integrity. It encourages its members to express differences of perspective and to challenge but always in a respectful, open and cooperative fashion. The Board encourages diversity of thought and approach and chooses its members with this approach in mind. The governance principles that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and treats all shareholders equally. All shareholders are encouraged to have an open dialogue with the Board.

The Board recognises that the Company will take risks in order to achieve its objectives, but these risks are monitored and managed. The Company seeks to avoid excessive risk-taking in pursuit of returns. A large part of the Board's activities are centred upon what is necessarily an open and respectful dialogue with the Investment Manager. In holding the Investment Manager to account, the Board regularly raises robust challenges of the choices and recommendations made by them.

The Board

The Company is led and controlled by a Board of Directors, which is collectively responsible for the remaining realisation period of the Company. It does so by acting in the interests of the Company, creating and preserving value and has as its foremost principle to act in the interests of all shareholders.

The Company believes that the composition of the Board is a fundamental driver of its success as the Board must provide strong and effective leadership of the Company. The current Board was selected, as their biographies illustrate, to bring a breadth of knowledge, skills and business experience to the Company. All Directors are members of professional bodies and serve or have served on other boards, which ensures that they are kept abreast of the latest technical developments in their areas of expertise. The Directors details are listed on page 12 which set out their range of investment, financial and business skills and experience represented. In terms of gender balance, the Board now has 100% male representation following the retirement of Fiona Le Poidevin and Stuart Beevor from the Board with effect from 31 January 2025. This does not meet UK Listing Rules targets around diversity, due to the Board now being reduced to two, during the managed wind down. It is considered impractical to recruit new directors within the limited future existence of the Company.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Board (continued)

The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company. The Chairman must be independent and is appointed in accordance with the Company's Articles of Incorporation. In considering the independence of the Chairman, the Board took note of the provisions of the AIC Code relating to independence and has determined that Mr Perry is an independent Director.

The Board meets at least four times a year and, in addition, there is regular contact between the Board, the Investment Manager and the Administrator. At each meeting the Board follows a formal agenda that covers the business to be discussed. Directors meet regularly with the senior management employed by the Investment Manager both formally and informally to ensure the Board remains regularly updated on all issues. Ordinarily, the Board also has regular contact with the Administrator and the Board is supplied in a timely manner with information by the Investment Manager, the Company Secretary and other advisers in a form and of a quality to enable it to discharge its duties.

The Company has adopted a share dealing code which is complied with by the Directors of ICG Longbow Senior Secured UK Property Debt Investments Limited and relevant personnel of the Investment Manager.

Board Tenure and Re-election

The issue with respect to long tenure has arisen and, in accordance with the AIC Code, when and if any Director shall have been in office (or on re-election would have at the end of that term of office) for more than nine years, the Company will consider further whether there is a risk that such a Director might reasonably be deemed to have lost independence through such long service.

The board has sought to control the cost base of the Company as assets have shrunk. As noted above, some progress is being made in relation to the remaining three loans and, accordingly, the board agreed in early 2025 that this was an appropriate time to reduce the size of the board.

Accordingly, Stuart Beevor, who served as Director and Fiona Le Poidevin, who has served as a Director and Chair of the Audit and Risk Committee, retired from the Board of the Company with effect from 31 January 2025. Jack Perry and Paul Meader have remained as Directors.

The two remaining Directors, Mr Perry and Mr Meader, were appointed in November 2012 and have therefore served longer than nine years to date.

The Nomination Committee takes the lead in any discussions relating to the appointment or re-appointment of Directors and gives consideration to Board rotation in advance of the nine-year tenure limit. The Board recognises that Directors serving nine years or more may appear to have their independence impaired. However, the Board nonetheless considers the Directors to remain independent as noted further below. In addition, the Board believes it is beneficial for shareholders that there is continuity of Board leadership during this final managed realisation phase before placing the Company in liquidation.

Directors are appointed under letters of appointment, copies of which are available at the registered office of the Company. The Board considers its composition and succession planning on an ongoing basis. The Company's Articles of Incorporation specify that at each annual general meeting of the Company all Directors shall retire from office and may offer themselves for election or re-election by the Members. Mr Perry and Mr Meader will retire as Directors of the Company in accordance with the Articles and will be put forward for re-election at the forthcoming AGM.

Any Director who is elected or re-elected at that meeting is treated as continuing in office throughout. If they are not elected or re-elected, they shall retain office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in their place or when a resolution to elect or re-elect the Director is put to the meeting and lost.

The Board remains confident that its membership respects the spirit of the Code regarding Board composition and how effectively members work together to achieve the Company's objectives.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CORPORATE GOVERNANCE REPORT (CONTINUED)

Board Tenure and Re-election (continued)

The Company's policy on Chair tenure is that the Chair should not normally serve longer than nine years as a Director and/ or Chair unless it is determined to be in the best interests of the Company, its shareholders and stakeholders.

On 14 January 2021, the Company's shareholders voted for the orderly realisation of the Company's assets and the return of capital to shareholders. As the Company now has a finite remaining operating life, not expected to exceed two years from the date of this report, it is considered impractical to attract, recruit and induct new Board members for such a short period of time. Accordingly, the current Chair of the Company, barring unforeseen circumstances, is expected to remain in office until the Company is placed into liquidation. In practice this means that his tenure will continue to exceed the recommended nine-year term. Similarly, Mr Meader will also continue to exceed the recommended nine-year term for the reasons stated, until the Company is placed in liquidation.

Directors' Remuneration

The level of remuneration of the Directors reflects the time commitment and responsibilities of their roles. The Chairman is entitled to annual remuneration of £50,000 (31 January 2024: £50,000). The Chair of the Audit and Risk Committee is entitled to annual remuneration of £40,000 (31 January 2024: £40,000). The other Independent Directors is entitled to annual remuneration of £35,000 (31 January 2024: £35,000). These levels of remuneration have remained unchanged since July 2017.

During the year ended 31 January 2025 and the year ended 31 January 2024, the Directors' remuneration was as follows:

	1 February 2024 to 31 January 2025	1 February 2023 to 31 January 2024	1 February 2022 to 31 January 2023
Director	£	£	£
Jack Perry	50,000	50,000	50,000
Paul Meader	35,000	35,000	35,000
Stuart Beevor ⁽¹⁾	35,000	35,000	35,000
Fiona Le Poidevin ⁽¹⁾	40,000	40,000	40,000

⁽¹⁾ Mr Beevor and Mrs Le Poidevin retired from the Board with effect from 31 January 2025.

The Company Directors' fees for the year amounted to £160,000 (31 January 2024: £160,000) with outstanding fees of £31,250 due to the Directors at 31 January 2024 (31 January 2024: £31,250) (see Note 8). Aggregate fees for the year to 31 January 2025 are expected to be £90,000.

Both of the remaining Directors are non-executive and are each considered independent for the purposes of Chapter 15 of the Listing Rules.

Duties and Responsibilities

The Board has overall responsibility for maximising the Company's success by directing and supervising the affairs of the business and meeting the appropriate interests of shareholders and relevant stakeholders, while enhancing the value of the Company and also ensuring the protection of investors. The Board has adopted a Schedule of Matters which sets out the particular duties of the Board. Such reserved powers include the following:

- strategic matters;
- risk assessment and management including reporting, compliance, governance, monitoring and control and financial reporting;
- statutory obligations and public disclosure;
- declaring Company dividends;
- managing the Company's advisers;
- appointment of a liquidator; and
- other matters having a material effect on the Company.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CORPORATE GOVERNANCE REPORT (CONTINUED)

Duties and Responsibilities (continued)

The Directors have access to the advice and services of the Administrator, who is responsible to the Board for ensuring that Board procedures are followed and that it complies with Companies Law and applicable rules and regulations of the GFSC and the London Stock Exchange. Where necessary, in carrying out their duties, the Directors may seek independent professional advice and services at the expense of the Company. The Company maintains appropriate Directors' and Officers' liability insurance in respect of legal action against its Directors, should this occur.

The Board's responsibilities for the Annual Report are set out in the Directors' Responsibility Statement on pages 21 and 22. The Board is also responsible for issuing appropriate Interim Reports and other price-sensitive public reports.

One of the key criteria the Company uses when selecting non-executive Directors, is their confirmation prior to their appointment that they will be able to allocate sufficient time to the Company to discharge their responsibilities in a timely and effective manner. The Board assesses the training needs of Directors on an annual basis.

The Board formally met four times during the year and ad-hoc Board meetings were called in relation to specific events or to issue approvals, often at short notice and did not necessarily require full attendance. Each Board member receives a comprehensive Board pack at least five days prior to each meeting which incorporates a formal agenda together with supporting papers for items to be discussed at the meeting. In addition, informal update calls are held, generally fortnightly, between the Directors and the Investment Manager.

Directors are encouraged when they are unable to attend a meeting to give the Chairman their views and comments on matters to be discussed, in advance. Representatives of the Investment Manager attend relevant sections of the Board meetings by invitation and the Directors also liaise with the Investment Manager whenever required and there is regular contact outside the Board meeting schedule.

Attendance is further set out below:

Director	Scheduled Board Meetings 4	Ad-hoc Board Meetings 2	Audit and Risk Committee Meetings 6	Ad-hoc Committee Meetings -	Nomination Committee Meeting 1	Management Engagement Committee Meeting 1	Remuneration Committee Meeting 1
Stuart Beevor	4	2	6	-	1	1	1
Paul Meader	3	2	6	-	1	1	1
Jack Perry ⁽¹⁾	4	2	-	-	1	1	1
Fiona Le Poidevin	4	2	6	-	1	1	1

¹⁾ Mr Perry had a standing invitation to Audit and Risk Committee meetings, however his attendance at the meetings is as an observer only and is not recorded. From 31st January 2025, Mr Perry is a member of the Audit and Risk Committee.

The quorum for any Board meeting is two directors.

Conflicts of interest

A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. The Board requires Directors to declare all appointments and other situations that could result in a possible conflict of interest and has adopted appropriate procedures to manage and, if appropriate, approve any such conflicts. The Board is satisfied that there is no compromise to the independence of those Directors who have appointments on the boards of, or relationships with, companies outside the Company.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CORPORATE GOVERNANCE REPORT (CONTINUED)

Committees of the Board

The Board believes that it and its committees have an appropriate composition and blend of backgrounds, skills and experience to discharge their duties effectively. The Board is of the view that no one individual or small group dominates decision-making. The Board keeps its membership, and that of its committees, under review to ensure that an acceptable balance is maintained and that the collective skills and experience of its members continue to be refreshed. It is satisfied that all Directors have sufficient time to devote to their roles and that undue reliance is not placed on any individual.

Each committee of the Board has written terms of reference, approved by the Board, summarising its objectives, remit and powers and are reviewed on an annual basis. Each committee has access to such external advice as it may consider appropriate.

All committee members are provided with an appropriate induction on joining their respective committees, as well as ongoing access to training. Minutes of all meetings of the committees are made available to all Directors and feedback from each of the committees is provided to the Board by the respective committee Chairs at the next Board meeting.

The Board and its committees are supplied with regular, comprehensive, and timely information in a form and of a quality that enables them to discharge their duties effectively. All Directors are able to make further enquiries of the Investment Manager and Administrator whenever necessary and have access to the services of the Company Secretary.

Audit and Risk Committee

The Audit and Risk Committee is now chaired Mr Meader, following Mrs Le Poidevin's retirement with effect from 31 January 2025. The Committee also comprised of Mr Beevor and Mr Meader, who held office throughout the year, up until Mr Beevor's retirement from the Board with effect from 31 January 2025. Mr Perry had a standing invitation to attend meetings and his attendance at these meetings was as an observer only. From 31 January 2025, Mr Perry is now a member of the Committee. The Chair of the Audit and Risk Committee, the Investment Manager and the external auditor, Deloitte LLP, have held discussions regarding the audit approach and identified risks. The external auditors attend Audit and Risk Committee meetings and a private meeting is held routinely with the external auditor to afford them the opportunity of discussions without the presence of the Investment Manager or Administrator. The Audit and Risk Committee's activities are contained in the Report of the Audit and Risk Committee on pages 36 to 40.

Management Engagement Committee

The Management Engagement Committee is chaired by Mr Perry and comprised Mr Meader, Mr Beevor and Mrs Le Poidevin, all of whom held office throughout the year, up until the retirement from the Board of Mrs Le Poidevin and Mr Beevor. The Management Engagement Committee meets not less than once a year pursuant to its terms of reference, which are available on the Company's website.

The Management Engagement Committee's main function is to review and make recommendations in relation to the Company's service providers. The Management Engagement Committee will review, in particular, any proposed amendment to the Investment Management Agreement and will keep under review the performance of the Investment Manager (including effective and active monitoring and supervision of the activities of the Investment Manager) in its role as investment manager to the Company as well as the performance of other principal service providers to the Company. The Audit and Risk Committee also reports on its relationship with the external auditor.

Nomination Committee

The Nomination Committee is chaired by Mr Perry and also comprised Mr Beevor, Mr Meader and Mrs Le Poidevin, all of whom held office throughout the year, up until the retirement of Mrs Le Poidevin and Mr Beevor from the Board. Given that the Company is in orderly wind-down and that there is no expectation for the Committee/Board composition to change for the reasons provided in this Report, it was no longer deemed necessary for the committee to meet at least once a year. The Nomination Committee's remit is to review regularly the structure, size and composition of the Board, to give full consideration to succession planning for Directors, to keep under review the leadership needs of the Company and be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CORPORATE GOVERNANCE REPORT (CONTINUED)

Nomination Committee (continued)

The Nomination Committee met on 3 April 2025 and confirmed that its terms of reference remained appropriate. Board composition and tenure were discussed and the policy on both issues was agreed as disclosed in the Corporate Governance Report above. The directors' independence was also reviewed and each individual director was considered as independent.

Board Performance Evaluation

In accordance with Provision 26 of the AIC Code, the Board is required to undertake a formal and rigorous evaluation of its performance on an annual basis. The Board believes that annual evaluations are helpful and provide a valuable opportunity for continuous improvement. Such an evaluation of the performance of the Board as whole, the Audit and Risk Committee, the Nomination Committee, the Management Engagement Committee, the Remuneration Committee, individual Directors and the Chairman is carried out and the results are considered by the whole Board.

The internal evaluation conducted by the Board during the year took the form of self-appraisal questionnaires and discussion to determine effectiveness and performance as well as the Directors' continued independence. The responses were consolidated and anonymised and common themes identified in order for the Board to determine key actions and next steps for improving Board and Committee effectiveness and performance.

The evaluation concluded that the Board is performing satisfactorily and is acquitting its responsibilities well in the areas reviewed which incorporated: investment matters; Board composition and independence; relationships and communication; shareholder value; knowledge and skills; Board processes; and the performance of the Chairman. The Board believes that the current mix of skills, experience and knowledge of the Directors is appropriate to the requirements of the Company.

The Nomination Committee has also reviewed the composition, structure and diversity of the Board, the independence of the Directors and whether each of the Directors has sufficient time available to discharge their duties effectively. The Committee and the Board confirm that they believe that the Board has an appropriate mix of skills and backgrounds and that all Directors should be considered as independent in accordance with the provisions of the AIC Code and have the time available to discharge their duties effectively.

Accordingly, the Board recommends that shareholders vote in favour of the re-election of all Directors at the forthcoming AGM.

Succession Planning

The Board recognises that Directors serving nine years or more may appear to have their independence impaired. However, the Board may nonetheless consider Directors to remain independent. The Board considers it beneficial for shareholders that there is continuity of Board leadership during this final, managed realisation phase before placing the Company in liquidation. Therefore, the Board has determined that, barring any unforeseen circumstances, the present two Directors will continue in office until the appointment of a liquidator.

Remuneration Committee

The Remuneration Committee is chaired by Mr Perry and comprised of Mr Meader, Mr Beevor and Mrs Le Poidevin, all of whom held office throughout the year, up until the retirement from the Board of Mrs Le Poidevin and Mr Beevor. The Remuneration Committee is responsible for recommending and monitoring the level and structure of remuneration for all the Directors, including any compensation payments, taking into account the time commitments and responsibilities of Directors and any other factors which it deems necessary, including the recommendations of the AIC Code.

There had been no changes to the Director fees since they were set on 1 July 2017 and they were not expected to change, subject to any unforeseen circumstances, so an annual meeting was no longer deemed necessary. The Remuneration Committee met on 3 April 2025 and confirmed that its terms of reference remained appropriate. It was agreed that there will be no increase to fees during the realisation period subject to any unforeseen circumstances. No change in remuneration is therefore proposed for the year to 31 January 2026.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CORPORATE GOVERNANCE REPORT (CONTINUED)

Internal Control and Financial Reporting

The Directors acknowledge that they are responsible for establishing and maintaining the Company's system of internal controls and reviewing its effectiveness. Internal control systems are designed to manage rather than eliminate the failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatements or loss. The Directors can confirm they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The key procedures which have been established to provide internal control are:

- the Board has delegated the day-to-day operations of the Company to the Administrator and Investment Manager, however it remains accountable for all functions it delegates;
- the Board clearly defines the duties and responsibilities of the Company's agents and advisers, and appointments are made by the Board after due and careful consideration. The Board monitors the on-going performance of such agents and advisers and continues to do so through the Management Engagement Committee;
- the Board monitors the actions of the Investment Manager at regular Board meetings and is also given frequent updates on developments arising from the operations and strategic direction of the underlying borrowers; and
- the Administrator provides administration and corporate secretarial services to the Company. The Administrator maintains a system of internal controls on which it reports to the Board.

The Board has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Administrator and Investment Manager, including their own internal controls and procedures, provide sufficient assurance that an appropriate level of risk management and internal control, which safeguards shareholders' investment and the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary, as explained on page 39.

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. The Administrator and Investment Manager both operate risk-controlled frameworks on a continual ongoing basis within a regulated environment. The Administrator undertakes a SOC 1 Type 2 Report on Controls at a Service Organisation Audit which is provided to the Board when finalised. The last available report is dated 2 February 2025 and covers the year to 31 October 2024. The Board has received an assurance from the Administrator up to 31 January 2025 that there have been no material changes in their control environment that would adversely affect the Auditor's Opinion in the most recently published SOC 1 Type 2 Report and the Directors have held further satisfactory discussions with the Administrator around key controls employed. The Administrator also formally reports to the Board quarterly through a compliance report. The Investment Manager formally reports to the Board quarterly, including relevant updates regarding their policies and procedures, and also engages with the Board on an ad-hoc basis as required. No major weaknesses or failings within the Administrator or Investment Manager have been identified.

The systems of control referred to above are designed to ensure effectiveness and efficient operation, internal control and compliance with laws and regulations. In establishing the systems of internal control, regard is paid to the materiality of relevant risks, the likelihood of costs being incurred and costs of control. It follows, therefore, that the systems of internal control can only provide reasonable but not absolute assurance against the risk of material misstatement or loss. This process has been in place for the year under review and up to the date of approval of this Annual Report and Financial Statements. It is reviewed by the Board and is in accordance with the FRC's internal control publication: Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

The Company has delegated the provision of services to external service providers whose work is overseen by the Management Engagement Committee at its regular scheduled meetings. Each year a detailed review of performance pursuant to their terms of engagement is undertaken by the Management Engagement Committee. An on-site review of the Investment Manager was undertaken by the Directors on 8 February 2024 as part of the internal control environment.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CORPORATE GOVERNANCE REPORT (CONTINUED)

Internal Control and Financial Reporting (continued)

Given the uncertainty with regard to the remaining life of the Company, the Board will consider a further visit to the Investment Manager's office, during the current financial year, if required. The conclusions of these reviews have been satisfactory, providing assurance on the control environment to the Board. In addition, the Company maintains a website which contains comprehensive information, including regulatory announcements, share price information, financial reports, investment objectives and strategy, investor contacts and information on the Board.

Investment Management Agreement

The Company has entered into an agreement with the Investment Manager. This sets out the Investment Manager's key responsibilities, this includes being responsible to the Board for all issues relating to the maintenance and monitoring of existing investments.

In accordance with Listing Rule 15.6.2(2) R and having formally appraised the performance and resources of the Investment Manager, in the opinion of the Directors the continuing appointment of the Investment Manager on the terms agreed is in the interest of the shareholders as a whole.

Whistleblowing

The Board has considered the AIC Code recommendations in respect of arrangements by which staff of the Investment Manager or Administrator may, in confidence, raise concerns within their respective organisations about possible improprieties in matters of financial reporting or other matters.

It has concluded that adequate arrangements are in place for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken within their organisation.

Principal risks and uncertainties

During the year the Board has overseen the Company's risk management framework and risk culture. The Audit and Risk Committee undertook a robust assessment of the Company's principal risks and associated risk appetite, taking into account changes in the business and the external environment. Determination of the risk appetite allows the Company to assess the nature and extent of principal risks that it is exposed to and/or willing to take to achieve objectives.

The Board considers the process for identifying, evaluating and managing any significant risks faced by the Company on an ongoing basis and these risks are reported and discussed at Board meetings. This ensures that effective controls are in place to mitigate these risks and that a satisfactory compliance regime exists to ensure all applicable local and international laws and regulations are adhered to.

The Board can confirm that it has agreed all recommendations proposed by the Audit and Risk Committee. The risks set out below represent a snapshot of the Company's current principal risk profile. These risks have been ranked considering the magnitude of potential impact, probability and taking into account the effectiveness of existing controls. This is not an exhaustive list of all risks the Company faces. As the macro environment changes and country and industry circumstances evolve, new risks may arise and existing risks may recede or the rankings of these risks may change.


For each material risk, the likelihood and potential impact are identified. The Company's financial instrument risks are discussed in Note 11 to the Financial Statements.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CORPORATE GOVERNANCE REPORT (CONTINUED)

Principal risks and uncertainties (continued)

The Directors have identified the following as the principal risks faced by the Company:

Description	Nature of Risk	Potential Impact	Mitigation	Movement of Risk in year
Inability to secure sales of underlying properties to facilitate timely capital repayments.	<p>Market, geopolitical and economic conditions are currently volatile and the outlook unsure. The Company's three key loans are in administration or receivership.</p> <p>The Company's Borrowers retain a right of redemption but have been unable to raise sufficient equity to refinance the current loans.</p> <p>In adverse market conditions with low transaction volumes and high costs of debt, the appointed Receivers and Administrators may find it challenging to secure sales.</p>	<p>This could result in delayed sale of the underlying properties and/or reduced quantum of capital proceeds.</p> <p>The thin market liquidity combined with receivership/administrator sales may also attract only opportunistic buyers seeking high returns and deep discounts in order to proceed with a perceived distressed sale with very limited indemnities or warranties being offered.</p>	<p>The Investment Manager has appointed a receiver, administrator or operating partner to each of the three key loans remaining and is ensuring the property securing each loan is being actively managed, with income and condition being maintained wherever possible and economic to do so.</p> <p>The Investment Manager maintains an active dialogue with all of the administrators/receivers, operating partners and agents active on each investment and keeps the Board informed of any issues arising. Loans and the underlying security are monitored on an ongoing basis to identify any further deterioration or distress.</p> <p>The Investment Manager remains an active participant in the UK CRE financing market and as such is continually monitoring property and finance market conditions, meaning it is well placed to deal with any issues. Current conditions mean that reconciling a timely exit with maximising shareholder value is challenging.</p>	

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CORPORATE GOVERNANCE REPORT (CONTINUED)


Principal risks and uncertainties (continued)

<p>Fall in collateral values, and accuracy of valuations.</p>	<p>Commercial property values are typically linked to a property's ability to generate cashflows and are benchmarked against comparable properties. Economic and market volatility create material uncertainty in terms of property valuations.</p>	<p>This may impact the Company's ability to accurately determine collateral values, and to appropriately consider the level of permanent impairment of any particular investment, within the target timeframe to realise that investment.</p>	<p>The current volatile market conditions may make the accuracy of valuations somewhat unreliable with significant but unknown bid offer spreads between buyer and seller aspirations. As things stand at the time of review, the market for refinancing loans or the sale of underlying properties is uncertain.</p> <p>The Board obtains external valuations as appropriate but also makes judgements based on offers in hand, valuer and agency advice and outlook for each specific property.</p> <p>Given the market uncertainty and lack of transactional evidence, the Company applies a probability weighted approach to the range of outcomes based on differing realisation scenarios.</p>	
---	---	---	--	---

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CORPORATE GOVERNANCE REPORT (CONTINUED)


Principal risks and uncertainties (continued)

<p>Portfolio Diversification.</p>	<p>The Company is in wind down with only three loans remaining.</p>	<p>The Company no longer benefits from portfolio diversification, but carries the specific risks associated with the remaining loans.</p> <p>The remaining loans are in receivership or administration and, as such, the Company's income generation is and cashflow are unpredictable.</p> <p>Furthermore, the Company's fixed costs will thereof comprise a greater proportion of the Group's revenues which may impact the amount of funds available for distribution to shareholders.</p>	<p>As part of the orderly realisation, the Investment Manager and the Board have stepped up monitoring of the individual investments and the Board receives frequent formal and informal reports from the Investment Manager.</p> <p>The Board also continues to closely monitor the Company's costs, to ensure optimum value is obtained during the realisation of the portfolio.</p> <p>However, with only three loans outstanding, the portfolio's concentration risk has increased significantly and will continue to increase as loans are repaid.</p> <p>The Board will adopt a prudent approach to the repayment of capital to shareholders to ensure that the Company remains viable and avoids becoming a distressed seller through the final realisation process.</p>	
-----------------------------------	---	---	---	---

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CORPORATE GOVERNANCE REPORT (CONTINUED)

Principal risks and uncertainties (continued)

Liquidation process and timeliness of final capital distribution.	The Company's liquidation is expected to follow repayment of the final loan and the discharge of all creditors and claims, timings of which is uncertain for the reasons set out above.	Liquidation of the Company may be delayed and it may continue to operate with high fixed costs relative to the remaining income streams.	<p>The performance of all loans and timings of repayments is monitored closely.</p> <p>The Board and Investment Manager will continue to weigh the merits of accelerated exits versus orderly repayment to maximise shareholder returns where possible.</p> <p>Potential claims and liabilities will be identified and addressed in advance wherever possible.</p>	
---	---	--	--	---

The Company's principal risk factors are fully set out in the Company's 2018 Prospectus available on the Company's website (www.lbow.co.uk) and should be reviewed by shareholders, together with the supplemental prospectus issued in 2019, albeit in the context that the Company has now adopted a new Investment Policy and is in managed wind down which has changed the nature of many of the principal risk factors, as described above.

Emerging risks are regularly considered to assess any potential impact on the Company and to determine whether any actions are required. Emerging risks include those related to regulatory/legislative change, the impact of tariff related changes in global trade and investment, the war in the Middle East and Ukraine and macroeconomic and political change.

In summary, the above risks are mitigated and managed by the Board through continual review, policy setting and updating of the Company's detailed risk matrix to ensure that procedures are in place with the intention of minimising the impact of the above-mentioned risks. The Board also relies on periodic reports provided by the Investment Manager and Administrator regarding risks that the Company faces. When required, experts will be employed to gather information, including property surveyors, tax managers, legal managers or environmental managers as appropriate.

By order of the Board

Jack Perry
Chairman
30 April 2025

Paul Meader
Director
30 April 2025

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee was chaired by Mrs Le Poidevin up until her retirement from the Board with effect from 31 January 2025. The Audit and Risk Committee is now chaired by Mr Meader from 31 January 2025. The Audit and Risk Committee operates within clearly defined terms of reference (which are available from the Company's website) and includes all matters indicated by Disclosure and Transparency Rule 7.1, the AIC Code and the UK Code. Its other member is Mr Perry who was appointed on 31 January 2025.

Only independent Directors can serve on the Audit and Risk Committee. Members of the Audit and Risk Committee must be independent of the Company's external auditor and Investment Manager. The Audit and Risk Committee will meet no less than twice a year, and at such other times as the Audit and Risk Committee Chair shall require.

The Committee members have considerable financial and business experience and the Board has determined that the membership as a whole has sufficient recent and relevant sector and financial experience to discharge its responsibilities. The Board has taken note of the requirement that at least one member of the Audit and Risk Committee should have recent and relevant financial experience and is satisfied that the Audit and Risk Committee is properly constituted in that respect, with all members being highly experienced and, in particular, with one member having a background as a chartered accountant.

The duties of the Audit and Risk Committee in discharging its responsibilities include reviewing the Annual Report and Financial Statements and the Interim Report, the system of internal controls, and the terms of appointment of the Company's independent auditor together with their remuneration. It is also the formal forum through which the auditor will report to the Board of Directors. The objectivity of the auditor is reviewed by the Audit and Risk Committee which will also review the terms under which the external auditor is appointed to perform non-audit services and the fees paid to them or their affiliated firms overseas.

Responsibilities

The main duties of the Audit and Risk Committee are:

- reviewing and monitoring the integrity of the Financial Statements of the Company and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements contained in them;
- reporting to the Board on the appropriateness of the Company's accounting policies and practices including critical judgement areas;
- reviewing any draft impairment reviews of the Company's investments prepared by the Investment Manager and making a recommendation to the Board on any impairment in the value of the Company's investments;
- meeting regularly with the external auditor to review their proposed audit plan and the subsequent audit report and assess the effectiveness of the audit process and the levels of fees paid in respect of both audit and non-audit work;
- making recommendations to the Board in relation to the appointment, re-appointment or removal of the external auditor and approving their remuneration and the terms of their engagement;
- monitoring and reviewing annually the auditor's independence, objectivity, expertise, resources, qualification and non-audit work;
- considering annually whether there is a need for the Company to have its own internal audit function;
- monitoring the internal financial control and risk management systems on which the Company is reliant;
- reviewing and considering the UK Code, the AIC Code and the FRC Guidance on Audit and Risk Committees; and
- reviewing the risks facing the Company and monitoring the risk matrix.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

REPORT OF THE AUDIT AND RISK COMMITTEE (CONTINUED)

Responsibilities (continued)

The Audit and Risk Committee is required to report its findings formally to the Board, identifying any matters on which it considers that action or improvement is needed, and make recommendations on the steps to be taken.

The external auditor is invited to attend the Audit and Risk Committee meetings as the Directors deem appropriate and the Audit and Risk Committee has the opportunity to meet the external auditor without representatives of the Investment Manager or the Administrator being present at least once per year.

Financial Reporting

The primary role of the Audit and Risk Committee in relation to the financial reporting is to review with the Administrator, Investment Manager and the auditor the appropriateness of the Annual Report and Financial Statements, concentrating on, amongst other matters:

- the quality and acceptability of accounting policies and practices;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- material areas in which significant judgements have been applied or where there has been discussion with the external auditor including the going concern status and viability statement;
- whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; and
- any correspondence from regulators in relation to the Company's financial reporting.

To aid its review, the Audit and Risk Committee considers reports from the Administrator and Investment Manager and also reports from the auditor on the outcome of their annual audit. The Audit and Risk Committee supports the external auditor and recognises the necessary professional scepticism their role requires.

Meetings

During the year ended 31 January 2025, the Audit and Risk Committee met formally on four occasions. The matters discussed at those meetings included:

- review of the terms of reference of the Audit and Risk Committee for approval by the Board;
- review of the accounting policies and format of the Financial Statements;
- detailed review of the Annual Report and Financial Statements, Interim Report and recommendation for approval by the Board including the basis other than that of a going concern and the viability statement;
- detailed review and updating of the Company's risk matrix;
- review and approval of the audit plan and final Audit and Risk Committee report of the auditor;
- discussion and approval of the fee for the external audit;
- assessment of the independence of the external auditor;
- assessment of the effectiveness of the external audit process as described below; and
- review of the Company's key risks and internal controls.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

REPORT OF THE AUDIT AND RISK COMMITTEE (CONTINUED)

Primary Area of Judgement

The Audit and Risk Committee determined that the key risk of misstatement of the Company's Financial Statements relates to the valuation and recoverability of the loans, in the context of the judgements necessary to evaluate any related impairment of the loans and associated credit loss.

The Company's loans are the key value driver for the Company's NAV and interest income. Judgements over the level of any impairment and recoverability of loan principal and interest could significantly affect the NAV.

The Company's remaining loans are past due and, in each case, the underlying assets are subject to either receivership or administration process at the behest of the Company. The Committee reviews the Investment Manager's monitoring of the subject properties and performance of its appointed asset managers, receivers, administrators and sales agents to ensure all reasonable steps are being taken in the orderly realisation of the assets. In addition, during the year, a member of the Committee regularly attended calls with agents and administrators as well as made site visits.

The Committee also receives updates from the Investment Manager regarding the trading performance of each property. As a result, the Committee seeks to determine the level of impairment to the loans.

The Audit and Risk Committee notes that critical judgements have been made in relation to the assessment of the estimation of the loss given default to each of the remaining three loans.

The incorrect treatment of any arrangement, exit and prepayment fees and the impact of loan impairments in the effective interest rate calculations may significantly affect the level of income recorded in the year thus affecting the level of distributable income.

The Audit and Risk Committee focused their work on disclosures required in the Annual Report following requirements under the AIC Code, consideration of emerging risks, environmental, social and governance matters and on subsequent event disclosures.

The Audit and Risk Committee also focused on IFRS 9 and in particular the assessment of the credit risk changes and loss given default in relation to the loan portfolio. The Audit and Risk Committee has reviewed detailed impairment analysis and current loan performance reports prepared by the Investment Manager together with the consideration of the current collateral values underpinning the loan portfolio.

The Audit and Risk Committee also reviewed the income recognition and the treatment of arrangement and exit fees which were based on effective interest rate calculations prepared by the Investment Manager and the Administrator. The internal credit rating of each loan as at 31 January 2025 was reviewed. All three loans, Affinity, RoyaleLife and Southport were identified as Stage 3 and have an impairment provision of £38.13 million. All loans were discussed at the Audit and Risk Committee meeting to review the Annual Report, with the Investment Manager, the Administrator and Auditor. In line with requirements of IFRS as set out in the accounting policies, interest accruing and unpaid on Stage 3 loans recognised as Income net of ECL allowance in the Statement of Comprehensive Income.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

REPORT OF THE AUDIT AND RISK COMMITTEE (CONTINUED)

Risk Management

The Company's risk assessment process and the way in which significant business risks are managed is a key area of focus for the Audit and Risk Committee. The work of the Audit and Risk Committee is driven primarily by the Company's assessment of its principal risks and uncertainties as set out on pages 31 to 35 of the Corporate Governance Report, and it receives reports from the Investment Manager and Administrator on the Company's risk evaluation process and reviews changes to significant risks identified. Furthermore, the Investment Manager monitors the risks associated with the investments and the compliance of the investment portfolio with the investment restrictions of the Company.

Internal Audit

The Audit and Risk Committee continues to review the need for an internal audit function and has decided that the systems and procedures employed by the Administrator and the Investment Manager, including their own internal controls and procedures, provide sufficient assurance that an appropriate level of risk management and internal control, which safeguards shareholders' investment and the Company's assets, is maintained. Furthermore, the visit to the Investment Manager's London office on 8 February 2024 gave the Committee assurance around the Investment Manager's internal controls and included a discussion with the Investment Manager's head of internal audit. An internal audit function specific to the Company is therefore considered unnecessary.

External Audit

Deloitte LLP has been the Company's external auditor since the Company's inception. This is the twelfth audit period and therefore the Company is obliged to consider tendering for a new audit firm. As the Company is in a managed realisation, the Audit and Risk Committee has determined that Deloitte LLP should remain as auditor until the Company has wound up.

The external auditor is required to rotate the audit partner every five years. The Deloitte LLP lead audit partner, Mr Marc Cleeve, started his tenure in 2024 (in respect of the year ended 31 January 2025) and his current rotation will end with the audit of the 2029 Annual Report and Financial Statements.

The objectivity of the auditor is reviewed by the Audit and Risk Committee which also reviews the terms under which the external auditor may be appointed to perform non-audit services. The Audit and Risk Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditor, with particular regard to any non-audit work that the auditor may undertake. In order to safeguard auditor independence and objectivity, the Audit and Risk Committee ensures that any other advisory and/or consulting services provided by the external auditor do not conflict with its statutory audit responsibilities. Advisory and/or consulting services will generally only cover reviews of Interim Reports and capital raising work. Any non-audit services conducted by the auditor outside of these areas will require the consent of the Audit and Risk Committee before being initiated.

The external auditor may not undertake any work for the Company in respect of the following matters – preparation of the Financial Statements, provision of investment advice, taking management decisions or advocacy work in adversarial situations.

The Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditor, with particular regard to the level of non-audit fees.

The Committee regularly monitors non-audit services being provided by the external auditor to ensure there is no impairment to their independence or objectivity.

Notwithstanding such services, the Audit and Risk Committee considers Deloitte LLP to be independent of the Company and that the provision of such non-audit services is not a threat to the objectivity and independence of the conduct of the audit as appropriate safeguards are in place.

To fulfil its responsibility regarding the independence of the auditor, the Audit and Risk Committee will consider:

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

REPORT OF THE AUDIT AND RISK COMMITTEE (CONTINUED)

External Audit (continued)

- discussions with or reports from the auditor describing its arrangements to identify, report and manage any conflicts of interest; and
- the extent of non-audit services provided by the auditor and arrangements for ensuring the independence, objectivity, robustness and perceptiveness of the auditor and their handling of key accounting and audit judgements.

To assess the effectiveness of the auditor, the Audit and Risk Committee will review:

- the auditor's fulfilment of the agreed audit plan and variations from it;
- discussions or reports highlighting the major issues that arose during the course of the audit;
- feedback from other service providers evaluating the performance of the audit team;
- arrangements for ensuring independence and objectivity;
- the robustness of the auditor in handling key accounting and audit judgements; and
- a summary of the FRC's Audit Quality Review report for Deloitte and discuss the findings with the audit partner to determine if any of the indicators in that report had particular relevance to this year's audit of the Company. Specifically, the Audit and Risk Committee discuss the extent of the auditor's challenge of key estimates and assumptions in key areas of judgement, including asset valuations and impairment testing and the quality of the firm's audit of revenue.

The Audit and Risk Committee is satisfied with Deloitte LLP's effectiveness and independence as auditor having considered the degree of diligence and professional scepticism demonstrated by them. Having carried out the review described above and having satisfied itself that the auditor remains independent and effective, the Audit and Risk Committee has recommended to the Board that Deloitte LLP be reappointed as auditor for the year ending 31 January 2026.

The Board's recommendation to shareholders on the re-appointment of Deloitte LLP as external auditor will be put to shareholders at the Annual General Meeting.

The Chair of the Audit and Risk Committee will be available at the Annual General Meeting to answer any questions about the work of the Committee.

On behalf of the Audit and Risk Committee

Paul Meader

Chair of the Audit and Risk Committee

30 April 2025

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Opinion

In our opinion the financial statements of ICG-Longbow Senior Secured UK Property Debt Investments Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 January 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flow; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 2 b) in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

4. Summary of our audit approach

Key audit matters	<p>The key audit matter that we identified in the current year was:</p> <ul style="list-style-type: none">• The assessment of expected credit losses (ECL) on loans advanced. <p>Within this report, key audit matter is identified as follows:</p> <p>⌄ Similar level of risk</p>
Materiality	<p>The materiality that we used in the current year was £0.68 million which was determined on the basis of approximately 2% of the net asset value.</p>
Scoping	<p>Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.</p>
Significant changes in our approach	<p>There were no significant changes in our approach from the prior year.</p>

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. The assessment of expected credit losses (ECL) on loans advanced ⌄

Key audit matter description	<p>As at 31 January 2025, the aggregate value of loans advanced at amortised cost amounted to £29.9 million (2024: £33.6 million) representing 90% of total assets (2024: 92%).</p> <p>As described in the Report of the Audit and Risk Committee, the Company's loans are the key value driver for the net asset value and income from loans. Judgements over the level of potential impairment of loan values using the ECL model under IFRS 9 <i>Financial Instruments</i>, and the recoverability thereof, has been identified as a key audit matter.</p> <p>As the contractual maturities of all loans were past due, a key source of estimation uncertainty within the ECL model is the determination of the loss given default ('LGD'), which is made with reference to collateral asset values and net proceeds receivable from the sale, as well as the expected timing of the sale or refinance of those assets. In valuing the underlying collateral, management have historically engaged with external valuation experts and for the current year have also relied on a mixture of offers received and real estate agencies advice. In doing so management has determined a number of probability weighted scenarios.</p> <p>The estimate also considers the impact of loan-specific matters which are mainly the judgements around the values of the collaterals such as:</p> <ul style="list-style-type: none">• adequacy of valuations performed by external valuation experts and real estate agencies as well as scenarios proposed by the Investment Manager;• credibility of third party offers;
-------------------------------------	---

- weightings and discounts adopted between different scenarios;
- estimated cost to sell underlying collateral; and
- estimated timing of collateral disposals.

The Investment Manager and management may seek to manipulate the assumptions adopted to influence key performance indicators. As such, there is an incentive to overstate the value of loans and we identified this as a potential area for fraud.

This matter is explained further in the Report of the Audit and Risk Committee on page 38. Note 2(k) and note 3 to the financial statements set out the associated accounting policy and disclosure in respect of critical judgements and key sources of estimation uncertainty, note 5 set out the composition of the debt portfolio as well as the stress analysis and note 11 sets out details of the associated risk factors, including credit risk.

How the scope of our audit responded to the key audit matter

To respond to this key audit matter, we performed following procedures:

- Obtained an understanding of relevant controls relating to the ECL assessment process;
- Assessed the competence, capability, and objectivity of management's valuation expert and real estate agencies used;
- With involvement of our valuation specialists we estimated net proceeds receivable from the underlying collateral and assessed assumptions made by management in respect of the collateral valuation including:
 - adequacy of the valuations performed by external valuation experts and real estate agencies as well as scenarios proposed by the Investment Manager;
 - credibility of third party offers;
 - weightings and discounts adopted between different scenarios;
 - estimated cost to sell underlying collateral; and
 - estimated timing of collateral disposals.
- Alongside our credit specialists, we assessed the appropriateness of the ECL provision by evaluating management's scenario analyses and performing our own assessment. The assumptions considered included: collateral value; offers received on the underlying collateral and likelihood of completion; and estimated net proceeds and impact of discounting (if any);
- Tested the mathematical accuracy of the ECL provision model;
- Performed a stand back analysis and assessed the ECL provision retrospectively; and
- Evaluated the appropriateness of disclosures made in the financial statements in light of the requirements of IFRS 7 *Financial Instruments: Disclosures*.

Key observations

Having carried out the procedures, we concluded that the assessment ECL on loans advanced and related disclosure are appropriate.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

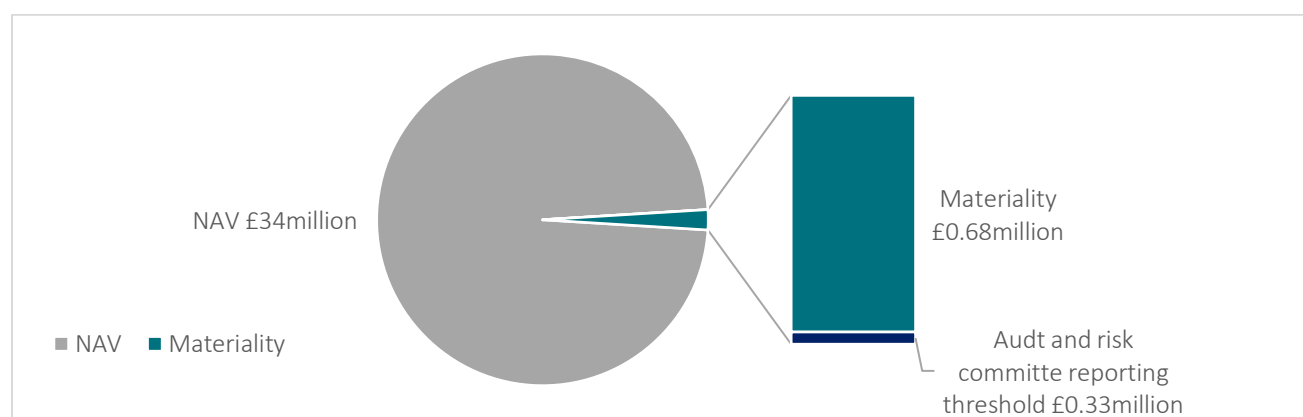
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

Materiality	£0.68million (2024: £0.72 million)
Basis for determining materiality	2% (2024: 2%) of net asset value
Rationale for the benchmark applied	Net asset value was determined to be the most appropriate benchmark as it is considered one of the principal considerations in assessing financial performance.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2025 audit (2024: 70%). In determining performance materiality, we considered the following factors:

- Our risk assessment, including our assessment of the overall control environment; and
- Our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.

6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £33,000 (2024: £36,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the Company and its environment, including internal control, and assessing the risks of material misstatement of the Company. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

7.2. Our consideration of the control environment

The Company is administered by a third party Guernsey regulated service provider. As part of our audit, we obtained an understanding of relevant controls established at the service provider, including a SOC 1 Type 2 Report of the service organisation's controls. We also obtained an understanding of the relevant controls related to the financial reporting process and ECL assessment process. We took a non-controls reliance over the assessment of ECL on loans advanced.

7.3. Our consideration of climate-related risks

As described in the Environmental Social and Governance Report included in the Corporate Governance Report, the Company's activities only have a limited direct impact on the environment as set out in annual report on page 24. We have performed the following procedures:

- held discussions with management to understand the process of identifying climate-related risks and the impact on the Company's financial statements.
- read the Environmental Social and Governance Report included in the Corporate Governance Report to consider whether it is materially consistent with the financial statements and our knowledge obtained in the audit.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the Company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management, the directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's sector;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including credit specialist and real estate valuation specialist regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: the assessment of expected credit losses (ECL) on loans advanced.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

considered in this context included the Companies (Guernsey) Law, 2008, the Listing Rules and relevant tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the regulatory licences and The Protection of Investors (Bailiwick of Guernsey) Law, 2020.

11.2. Audit response to risks identified

As a result of performing the above, we identified the assessment of expected credit losses (ECL) on loans advanced as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the Audit and Risk Committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with the Guernsey Financial Services Commission; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 16;
- the directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 16;
- the directors' statement on fair, balanced and understandable set out on page 22;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 30;

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 39; and
- the section describing the work of the Audit and Risk Committee set out on page 28.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records.

We have nothing to report in respect of these matters.

14. Other matters which we are required to address

14.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were re-appointed by the board on 18 June 2024 to audit the financial statements for the year ending 31 January 2025. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 12 years, covering the years ending 31 January 2014 to 31 January 2025.

14.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

15. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Marc Cleeve
For and on behalf of Deloitte LLP
Recognised Auditor
St Peter Port, Guernsey
30 April 2025

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JANUARY 2025

	Notes	1 February 2024 to 31 January 2025 £	1 February 2023 to 31 January 2024 £
Income			
Income from loans	2 e)	3,066,342	4,896,000
Other fee income from loans	2 f)	-	5,168
Income from cash and cash equivalents		74,417	53,518
Total income		3,140,759	4,954,686
Expenses			
Investment Management fees	13	183,236	551,167
Directors' remuneration	12	160,000	160,000
Audit fees for the Company	14	85,650	63,013
ECL charge on loan capital		2,589,160	23,988,249
ECL charge on default interest income		3,066,342	4,519,648
Other expenses	15	352,366	548,860
Total expenses		6,436,754	29,830,937
Loss for the year before tax		(3,295,995)	(24,876,251)
Taxation charge	4	-	-
Loss for the year after tax		(3,295,995)	(24,876,251)
Total comprehensive loss for the year		(3,295,995)	(24,876,251)
Basic and diluted Loss per Share (pence)	9	(2.72)	(20.51)

All items within the above statement have been derived from discontinuing activities on the basis of the orderly realisation of the Company's assets.

The Company had no recognised gains or losses for either period other than those included in the results above.

The accompanying notes from 53 to 74 form an integral part of these Financial Statements.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 JANUARY 2025

	Notes	31 January 2025 £	31 January 2024 £
Assets			
Current Assets			
Loans advanced	5	29,896,891	33,639,051
Trade and other receivables	6	41,179	30,718
Cash and cash equivalents	7	3,200,201	2,945,829
Total current assets		33,138,271	36,615,598
Total assets		33,138,271	36,615,598
Liabilities			
Current Liabilities			
Trade and other payables	8	210,138	391,470
Total current liabilities		210,138	391,470
Total liabilities		210,138	391,470
Net assets		32,928,133	36,224,128
Equity			
Share capital	10	64,650,361	64,650,361
Retained loss		(31,722,228)	(28,426,233)
Total equity attributable to the owners of the Company		32,928,133	36,224,128
Number of Ordinary Shares in issue at year end	10	121,302,779	121,302,779
Net Asset Value per Ordinary Share (pence)	9	27.15	29.86

The Financial Statements were approved by the Board of Directors on 30 April 2025 and signed on their behalf by:

Jack Perry
Chairman
30 April 2025

Paul Meader
Director
30 April 2025

The accompanying notes from 53 to 74 form an integral part of these Financial Statements.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2025

	Notes	Number of shares	Ordinary Share capital £	B Share capital £	Retained (loss) £	Total £
As at 1 February 2024		121,302,779	64,650,361	-	(28,426,233)	36,224,128
Total comprehensive loss		-	-	-	(3,295,995)	(3,295,995)
As at 31 January 2025		121,302,779	64,650,361	-	(31,722,228)	32,928,133

FOR THE YEAR ENDED 31 JANUARY 2024

	Notes	Number of shares	Ordinary Share capital £	B Share capital £	Retained (loss) £	Total £
As at 1 February 2023		121,302,779	80,298,419	-	(2,943,468)	77,354,951
Total comprehensive loss		-	-	-	(24,876,251)	(24,876,251)
Dividends paid	10	-	-	-	(606,514)	(606,514)
B Shares issued February 2023	10	121,302,779	(6,671,653)	6,671,653	-	-
B Shares redeemed & cancelled February 2023	10	(121,302,779)	-	(6,671,653)	-	(6,671,653)
B Shares issued August 2023	10	121,302,779	(8,976,405)	8,976,405	-	-
B Shares redeemed & cancelled August 2023	10	(121,302,779)	-	(8,976,405)	-	(8,976,405)
As at 31 January 2024		121,302,779	64,650,361	-	(28,426,233)	36,224,128

The accompanying notes from 53 to 74 form an integral part of these Financial Statements.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2025

	Notes	1 February 2024 to 31 January 2025 £	1 February 2023 to 31 January 2024 £
Cash flows generated from operating activities			
Loss for the year		(3,295,995)	(24,876,251)
Adjustments for non-cash items and working capital movements:			
Movement in other receivables	6	(10,461)	12,718
Movement in other payables and accrued expenses	8	(181,332)	(296,009)
Loan amortisation and ECL provision		2,589,160	25,889,373
		(898,628)	729,831
Loans advanced less arrangement fees		(300,000)	(308,400)
Loans repaid	5	1,453,000	9,569,476
Net loans repaid less arrangement fees		1,153,000	9,261,076
Net cash generated from operating activities		254,372	9,990,907
Cash flows used in financing activities			
Dividends paid	10	-	(606,514)
Return of Capital paid	10	-	(15,648,058)
Net cash used in financing activities		-	(16,254,572)
Net increase/(decrease) in cash and cash equivalents		254,372	(6,263,665)
Cash and cash equivalents at the start of the year		2,945,829	9,209,494
Cash and cash equivalents at the end of the year		3,200,201	2,945,829

The accompanying notes from 53 to 74 form an integral part of these Financial Statements.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2025

1. General information

ICG-Longbow Senior Secured UK Property Debt Investments Limited is a non-cellular company limited by shares and was incorporated in Guernsey under the Companies Law on 29 November 2012 with registered number 55917 as a closed-ended investment company. The registered office address is Floor 2, PO Box 286, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY.

The Company's shares were admitted to the Premium Segment of the Official List and to trading on the Main Market of the London Stock Exchange on 5 February 2013.

In line with the revised Investment Objective and Policy approved by shareholders in the Extraordinary General Meeting in January 2021, the Company is now undertaking an orderly realisation of its investments. As sufficient funds become available the Board intends to return capital to shareholders, taking account of the Company's working capital requirements and funding commitments.

ICG Alternative Investment Limited is the external discretionary investment manager.

2. Accounting policies

a) Basis of preparation

The Financial Statements for the year ended 31 January 2025 have been prepared in accordance with UK adopted international accounting standards and the Companies (Guernsey) Law, 2008.

The same accounting policies and methods of computation have been followed in the preparation of these Financial Statements as in the Annual Report and Financial Statements for the year ended 31 January 2024.

At the date of approval of these Financial Statements, the Company has reviewed the following new and revised IFRS standards and interpretations that have been issued and are now effective:

The adoption of these standards and interpretations has had no material impact on the Financial Statements of the Company.

		Effective for periods commencing
IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	01 January 2024

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 January 2025 reporting periods and have not been early adopted by the Company. The new standard and amendments are not expected to have a material impact, on the entity in future reporting periods and on foreseeable future transactions.

		Effective for periods commencing
IFRS 18	Presentation and Disclosure in Financial Statements (replacing IAS 1 – Presentation of Financial Statements)	01 January 2027
IAS 21	Lack of exchangeability	01 January 2025
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	01 January 2026
General	Annual Improvements to IFRS Accounting Standards— Volume 11	01 January 2026

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

2. Accounting policies (continued)

b) Going concern

The Directors, at the time of approving the Financial Statements, are required to consider whether they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and whether there is any threat to the going concern status of the Company. At the EGM of the Company on 14 January 2021, following a recommendation from the Board published in a circular on 16 December 2020, shareholders voted by the requisite majority in favour of a change to the Company's Objectives and Investment Policy which would lead to an orderly realisation of the Company's assets and a return of capital to shareholders.

It is intended that, following the appointment of receivers or administrators in respect of the last remaining loans, the investments will be realised as and when the underlying property assets, or loans upon which they are secured, can be sold in an orderly manner. The Company may take actions with the consequence of accelerating or delaying realisation in order to optimise shareholders' returns in the context of the Company's size.

Whilst the Directors are satisfied that the Company has adequate resources to continue in operation throughout the realisation period and to meet all liabilities as they fall due, given the Company is now in a managed wind down, the Directors consider it appropriate to adopt a basis other than going concern in preparing the financial statements.

In the absence of a ready secondary market in real estate loans by which to assess market value of the loans, the basis of valuation for investments is amortised cost net of impairment, recognising the realisable value of each property in the orderly wind down of the Company. In accordance with the Company's IFRS 9 Policy the staging of each loan has been reviewed and all loans are now considered to be at Stage 3. Consequently, valuations reflect the ECL assuming a twelve month realisation period, as detailed in Note 5. No material adjustments have arisen solely as a result of ceasing to apply the going concern basis.

c) Functional and presentation currency

The Financial Statements are presented in Pounds Sterling, which is the functional currency as well as the presentation currency as all the Company's investments and most transactions are denominated in Pounds Sterling.

d) Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

e) Interest income

In accordance with IFRS 9, interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Arrangement and exit fees which are considered to be an integral part of the contract are included in the effective interest rate calculation.

For financial assets in Stage 3, interest is recognised on a net basis after allowance for ECL. For financial assets in Stage 2, where the Company considers that the quantum or timeliness of the economic benefit cannot be measured reliably, in accordance with IFRS, interest will be recognised on a gross basis and an ECL provision will be raised.

Interest on cash and cash equivalents is recognised on an accruals basis.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

2. Accounting policies (continued)

f) Other fee income

Other fee income includes prepayment and other fees due under the contractual terms of the debt instruments. Such fees and related cash receipts are not considered to form an integral part of the effective interest rate and are accounted for on an accruals basis.

g) Operating expenses

Operating expenses are the Company's costs incurred in connection with the ongoing management of the Company's investments and administrative costs. Operating expenses are accounted for on an accruals basis.

h) Taxation

The Company is exempt from Guernsey taxation under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 for which it pays an annual fee of £1,600 which is included within other expenses. The Company is required to apply annually to obtain exempt status for the purposes of Guernsey Taxation.

i) Dividends

Dividends payable are recognised as distributions in the financial statements when the Company's obligation to make payment has been established. Dividends paid during the year are disclosed in the Statement of Changes In Equity. Any dividends that are declared post year end are disclosed in Note 16.

j) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, as a whole. The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the total return on the Company's Net Asset Value, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the Financial Statements.

For management purposes, the Company is organised into one main operating segment, being the provision of a portfolio of UK commercial property backed senior debt investments.

The majority of the Company's income is derived from loans secured on commercial and residential property in the United Kingdom.

Due to the Company's nature, it has no employees.

k) Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the Statement of Financial Position and Statement of Comprehensive Income when there is a currently enforceable legal right to offset the recognised amounts and the Company intends to settle on a net basis or realise the asset and liability simultaneously.

Financial Assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, financial assets at fair value through Other Comprehensive Income or financial assets at amortised cost.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

2. Accounting policies (continued)

k) Financial instruments (continued)

The Company's financial assets currently comprise loans, trade and other receivables and cash and cash equivalents.

i) *Loans and receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They comprise loans and trade and other receivables.

They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition, and subsequently carried at total claim value less allowance for Expected Credit Loss (ECL). The effect of discounting on trade and other receivables is not considered to be material.

ii) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

iii) *Effective interest rate method*

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest income is recognised net of ECL allowance in the Statement of Comprehensive Income for all Stage 3 loans.

iv) *Impairment of financial assets*

The Company recognises a loss allowance for ECL on trade receivables and loan receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company always recognises a 12-month ECL for trade receivables and loan receivables that fall under stage 1 assets. For stage 2 assets, the Company recognises a lifetime ECL when there has been a significant increase in credit risk since initial recognition. In respect of the Stage 3, non-performing loans, lifetime expected credit losses are also recognised, and interest is calculated on the net carrying amount and subject to further provision for impairment in the event that it is unlikely to be received. The ECL on Stage 1 and Stage 2 loans are estimated using a provision matrix based on the Investment Manager's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The Company has adopted a simplified model for trade receivables where lifetime ECL is estimated and does not materially differ from the 12-month ECL.

The ECL for Stage 3 loans is assessed based on the expected net realisable value of the underlying properties, taking inputs from various external sources including property valuations, agency advice, comparable evidence and offers received. Where specific valuation evidence is not available or unclear, a risk probability weighted approach will be applied to a range of outcomes.

v) *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

2. Accounting policies (continued)

k) Financial instruments (continued)

v) *Significant increase in credit risk(continued)*

Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- any actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default;
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (3) Adverse changes in economic and business conditions have not, or will not in the foreseeable future, reduce the ability of the borrower to fulfil its contractual cash flow obligations. Where the ability to meet cashflow obligations, including payment of interest, are impacted the risk associated with the financial instrument may be considered to have increased.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

vi) *Definition of default*

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet any of the following criteria may not be fully recoverable:

- when there is a breach of financial covenants by the debtor which has not be waived or where the lender's rights have not been reserved pending action by the borrower;
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company); or
- when the Company have appointed administrators or receivers to the debtor.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

2. Accounting policies (continued)

k) Financial instruments (continued)

vi) *Definition of default (continued)*

There is a rebuttable presumption that where loans are past due or interest is unpaid for more than 30 days, this leads to a significant increase in credit risk or that if unpaid for more than 90 days this leads to an event of default. However, the Company may elect to waive the default or give a period of forbearance and reserve its rights in respect of the default to enhance returns and hence may rebut the presumption that there is a significant increase in credit risk or an event of default.

vii) *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (vi) above);
- (c) the lenders to the borrower, for economic or contractual reasons relating to the borrower's financial difficulty having granted to the borrower concessions that the lenders would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

viii) *Write-off policy*

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of loan receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

ix) *Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which a simplified approach was used.

The Company's measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. The Company has also considered reasonable and supportable information from past events, current conditions and reasonable and supportable forecasts for future economic conditions when measuring ECL.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

2. Accounting policies (continued)

k) Financial instruments (continued)

ix) *Measurement and recognition of ECL (continued)*

- Stage 1 covers financial assets that have not deteriorated significantly in credit risk since initial recognition;
- Stage 2 covers financial assets that have significantly deteriorated in credit quality since initial recognition; and
- Stage 3 covers financial assets that have objective evidence of impairment at the reporting date.

Twelve-month ECL are recognised in stage 1, while lifetime ECL are recognised in stages 2 and 3. The Company's remaining loan book are all past due and as a result 12 month and lifetime ECL will be the same.

x) *Modification of cash flows*

Having performed adequate due diligence procedures, the Company may negotiate or otherwise modify the contractual cash flows of loans to customers, usually as a result of loan extensions. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate.

If terms are substantially different the original asset is derecognised and a new financial asset is recognised. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses as explained in paragraph above.

xi) *Derecognition of financial assets*

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable, is recognised in profit or loss.

Financial liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics.

All financial liabilities are initially recognised at fair value net of transaction costs incurred. All purchases of financial liabilities are recorded on a trade date, being the date on which the Company becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Company's financial liabilities approximate to their fair values.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

2. Accounting policies (continued)

k) Financial instruments (continued)

Financial liabilities (continued)

The Company's financial liabilities consist of only financial liabilities measured at amortised cost.

i) *Financial liabilities measured at amortised cost*

These include trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

ii) *Derecognition of financial liabilities*

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

i) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised as the proceeds received, net of direct issue costs.

3. Critical accounting judgements and key sources of estimation uncertainty in applying the Company's accounting policies

The preparation of the Financial Statements under IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

In assessing the ECL, the Board have made critical judgements in relation to the staging of the loans and assessments which impact the loss given default. In assessing whether the loans have incurred a significant increase in credit risk the Investment Manager, on behalf of the Board, assesses the credit risk attaching to each of the loans, and the value of the properties on which they are secured. The Company has adopted the Investment Manager's internal credit rating methodology and has used its loss experience to benchmark investment performance and potential impairment for Stage 1, Stage 2 and Stage 3 loans under IFRS 9 considering both probability of default and loss given default. The judgement applied in allocating each investment to Stage 1, 2 or 3 is key in deciding whether losses are considered for the next 12 months or over the residual life of the loan. It is noted that the Company's remaining loans are all now past due, and that receivers or administrators have been appointed over the Company's security.

The Investment Manager and the Board will also take into consideration the likely repayment term of loans that have become past due and the actions to be taken, by the appointed receiver or administrator to repay such loans. Consequently a loan which is past due, but otherwise performing, may continue to be assessed as Stage 1 where there is an active repayment plan in place, or supporting evidence that the loan can be repaid in full and the Company has given a period of forbearance whilst reserving its rights to, or charging, default interest.

The Investment Manager and the Board will also take into account prevailing economic and market conditions, investor sentiment and outlook over the expected term of the investments to realisation or repayment. In this regard the sustained rise in UK interest rates over the past eighteen months, and interest rate outlook implied by the five year swap rate, has dramatically reduced liquidity in property and finance markets as well as affecting asset prices in many property sectors.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

3. Critical accounting judgements and estimates in applying the Company's accounting policies (continued)

Against the backdrop of interest rate rises and liquidity issues as discussed in the Investment Manager's Report, the Investment Manager and Board agree that all remaining investments have a heightened credit risk. At the reporting date all three loans are subject to enforcement action and, in the absence of an active and liquid property market, are considered as Stage 3 assets with a material risk of credit loss.

Key sources of estimation uncertainty

The measurement of both the initial and ongoing ECL allowance for loan receivables measured at amortised cost is an area that has required the use of significant assumptions about credit behaviour such as likelihood of borrowers continuing to support their properties through interest payments and equity injections, or defaulting and the resulting losses.

In assessing the probability of default for loans at Stage 1 and Stage 2, the Board has taken note of the experience and loss history of the Investment Manager which may not be indicative of future losses. The default probabilities are based on a number of factors including rental income trends, interest cover and LTV headroom and sectoral trends which the Investment Manager believes to be a good predictor of the probability of default, in accordance with recent market studies of European commercial real estate loans.

In line with the Company's investment strategy at the time, most loans benefited from significant LTV headroom at origination, with business plans designed to deliver further value increases over time. This combined with tight covenants generally enabled the Investment Manager to manage risk over the term of the loans. However, following the change in Investment Strategy to one of orderly wind down and the reduction of the portfolio to just three remaining assets, the Investment Manager and the Board have placed greater emphasis on the source and delivery of repayment of each loan when assessing valuation and the risk of capital loss.

As discussed above, a material reduction in transactional evidence and higher funding costs have led to fall in property values generally, but with those sectors subject to structural change (e.g. offices), and interest rates (e.g. residential housing for sale) being particularly impacted. As a result all remaining loans have evidence of heightened credit risk with the equity buffer having been eroded by falls in property values, and as such have been assessed as Stage 3 loans.

The Board's valuation of Stage 3 assets (those loans considered to have a material risk of credit loss), is primarily informed by marketing processes being undertaken and bids received. In addition, underlying business performance and cashflows arising are considered, where relevant. The Investment Manager and the Board will then overlay property level cashflows, expected sales costs and other factors considered necessary to achieve exits within the target timeframes for returning capital to shareholders.

All of the Company's Stage 3 assets are or had been subject to enforcement action in the form of administration or receivership at the reporting date. As a result, the Company has considered the likelihood of achieving sales at the most recent marketing level or bid received or at discounts to reflect the current lack of liquidity in the relevant property sector and the Company's target timeframes and the probability of such outcomes.

In arriving at the investment valuations, the Investment Manager has overlayed the expected costs of sale and exit timeframes to determine a weighted average valuation of each loan under the expected interest rate method and, thereby, the expected credit loss for each loan that may result. Net carrying values of the remaining Stage 3 loans are disclosed in note 5.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

3. Critical accounting judgements and estimates in applying the Company's accounting policies (continued)

Key sources of estimation uncertainty (continued)

Revenue recognition is considered a significant accounting judgement and estimate that the Directors make in the process of applying the Company's accounting policies. In respect of the Company's Stage 3 loans, interest income will be recognised through the Statement of Comprehensive Income net of ECL allowance. In view of the trading conditions of the Southport hotel and liquidity challenges facing the RoyaleLife loan, the Directors consider it unlikely that interest payments will be received in the near term. The Affinity property remains largely occupied and able to service a significant proportion of its interest liabilities in full from rents receivable, however the receiver has, and will likely continue to, reserve some cash for working capital purposes in order to facilitate the sale of the property. Interest on the Affinity Loan will therefore also be recognised on a net basis after ECL allowance, whilst any cash withheld by the receiver will form part of the final settlement.

4. Taxation

No tax was chargeable for the current year ended 31 January 2025. (31 January 2024: £Nil)

5. Loans advanced

(i) Loans advanced

	1 February 2024 to 31 January 2025	1 February 2023 to 31 January 2024
	£	£
Loans gross carrying value:	68,030,170	66,116,828
Less: Expected Credit Allowance	(38,133,279)	(32,477,777)
	<u>29,896,891</u>	<u>33,639,051</u>

	31 January 2025	31 January 2025	31 January 2024	31 January 2024
	Principal advanced	Carrying value before ECL allowance	Principal advanced	At amortised cost before ECL allowance
	£	£	£	£
Affinity	16,572,789	17,374,512	17,125,789	18,033,451
Southport	15,800,000	17,428,494	15,500,000	16,511,470
RoyaleLife	25,382,017	33,227,164	25,382,017	31,571,907
	<u>57,754,806</u>	<u>68,030,170</u>	<u>58,007,806</u>	<u>66,116,828</u>

(ii) Valuation considerations

As noted above, the Company is now in the process of an orderly wind down. It had been the intention of the Investment Manager and Directors to hold loans through to their repayment date, and seek a borrower led repayment in order to maximise value for the shareholders. Economic and property market conditions have not enabled this, with commercial property transactions in relevant sectors remaining depressed.

The carrying value amounts of the loans in the Financial Statements have been adjusted for expected credit losses. For further information regarding the status of each loan and the associated risks see the Investment Manager's Report.

As loans have fallen past due and enforcement actions have been taken, the Directors have also reassessed the likelihood and timing of receipt of any exit fees associated with the loans in the context of the current underlying property value and weak market conditions.

Each property on which investments are secured was subject to an independent, third-party valuation at the time the investment was entered into and updated valuations have been obtained over the term of the loans as deemed appropriate, based on the performance of the subject properties and prevailing macro and micro market conditions. Each investment is being closely monitored including a review of the performance of the underlying property security.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

5. Loans advanced (continued)

(ii) Valuation considerations (continued)

Third party property valuations are typically based on the specific particulars of the property (rent, Weighted Average Unexpired Lease Term (WAULT), vacancy, condition and location) and assume a normal marketing period and sales process. Valuers benchmark against comparative evidence from recent transactions in similar properties in similar locations.

All the remaining Investments are considered to be Stage 3 assets and were, at year end, subject to enforcement action. Accordingly, the carrying value of each loan has been reviewed and provisions for expected credit loss amended. The carrying value of each Stage 3 investment has been calculated to reflect the net present value of the expected net proceeds from, and timing of, exit under a range of scenarios reflecting the latest property value, the cost of disposal (including enforcement action taken), and of the administration/receivership.

(iii) IFRS 9 – Impairment of Financial Assets

As discussed above, during 2023 and 2024, the UK commercial property market has experienced a period of low transaction volumes, as buyers adjust their pricing in order to generate target returns in a higher interest rate environment with uncertain occupational demand in many sectors. Conversely, unless forced, sellers are inclined to hold properties where they can in the expectation of improved liquidity as the economic outlook stabilises and medium-term interest rates fall. In this context, valuation and, therefore, the ECL for each investment has been recalculated based on the underlying property performance, third party bids on the underlying assets themselves, and property valuations together with any sales/marketing experience to date as discussed further below.

The internal credit rating of each loan as at 31 January 2025 has been reviewed. All three loans which were identified as Stage 3 assets at 31 January 2024, have remained Stage 3 assets, with an ECL provision of £38,133,279 (31 January 2024: £32,477,777).

As at 31 January 2025

	Stage 1	Stage 2	Stage 3	Total
Principal advanced	-	-	57,754,806	57,754,806
Gross carrying value	-	-	68,030,170	68,030,170
Less ECL allowance ⁽ⁱ⁾	-	-	(38,133,279)	(38,133,279)
	-	-	29,896,891	29,896,891

As at 31 July 2024 (Unaudited)

	Stage 1	Stage 2	Stage 3	Total (Unaudited)
Principal advanced	-	-	57,754,806	57,754,806
Gross carrying value	-	-	67,457,768	67,457,768
Less ECL allowance ⁽ⁱ⁾	-	-	(35,544,323)	(35,544,323)
	-	-	31,913,445	31,913,445

As at 31 January 2024

	Stage 1	Stage 2	Stage 3	Total
Principal advanced	-	-	58,007,806	58,007,806
Gross carrying value	-	-	66,116,828	66,116,828
Less ECL allowance ⁽ⁱ⁾	-	-	(32,477,777)	(32,477,777)
	-	-	33,639,051	33,639,051

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

5. Loans advanced (continued)
(iii) IFRS 9 – Impairment of Financial Assets (continued)

Southport

The Southport hotel has been identified as a Stage 3 asset since 31 January 2023. Following an aborted sales process and a remarketing exercise, the hotel, which continues to generate positive EBITDA, is subject to a bid in excess of book value. In assessing the ECL as at 31 January 2025, the Investment Manager and the Board have, consistent with prior periods, considered a range of potential outcomes based on the current bid, other bids received and market advice and have adopted a probability weighted approach, discounting the resultant cashflows to the expected completion.

Affinity

The Investment Manager, on behalf of the Company, appointed a receiver over the property attached to the Affinity loan in September 2023, with the Affinity loan being identified as a stage 3 asset at 31 January 2024. Whilst the majority of the property remains occupied, leasing is challenging and there are rolling lease events over the coming twelve months. Investor demand for regional offices remains low due to uncertainties surrounding occupational demand and capital expenditure requirements in a post Covid-19, remote working, environment.

These uncertainties combining with a higher interest rate environment have materially impacted the valuation of the property, which was over £20 million in April 2023. After a formal marketing process several bids were received during Q4 2024, with the leading bids in excess of £10 million. The Investment Manager and the Board have considered these bids alongside agency and receiver advice to determine the likely net realisable value of the property and timeframe in which it might be achieved, along with the probability of completion at the offered levels. As with the other the Stage 3 loans, a range of outcomes have been considered and probabilities applied to each in determining the ECL of the loan as at 31 January 2025.

RoyaleLife

As previously reported, the companies holding the sites securing the RoyaleLife loan were placed into administration during 2023 to protect the assets from other creditor claims. The sites were sold into a new holding company structure at the end of the last financial year and the Company's debt, together with that of its co-lenders, was restructured to facilitate the transaction. Consequently, the Company now participates in a fully cross collateralised loan to the new operating structure whilst retaining a claim against any proceeds arising from the ongoing administration of the old operating structure. The administrator ran a sales process prior to the restructure from which an institutionally backed offer for the entire platform came forward, and heads of terms were agreed. Whilst the sales process continues, the Company's (and its co-lenders') timetable has not been adhered to and consequently the Investment Manager is continuing to support the new operator to rebrand and relaunch the sale of individual bungalow homes in order to retain optionality and maximise value for the lenders. The Investment Manager continues to work with the administrator to explore all avenues for recovery of losses against the original borrower platform.

The Board and Investment Manager consider there to be a material risk of loss and the loan was categorised as Stage 3 in July 2023, with the restructured loan remaining at Stage 3. In determining the ECL as at 31 January 2025 the Board and the Investment Manager have considered an offer from an institutional buyer which has been received and adopted the same probability weighted approach and considered a range of outcomes linked to sale of the properties (where negotiations continue), and to the relaunch of the underlying business with an exit over time. The Company together with its co-lenders retain the rights, under the original loan, to any recoveries linked to the administration process and the bankruptcy proceedings against the previous beneficial owner. The Company is also party to a legal claim against the original valuer of the portfolio, as set out elsewhere in this report, albeit no value has been attached to any such legal claims.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

5. Loans advanced (continued) (iii) IFRS 9 – Impairment of Financial Assets (continued)

A reconciliation of the ECL allowance is presented as follows:

	Expected Credit Loss Allowances	ECL movement related to loan capital	ECL movement related to default interest	
	At 31 January 2024			At 31 January 2025
	£	£	£	£
Affinity	(6,697,311)	(794,061)	(349,482)	(7,840,855)
Southport	(8,597,121)	(617,024)	(1,146,638)	(10,360,782)
RoyaleLife	(17,183,345)	(1,655,257)	(1,093,040)	(19,931,642)
	(32,477,777)	(3,066,342)	(2,589,160)	(38,133,279)

(iv) IFRS 9 Impairment – Stress Analysis

The carrying values of the remaining investments above contemplate sales in a difficult market and have been adjusted for expected credit losses, making allowance for the potential impact of sales out of receivership/administration on the properties' underlying liquidity and attractiveness to buyers, as well as the timeframe in which the Company is seeking to realise its investments.

The remaining loans are, or have been, subject to enforcement processes, which may be an additional factor in the liquidity of buyer pools for the subject assets. Two of the loans (Southport and RoyaleLife) are secured against operating assets which brings additional complexity for buyers when compared to, say, single tenant investment properties and, in the case of RoyaleLife, operates in a new and emerging sector.

The Investment Manager and the Board have considered the impact of a further 10%, 20% and 30% reduction in the underlying property values, broadly reflecting a one, two and three stage credit deterioration as previously presented, and recalculated its probability weighted valuations on this basis. The potential negative impact of these further declines in property values on the portfolio as a whole is set out below.

Stress test impact on Expected Credit Loss at 31 January 2025

	31 January 2025	31 January 2024
10% reduction in property value	£2,933,000	£3,279,000
20% reduction in property value	£5,875,000	£6,558,000
30% reduction in property value	£8,817,000	£9,837,000

All efforts continue to be made by the Investment Manager and the Board to crystallise the value in the remaining investments in a reasonable time frame in order to return capital to shareholders and proceed to the liquidation of the Company. However, as discussed above, in the current market many properties for sale are not receiving any bids, even where they are considered distressed, and the limited number of buyers active in the market are seeking out the maximum distress in order to achieve best relative value and maximise their potential returns. Accordingly, the timing of the final realisation of the Company's remaining assets cannot be predicted with certainty. The Board and Investment Manager have considered the impact of a delay in the realisation of the remaining loans. A 3 month delay would, at 31 January 2025, reduce the net present value of the cashflows arising by 2.3% (£700,000), whilst a 6 month delay would result in a 4.6% (£1,382,000) reduction in the net present value of the cashflows arising.

The current performance of each loan is discussed in the Investment Manager's report.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

6. Trade and other receivables

	31 January 2025	31 January 2024
	£	£
Other receivables	41,179	30,718

The Company has management policies in place to ensure that all receivables are received within the credit time frame. The Directors consider that the carrying amount of all receivables approximates to their fair value.

7. Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Company and short-term bank deposits held with maturities of twelve months or less. The carrying amounts of these assets approximate their fair value.

The table below shows the Company's cash balances and the banks in which they are held:

	31 January 2025	31 January 2024
	£	£
Lloyds Bank International Limited	301,532	590,594
Barclays Bank plc	301,552	590,594
Butterfield Bank (Guernsey) Limited	301,877	594,252
Royal Bank of Scotland International Limited	2,295,240	1,170,389
	3,200,201	2,945,829

8. Trade and other payables

	31 January 2025	31 January 2024
	£	£
Investment Management fees (see Note 13)	39,831	236,597
Directors' remuneration (see Note 12)	31,250	31,250
Administration fees (see Note 13)	67,917	67,917
Audit fees (see note 14)	34,800	17,150
Other expenses	36,340	38,556
	210,138	391,470

Trade creditors comprise amounts payable to borrowers. The Company has management policies in place to ensure that all payables are paid within the credit time frame. The Directors consider that the carrying amount of all payables approximates to their fair value.

9. Earnings per share and Net Asset Value per share

Earnings per share

	1 February 2024 to 31 January 2025	1 February 2023 to 31 January 2024
Loss for the year (£)	(3,295,995)	(24,876,251)
Weighted average number of Ordinary Shares in issue	121,302,779	121,302,779
Basic and diluted (Loss)/EPS (pence)	(2.72)	(20.51)

The calculation of basic and diluted loss per share is based on the loss for the year and on the weighted average number of Ordinary Shares in issue in for the year ended 31 January 2025.

There are no dilutive shares in issue at 31 January 2025 (31 January 2024: none).

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

9. Earnings per share and Net Asset Value per share (continued)

Net Asset Value per share

	31 January 2025	31 January 2024
NAV (£)	32,928,133	36,224,128
Number of Ordinary Shares in issue	121,302,779	121,302,779
NAV per share (pence)	27.15	29.86

The calculation of NAV per share is based on Net Asset Value and the number of Ordinary Shares in issue at the year end.

10. Share capital

The authorised share capital of the Company is represented by an unlimited number of Ordinary Shares with or without a par value which, upon issue, the Directors may designate as (a) Ordinary Shares; (b) B Shares; and (c) C Shares, in each case of such classes and denominated in such currencies as the Directors may determine.

	31 January 2025	31 January 2024
	Number of shares	Number of shares
Authorised		
Ordinary Shares of no par value	Unlimited	Unlimited
B Shares of no par value	Unlimited	Unlimited
	Total No	Total No
Ordinary Shares	121,302,779	121,302,779
B Shares		
B Shares issued February 2023	-	121,302,779
B Shares redeemed and cancelled February 2023	-	(121,302,779)
B Shares issued August 2023	-	121,302,779
B Shares redeemed and cancelled August 2023	-	(121,302,779)
	-	-
	£	£
Share capital brought forward	64,650,361	80,298,419
Repaid in the year	-	(15,648,058)
Share capital carried forward	64,650,361	64,650,361

Dividends

Dividends are recognised by the Company in the quarterly NAV calculation following the declaration date. A summary of the dividends declared and/or paid during the year ended 31 January 2024 is set out below. No dividends were declared or paid in respect of the period 1 February 2024 to 31 January 2025:

	Dividend per share	Total dividend
	Pence	£
1 February 2023 to 31 January 2024		
Interim dividend paid in respect of quarter ended 31 January 2023	0.50	606,514
	0.50	606,514

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

10. Share capital (continued)

Following shareholder approval of proposed changes to the Company's Investment Objectives and Investment Policy which allows an orderly realisation of the Company's assets and return of capital to shareholders, the Board has made it clear that payment of quarterly dividends would continue only whilst it remained prudent to do so.

Due to the enforcement actions which have taken place over all three remaining assets, trading levels have been reduced and accordingly levels of operating cashflow are projected to be significantly reduced.

The Company has a predictable cost base and the ability to hold back capital from the imminent (contracted) and prospective future repayments to meet costs and preserve working capital over the medium to long-term. However, it is no longer considered appropriate to distribute a regular dividend.

Return of Capital

Return of Capital is recognised by the Company in the quarterly NAV calculation following the declaration date. There was no return of capital made during the year ended 31 January 2025.

	Return of Capital per share	Total Return of Capital
1 February 2023 to 31 January 2024	Pence	£
Return of Capital February 2023	5.50	6,671,653
Return of Capital August 2023	7.40	8,976,405
	12.90	15,648,058

Rights attaching to Shares

The Company has a single class of Ordinary Shares which are not entitled to a fixed dividend. During the year ended 31 January 2024, the company had two issues of redeemable B shares which were redeemed throughout the year on a Return of Capital payment to shareholders of the redeemable B shares.

At any General Meeting of the Company each Ordinary Shareholder is entitled to have one vote for each share held. The Ordinary Shares also have the right to receive all income attributable to those shares and participate in distributions made and such income shall be divided *pari passu* among the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by them.

The Company's Articles include a B Share mechanism for returning capital to Shareholders and following Shareholder approval on 14 January 2021, the Company has and will continue to utilise this mechanism in future. When the Board determines to return capital to Shareholders, the Company will issue B Shares, paid up out of the Company's assets, to existing Shareholders pro rata to their holding of Ordinary Shares at the time of such issue. The amount paid up on the B Shares will be equal to the cash distribution to be made to Shareholders via the B Share mechanism. The B Shares shall be redeemable at the option of the Company following issue and the redemption proceeds (being equal to the amount paid up on such B Shares) paid to the holders of such B Shares on such terms and in such manner as the Directors may from time to time determine. It is therefore expected that the B Shares will only ever be in issue for a short period of time and will be redeemed for cash shortly after their issue in order to make the return of capital to Shareholders.

It is intended that following each return of capital the Company will publish a revised estimated Net Asset Value and Net Asset Value per Ordinary Share based on the prevailing published amounts adjusted to take into account the return of capital. The number of Ordinary Shares in issue will remain unchanged.

11. Risk Management Policies and Procedures

The Company through its investment in senior loans is exposed to a variety of financial risks, including market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management procedures focus on the unpredictability of operational performance of the borrowers and on property fundamentals and seek to minimise potential adverse effects on the Company's financial performance.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

11. Risk Management Policies and Procedures (continued)

The Directors are ultimately responsible for the overall risk management approach within the Company. The Directors have established procedures for monitoring and controlling risk. The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

In addition, the Investment Manager monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Further details regarding these policies are set out below:

Market risk

Market price risk

Market risk includes market price risk, currency risk and interest rate risk. If a borrower defaults on a loan and the real estate market enters a downturn it could materially and adversely affect the value of the collateral over which loans are secured. This risk is considered by the Board to be as a result of credit risk as it relates to the borrower defaulting on the loan.

The Company's overall market position is monitored by the Investment Manager and is reviewed by the Directors on an ongoing basis.

Currency risk

The Company's currency risk exposure is considered to be immaterial as all investments have been and will be made in Pounds Sterling.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments and related income from cash and cash equivalents will fluctuate due to changes in market interest rates.

The majority of the Company's financial assets are loans advanced, which are at a fixed rate of interest, and cash and cash equivalents.

The following table shows the portfolio profile of the material financial assets as at 31 January 2025 and 31 January 2024:

	31 January 2025	31 January 2024
	£	£
Floating rate		
Cash	3,200,201	2,945,829
Fixed rate		
Loans advanced, net of ECL allowance	29,896,891	33,639,051
	<u>33,097,092</u>	<u>36,584,880</u>

The timing of interest payments on the loans advanced is summarised in the table on pages 71 and 72.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company's main credit risk exposure are on the loans advanced, where the Company invests in secured senior debt, and in respect of monies held with banks.

With respect to its loan portfolio the Company has adopted the Investment Manager's internal credit rating methodology to assess and monitor the creditworthiness of each loan and resultant credit risk, Probability of Default (PD), and Loss Given Default (LGD).

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

11. Risk Management Policies and Procedures (continued)

Credit risk (continued)

The model takes into account factors below such as:

- financial risk of the borrower - considers the financial position of the borrower in general and considers LTV, ICR and amortisation profile/debt maturity;
- property risk - where the property location, quality (specification, condition) and letting risk are considered;
- income risk - the income risk category considers, tenant diversity, tenant credit quality and lease length ratio, sector diversity and geographical diversity; and
- borrower/structure risk - where factors such as history of the borrower/sponsor, loan control (security package) and covenants are considered.

The credit rating methodology is dynamic and recognises the interplay between diversity and quality as a risk mitigant. The Company's current credit risk grading framework comprises the following categories and portfolio weightings:

Grade	Description	Maximum credit risk exposure 2025	Maximum credit risk exposure 2024
AAA, AA+	Virtually no risk	-	-
AA to A	Low risk	-	-
BBB	Moderate risk	-	-
BB	Average risk	-	-
B	Acceptable risk	-	-
CCC+	Borderline Risk	-	-
CCC	Special Mention	-	-
CC	Substandard	-	-
D	Doubtful	68,030,170	66,116,828
D	Loss	-	-

The classification of loans for the purpose of considering expected credit loss are discussed in the company's accounting policies and in note 5 above, these include a deterioration in credit rating from the date of initial recognition and are not based solely on the absolute credit rating at a point in time.

The Company has previously used the Investment Manager's loss experience to benchmark investment performance and potential impairment for Stage 1 and Stage 2 assets under IFRS 9 considering expected loss given default. In the case of Stage 3 assets the Company considers the net realisable value of the underlying property security in determining expected credit loss. The total exposure to credit risk arises from default of the loan counterparty and the carrying amounts of other financial assets best represent the maximum credit risk exposure at the year-end date, including the principal advanced on loans, interest outstanding on loans and cash and cash equivalents. As at 31 January 2025, the maximum credit risk exposure was £68,039,973 (31 January 2024: £60,493,105).

The Investment Manager has adopted procedures to reduce credit risk exposure through the inclusion of covenants in loans issued, along with conducting credit analysis of the counterparties, their business and reputation, which is monitored on an ongoing basis. The Investment Manager routinely analyses the profile of the Company's underlying risk in terms of exposure to significant tenants, reviewing market data and forecast economic trends to benchmark borrower performance and to assist in identifying potential future stress points.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

11. Risk Management Policies and Procedures (continued)

Credit risk (continued)

Collateral held as security

Each loan is secured by a charge of commercial real estate property pledged by the borrower. To diversify credit risk the Company maintains its cash and cash equivalents across four (31 January 2024: four) different banking groups as shown below. In order to cover operational expenses, a working capital balance at Royal Bank of Scotland International Limited is maintained and monitored. This is subject to the Company's credit risk monitoring policies.

The table below shows the Company's cash balances and the credit rating for each counterparty:

	Rating	31 January 2025 £	31 January 2024 £
Lloyds Bank International Limited	A	301,532	590,594
Barclays Bank plc	A	301,552	590,594
Butterfield Bank (Guernsey) Limited	BBB+	301,877	594,252
Royal Bank of Scotland International Limited	A-	2,295,240	1,170,389
		3,200,201	2,945,829

The carrying amount of these assets approximates their fair value.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its liabilities as they fall due. The Company's loans advanced are illiquid and may be difficult or impossible to realise for cash at short notice.

The Company manages its liquidity risks through the regular preparation and monitoring of cash flow forecasts to ensure that it can meet its obligations as they fall due. The Company expects to meet its ongoing obligations through existing cash reserves.

Liquidity risks arise in respect of other financial liabilities of the Company due to counterparties. The Company's loan assets are all now past due and in default and the financial liabilities all have maturity dates within one year. An analysis of the maturity of financial assets classified as loans advanced is shown in the table below:

	Less than one year	Between one and five years	Total as at 31 January 2025
	£	£	£
Affinity - principal	16,572,789	-	16,572,789
Affinity - interest and exit fees	326,231	-	326,231
Southport - principal	15,800,000	-	15,800,000
Southport - interest and exit fees	490,356	-	490,356
RoyaleLife - principal	25,382,017	-	25,382,017
RoyaleLife - interest and exit fees	4,261,464	-	4,261,464
	62,832,857	-	62,832,857

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

11. Risk Management Policies and Procedures (continued)

Liquidity risk (continued)

	Less than one year	Between one and five years	Total as at 31 January 2024
	£	£	£
Affinity - principal	17,125,789	-	17,299,963
Affinity - interest and exit fees	326,231	-	527,335
Southport - principal	15,500,000	-	15,500,000
Southport - interest and exit fees	490,356	-	277,089
RoyaleLife - principal	25,382,017	-	25,382,017
RoyaleLife - interest and exit fees	4,261,464	-	4,322,659
	63,085,857	-	63,309,063

Capital management policies and procedures

The Company's capital management objectives are to ensure that the Company will be able to continue to meet all of its liabilities as they fall due and to maximise the income and capital return to equity shareholders during the managed wind-down.

The Board, with the assistance of the Investment Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis.

The Company has no externally imposed capital requirements. The Company's capital at the year-end comprised equity share capital and reserves.

12. Related Party Transactions and Directors' Remuneration

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions.

In the opinion of the Directors, on the basis of shareholdings advised to them, the Company has no immediate or ultimate controlling party.

Directors

The Directors' fees for the year amounted to £160,000 (31 January 2024: £160,000) with outstanding fees of £31,250 due to the Directors at 31 January 2025 (31 January 2024: £31,250) (see Note 8). Fees for the year to 31 January 2026 have been set at an aggregate total of £90,000.

13. Material Agreements

Investment Manager Agreement

Investment Management fees for the year amounted to £183,236 (31 January 2024: £551,167), of which £39,831 (31 January 2024: £236,597) was outstanding at the year-end (see Note 8).

The Board agreed an amendment to the Investment Manager's fee structure to align more closely with market capitalisation of the Company and ultimate value returned to shareholders and as a result of extensive discussion between the Board and the Investment Manager, it was agreed that fee will reduce to 0.5% of Net Asset Value from 1% previously. This came into effect on 9 May 2024. This halving of the investment management fee has, and will continue to, result in meaningful savings for shareholders over the remaining life of the Company.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

13. Material Agreements (continued)

Investment Manager Agreement (continued)

The Investment Manager's agreement became effective from 25 November 2020 and shall continue thereafter unless terminated in accordance with the terms of the agreement. The Investment Manager's appointment cannot be terminated by the Company with less than 12 months' notice. The Company may terminate the Investment Management Agreement with immediate effect if the Investment Manager has committed any material, irremediable breach of the Investment Management Agreement or has committed a material breach and fails to remedy such breach within 30 days of receiving notice from the Company requiring it to do so; or the Investment Manager is no longer authorised and regulated by the FCA or is no longer permitted by the FCA to carry on any regulated activity necessary to perform its duties under the Investment Management Agreement.

The Investment Manager may terminate their appointment immediately if the Company has committed any material, irremediable breach of the Investment Management Agreement or has committed a material breach and fails to remedy such breach within 30 days of receiving notice from the Company requiring it to do so.

Administration Agreement

The Administrator has been appointed to provide day to day administration and company secretarial services to the Company, as set out in the Administration Agreement. Under the terms of the Administration Agreement, the Administrator is entitled to a fixed fee of £90,000 per annum for services such as administration, corporate secretarial services, corporate governance, regulatory compliance and stock exchange continuing obligations provided to the Company. The Administrator will also be entitled to an accounting fee charged on a time spent basis with a minimum fee of £40,000 per annum. Administration and accounting fees for the year amounted to £177,256 (31 January 2024: £239,806) of which £67,917 (31 January 2024: £67,917) was outstanding at the year end.

Registrar Agreement

The Registrar has been appointed to provide registration services to the Company and maintain the necessary books and records, as set out in the Registrar Agreement.

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual fee from the Company equal to £1.78 per shareholder per annum or part thereof, subject to a minimum of £7,500 per annum. Other Registrar activities will be charged for in accordance with the Registrar's normal tariff as published from time to time.

Depository Agreement

The Depository has been appointed from 25 November 2020 to provide depository services under the AIFMD to the Company, which include cash monitoring, asset verification and oversight, as set out in the Depository Agreement.

Under the terms of the Depository Agreement, the Depository is entitled to a fixed fee from the Company of £25,000 per annum.

14. Auditor's Remuneration

Audit and non-audit fees payable to the auditors can be analysed as follows:

	31 January 2025	31 January 2024
	£	£
Audit fees for the Company	85,650	63,013
Total Audit fees	85,650	63,013

No non-audit fees were paid during the year.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 JANUARY 2025

15. Other Expenses

	31 January 2025	31 January 2024
	£	£
Broker fees	50,000	50,000
Administration fees	177,256	239,806
Regulatory fees	20,483	17,872
Listing fees	1,854	13,230
Legal and professional fees	20,489	118,645
Other expenses	82,284	109,307
	<u>352,366</u>	<u>548,860</u>

16. Subsequent events

There are no material subsequent events noted after the reporting date.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

ALTERNATIVE PERFORMANCE MEASURES

Performance Measure	Definition	Reason for Use	Calculation
Total Income per Share	The total income of the Company as disclosed in the Statement of Comprehensive Income divided by the number of Ordinary Shares in issuance at the relevant reporting date.	To provide transparency to the Company's investment returns.	2.59 pence per share for the year ended 31 January 2025 (4.08 pence per share for the year ended 31 January 2024).
NAV per Share	The net asset value of the Company divided by the number of Ordinary Shares in issuance at the relevant reporting date.	To assist shareholders in assessing the performance of the Company over a period in relation to its Investment Objectives.	27.15 pence for the year ended 31 January 2025 (29.86 pence for the year ended 31 January 2024).
Dividend per Share	The total dividends per Ordinary Share declared and/or paid during the relevant reporting period.	To assist shareholders in assessing the performance of the Company in relation to its Investment Objectives.	No dividends were declared or paid during the year ended 31 January 2025 (0.5 pence per share was declared in respect of the period ended 31 January 2023 and paid during the year ended 31 January 2024).
Share Price Premium / Discount	The percentage difference between the NAV per share and the quoted price of each Ordinary Share as at the relevant reporting date.	To assist shareholders in identifying and monitoring the performance of the Company.	Share price discount of 17.5% for the year ended 31 January 2025 (discount of 28.7% for the year ended 31 January 2024)
Percentage Capital Invested	The aggregate value of the investments at amortised cost divided by total shareholder equity. Where the figure exceeds 100%, the investments will be partially funded by the Company's debt facility.	To assist shareholders in identifying and monitoring the performance of the Company and the level of gearing.	90.8% of total assets for the year ended 31 January 2025 (92.9% of total assets for the year ended 31 January 2024)

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

GLOSSARY OF CAPITALISED DEFINED TERMS

- “Administrator”** means Ocorian Administration (Guernsey) Limited;
- “Administration Agreement”** means the Administration Agreement dated 23 January 2013 between the Company and the Administrator;
- “Admission”** means the admission of the shares to the premium listing segment of the Official List and to trading on the London Stock Exchange;
- “AEOI”** means Automatic Exchange of Information;
- “Affinity”** means Impact Spectrum Limited;
- “AGM”** or **“Annual General Meeting”** means the general meeting of the Company;
- “AIC”** means the Association of Investment Companies;
- “AIC Corporate Governance Code 2024”** means the AIC Code;
- “AIFMD”** means the Alternative Investment Fund Managers Directive;
- “Annual Report”** or **“Annual Report and Financial Statements”** means the annual publication of the Company provided to the shareholders to describe their operations and financial conditions, together with their Financial Statements;
- “Articles of Incorporation”** or **“Articles”** means the articles of incorporation of the Company, as amended from time to time;
- “Board”** or **“Directors”** or **“Board of Directors”** means the directors of the Company from time to time;
- “B shares”** means a redeemable Ordinary Share of no par value in the capital of the Company issued and designated as a B Share of such class, and denominated in such currency, as may be determined by the Directors at the time of issue. Issued for the purpose of returning capital in accordance with Article 8;
- “Capital Distribution Per Share”** means the total annual Return of Capital to shareholders divided by the number of Shares in issue (other than shares held in treasury);
- “Code”** or **“Corporate Governance Code”** means the UK Corporate Governance Code 2019 as published by the Financial Reporting Council;
- “Companies Law”** means the Companies (Guernsey) Law, 2008, (as amended);
- “Company”** means ICG-Longbow Senior Secured UK Property Debt Investments Limited;
- “CRS”** means Common Reporting Standard;
- “ECL”** means expected credit losses;
- “EGM”** means an Extraordinary General Meeting of the Company;
- “EPS”** or **“Earnings per share”** means Earnings per Ordinary Share of the Company and is expressed in Pounds Sterling;
- “ESG”** means Environmental, Social and Governance;
- “EU”** means the European Union;
- “Euro”** or **“€”** means Euro;
- “FATCA”** means Foreign Account Tax Compliance Act;
- “FCA”** means the UK Financial Conduct Authority (or its successor bodies);
- “Financial Statements”** means the audited financial statements of the Company, including the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and associated notes;
- “FRC”** means the Financial Reporting Council;
- “FTSE”** means the Financial Times Stock Exchange;
- “GDP”** means gross domestic product;
- “GFSC”** means the Guernsey Financial Services Commission;
- “GIIN”** means Global Intermediary Identification Number;

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

GLOSSARY OF CAPITALISED DEFINED TERMS (CONTINUED)

"GFSC Code" means the GFSC Finance Sector Code of Corporate Governance;

"IAS" means international accounting standards as issued by the Board of the International Accounting Standards Committee;

"ICG" means Intermediate Capital Group PLC;

"IFRS" means the UK adopted international accounting standards;

"Interest Cover Ratio" or **"ICR"** means the debt/profitability ratio used to determine how easily a company can pay interest on outstanding debt;

"Interim Report" means the Company's interim report and unaudited interim condensed financial statements for the period ended 31 July;

"Investment Manager" or **"ICG-Longbow"** means ICG Alternative Investment Limited or its associates;

"Investment Manager Agreement" means Investment Management Agreement dated 25 November 2020 between the Company and the Investment Manager;

"IPO" means the Company's initial public offering of shares to the public which completed on 5 February 2013;

"ISIN" means an International Securities Identification Number;

"LGD" means loss given default;

"London Stock Exchange" or **"LSE"** means London Stock Exchange plc;

"LTV" means Loan to Value ratio;

"Main Market" means the main securities market of the London Stock Exchange;

"Management Engagement Committee" means a formal committee of the Board with defined terms of reference;

"Memorandum" means the Company's memorandum;

"NAV per share" means the Net Asset Value per Ordinary Share divided by the number of Shares in issue (other than shares held in treasury);

"Net Asset Value" or **"NAV"** means the value of the assets of the Company less its liabilities, calculated in accordance with the valuation guidelines laid down by the Board, further details of which are set out in the 2017 Prospectus;

"Northlands" means London & Guildford Properties Limited, London & Weybridge Properties Limited, Lamborfore Limited, Northlands Holdings Limited, Peeble Stone Limited, Auldana Limited, Felixstow Limited, Richmond Lodge Construction Limited, Piperton Finance Limited and Alton & Farnham Properties Limited;

"Official List" is the Premium Segment of the FCA's Official List;

"PD" means probability of default;

"Registrar" means MUFG Corporate Markets (Guernsey) Limited (*formerly Link Asset Services (Guernsey) Limited*);

"Registrar Agreement" means the Registrar Agreement dated 31 January 2013 between the Company and the Registrar;

"RoyaleLife" means collectively, Time GB Properties LendCo Limited, Royal Parks Limited, Ambassador Royale Parks Parent Limited and Ambassador Royale Parks Intermediate Limited ;

"Schedule of Matters" means the Schedule of Matters Reserved for the Board, adopted 23 January 2013, amended 25 September 2020;

"SOC 1 Type 2 Report" means System and Organization Controls 1. A report that focuses on the internal controls over financial reporting;

"SOCI" means the Statement of Comprehensive Income;

"Southport" means Waterfront Southport Properties Limited and Waterfront Hotels (Southport) Limited – now in administration;

"Sq ft" means square feet;

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

GLOSSARY OF CAPITALISED DEFINED TERMS (CONTINUED)

“**UK**” or “**United Kingdom**” means the United Kingdom of Great Britain and Northern Ireland;

“**UK Listing Rules**” means the listing rules made by the FCA under section 73A Financial Services and Markets Act 2000;

“**£**” or “**Pounds Sterling**” means British pound sterling and “**pence**” means British pence.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

DIRECTORS AND GENERAL INFORMATION

<p>Board of Directors Jack Perry (Chair) Stuart Beevor (retired 31 January 2025) Paul Meader Fiona Le Poidevin (retired 31 January 2025)</p> <p>Audit and Risk Committee Paul Meader (Chair) Jack Perry Fiona Le Poidevin (retired 31 January 2025) Stuart Beevor (retired 31 January 2025)</p> <p>Management Engagement Committee Jack Perry (Chair) Paul Meader Fiona Le Poidevin (retired 31 January 2025) Stuart Beevor (retired 31 January 2025)</p> <p>Nomination Committee Jack Perry (Chair) Stuart Beevor (retired 31 January 2025) Paul Meader Fiona Le Poidevin (retired 31 January 2025)</p> <p>Remuneration Committee Paul Meader (Chair) Jack Perry Stuart Beevor (retired 31 January 2025) Fiona Le Poidevin (retired 31 January 2025)</p> <p>Investment Manager ICG Alternative Investment Limited Procession House 55 Ludgate Hill London United Kingdom EC4M 7JW</p> <p>Registered office P.O. Box 286 Floor 2 Trafalgar Court Les Banques St Peter Port Guernsey GY1 4LY</p>	<p>Independent Auditor Deloitte LLP PO Box 137 Regency Court Glategny Esplanade St. Peter Port Guernsey GY1 3HW</p> <p>Guernsey Administrator and Company Secretary Ocorian Administration (Guernsey) Limited P.O. Box 286 Floor 2 Trafalgar Court Les Banques St Peter Port Guernsey GY1 4LY</p> <p>Depository Ocorian Depository (UK) Limited 5th Floor 20 Fenchurch Street London England EC3M 3BY</p> <p>Registrar MUFG Corporate Markets (Guernsey) Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH</p> <p>Corporate Broker and Financial Adviser Cavendish Securities plc 1 Bartholomew Close London United Kingdom EC1A 7BL</p> <p>Identifiers GIIN: 6IG8VS.99999.SL.831 ISIN: GG00B8C23S81 Sedol: B8C23S8 Ticker: LBOW Website: www.lbow.co.uk</p>	<p>English Solicitors to the Company Gowling WLG (UK) LLP 4 More London Riverside London United Kingdom SE1 2AU</p> <p>Guernsey Advocates to the Company Carey Olsen Carey House PO Box 98 Les Banques St Peter Port Guernsey GY1 4BZ</p> <p>Bankers Butterfield Bank (Guernsey) Limited PO Box 25 Regency Court Glategny Esplanade St Peter Port Guernsey GY1 3AP</p> <p>Barclays Bank plc 6-8 High Street St Peter Port Guernsey GY1 3BE</p> <p>Lloyds Bank International Limited PO Box 136 Sarnia House Le Truchot St Peter Port Guernsey GY1 4EN</p> <p>The Royal Bank of Scotland International Royal Bank Place 1 Glategny Esplanade St Peter Port Guernsey GY1 4BQ</p>
---	---	---

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CAUTIONARY STATEMENT

The Chairman's Statement and Investment Manager's Report have been prepared solely to provide additional information for shareholders to assess the Company's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The Chairman's Statement and Investment Manager's Report may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Manager, concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and distribution policy of the Company and the markets in which it invests.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance.

The Company's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

Subject to their legal and regulatory obligations, the Directors and the Investment Manager expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

ICG-Longbow Senior Secured UK Property Debt Investments Limited

P.O. Box 286
Floor 2, Trafalgar Court
Les Banques, St Peter Port, Guernsey
GY1 4LY, Channel Islands.

T +44 (0) 1481 742742

Further information available online:

www.lbow.co.uk