

CVC INCOME &
GROWTH
LIMITED

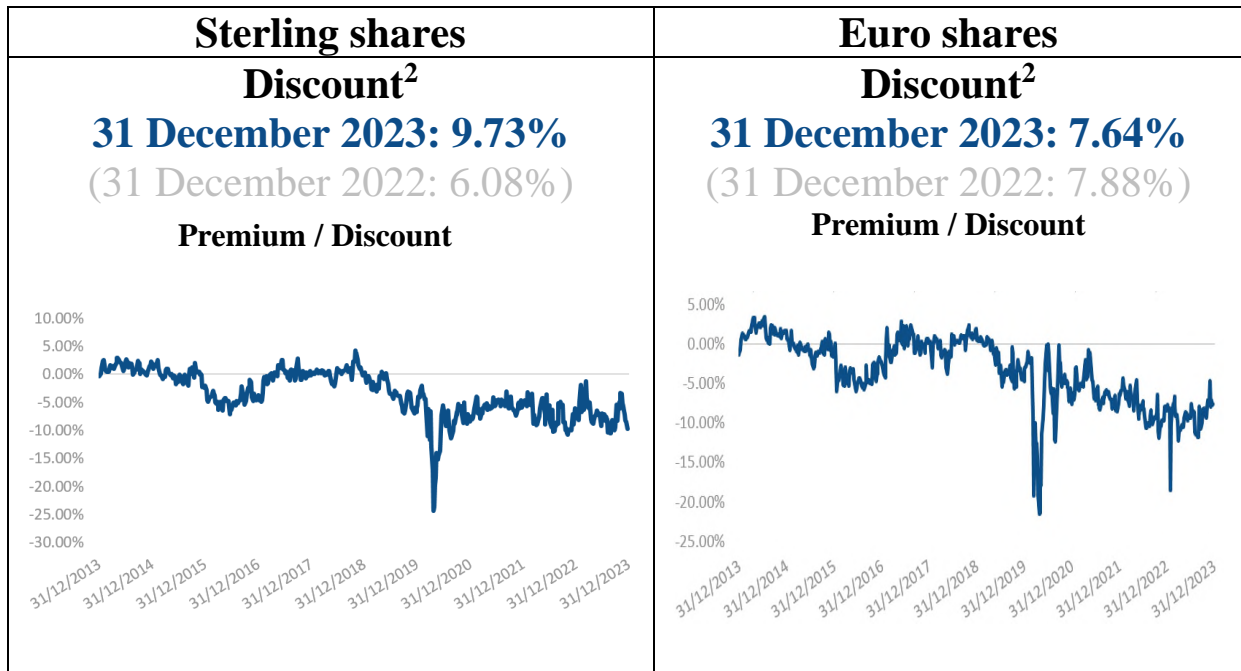
ANNUAL
FINANCIAL
REPORT
31 December 2023

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FINANCIAL HIGHLIGHTS AND PERFORMANCE SUMMARY

<p style="text-align: center;">Sterling shares</p> <p style="text-align: center;">Share price total return^{1,2} 31 December 2023: 18.08% (31 December 2022: (6.49)%)</p>	<p style="text-align: center;">Euro shares</p> <p style="text-align: center;">Share price total return^{1,2} 31 December 2023: 21.95% (31 December 2022: (8.16)%)</p>
<p style="text-align: center;">Dividend yield²</p> <p style="text-align: center;">31 December 2023: 8.08% (31 December 2022: 5.71%)</p>	<p style="text-align: center;">Dividend yield²</p> <p style="text-align: center;">31 December 2023: 7.53% (31 December 2022: 6.40%)</p>
<p style="text-align: center;">NAV total return²</p> <p style="text-align: center;">31 December 2023: 22.79% (31 December 2022: (6.75)%)</p>	<p style="text-align: center;">NAV total return²</p> <p style="text-align: center;">31 December 2023: 21.69% (31 December 2022: (8.32)%)</p>
<p style="text-align: center;">NAV total return vs monitored indices</p> <p style="text-align: center;"> — Euro Shares total return % since inception — Sterling Shares total return % since inception — Credit Suisse Western European High Yield Index (hedged in Euros) Total Return — Credit Suisse Western European Leveraged Loan Index (hedged in Euros) Total Return </p>	

FINANCIAL HIGHLIGHTS AND PERFORMANCE SUMMARY (CONTINUED)



For further information on the Company’s dividend history and total return metrics, refer to the Useful Information for Shareholders section on pages 88 to 90.

¹Share price is the bid price. Share price source: Bloomberg

²These are Alternative Performance Measures; refer to pages 89 to 92 for details.

CHAIRMAN'S STATEMENT

Introduction

I am pleased to have the opportunity to report to you on the Company's performance and activities in respect of the year ended 31 December 2023, to look forward to 2024, and to provide some commentary on recent market events.

Performance

2023 has been a considerably more positive year for the Company than 2022, as interest rates across Europe increased substantially and credit spreads remained at elevated levels. The full year performance for the Sterling and Euro share classes showed NAV total return per share of 22.79% and 21.69% respectively, which represents the best single year performance since IPO. The background to those performance numbers is covered in greater detail in the Investment Vehicle Manager's Report. The Company's shares responded accordingly, as shown in the below table:

	Sterling shares	Euro shares
Opening share price – 31 December 2022	£0.9200	€0.8200
Closing share price – 31 December 2023	£1.0050	€0.9300
Increase in nominal terms	£0.0850	€0.1100
Increase in percentage terms	9.24%	13.41%
Opening discount to NAV – 31 December 2022	6.08%	7.88%
Closing discount to NAV – 31 December 2023	9.73%	7.64%
Dividend paid – 31 December 2023	£0.08125	€0.07000
Share price total return – 31 December 2023	18.08%	21.95%

Current Market Conditions and Outlook

We have entered 2024 at a time of heightened geopolitical risks. Alongside the various conflicts that are unfortunately underway, 2024 is the year when a significant amount of the world's population votes for a new leader of their country. The impact of these risks and the uncertainty it brings is being seen in wide ranging issues from supply chains with the Red Sea access route being disrupted (shortly after the Panama Canal disruptions), oil price uncertainty and consequential impacts on capital allocators' investment strategies. Concurrently, there is the rise of artificial intelligence and the disruption that the use of large language model training is having on business processes and resulting investment decisions. How this will ultimately impact inflation and the utilisation of monetary policy tools by central banks and fiscal policy by governments remains to be seen, but this uncertainty, and the impact on market credit spreads generally, typically presents an opportunity for this Company to continue to have a period of above average returns with higher rates and spreads and a greater variety of credit opportunities.

Alongside the challenges of inflation and its management, because of the higher interest rate environment there are increased risks of businesses failing and potentially greater frequency of defaults. Recent commentary from liquidation specialists and other related businesses indicate that a growing number of businesses are under stress due to rising interest rates alongside increased energy costs and other inflationary inputs. Due to a robust approach to diligence undertaken by the Investment Vehicle Manager, alongside the typical large scale EBITDA characteristics of underlying issuers, defaults are anticipated on the underlying portfolio to be below index numbers. In the event of defaults, we are fortunate that the Investment Vehicle Manager has historically managed this risk well and recovered a substantial number of cents in the Euro, minimising any capital impact.

Towards late 2023 and in early 2024, contradictory comments along the lines of 'higher for longer' and 'there will be multiple interest rate reductions during 2024' have been expressed by commentators on the broader interest rate environment. Already just a few weeks into the year, resilient inflation figures and solid economic performance numbers, particularly in the US, have been released, deviating from the anticipated downward rates trend and causing speculators to question their market positions. Overall, though tighter conditions are per se attractive for the Company, as they drive credit spreads higher, feeding through positively and ultimately increasing the yield available to investors. Alongside this environment there is a significant sum of debt that requires refinancing during 2024 and 2025. This will require careful management by these borrowing companies, but to the Investment Vehicle Manager this presents a number of opportunities, including variety and higher spreads.

CHAIRMAN'S STATEMENT (CONTINUED)

I mention all of this because I am sure that investors in the Company will want to understand how the Board sees the short to medium term future given recent events. Our base case is that relevant risk-free rates will gradually come down during 2024, and credit spreads will tighten towards the longer term average.

Corporate Activities & Liquidity

In February 2024 we announced the addition, in the March 2024 Tender, of an option for tendering shareholders to offer shares for placing with third party investors, as an alternative to having the shares repurchased by the Company. Further details can be found in the relevant RNS and associated documentation.

No further material changes are envisaged, and no special business will be introduced at this year's Annual General Meeting.

Distribution Policy

Shareholders will have seen a number of recent announcements by the Company in relation to the distribution policy. The continued positive trends in the yield metrics that I mentioned above have enabled the Board to again raise the Company's quarterly dividend target and also to pay a significantly enhanced dividend in respect of the fourth quarter of 2023. At the current nominal target dividend levels of £0.0825 per Sterling share and €0.0725 per Euro share for 2024, the Company's Sterling and Euro shares offer a cash yield of around 7% and 8% respectively. The cash yield is subject to changes in the Company's share price, which is dependent on movements in the market. No changes to the nominal target dividend levels are anticipated for at least the next 12 months.

Conclusion

These are positive times for the Company, and the Board is encouraged by current prospects. That said, we are keeping a close eye on the direction of risk free rates and the impact of geopolitical factors on the Company's chosen markets.

Beyond what I have set out above, the Company's Directors have also been active, as always, in a number of key corporate areas, including enhancing the Company's approach to distribution and embedding the Board's recent composition changes. I urge you to read the individual reports which cover these matters in more detail. I would like to take the opportunity to thank my co-Directors, the portfolio management team at the Investment Vehicle Manager, our advisors and investment bankers for their wise counsel, hard work, diligence and support during the year.

I invite the expression of views and opinions about the Company, to be directed to the usual contact points.

Richard Boléat

Chairman

INVESTMENT VEHICLE MANAGER'S REPORT

The Investment Vehicle Manager presents a review of the underlying Investment Vehicle for the year ended 31 December 2023 and the outlook for 2024.

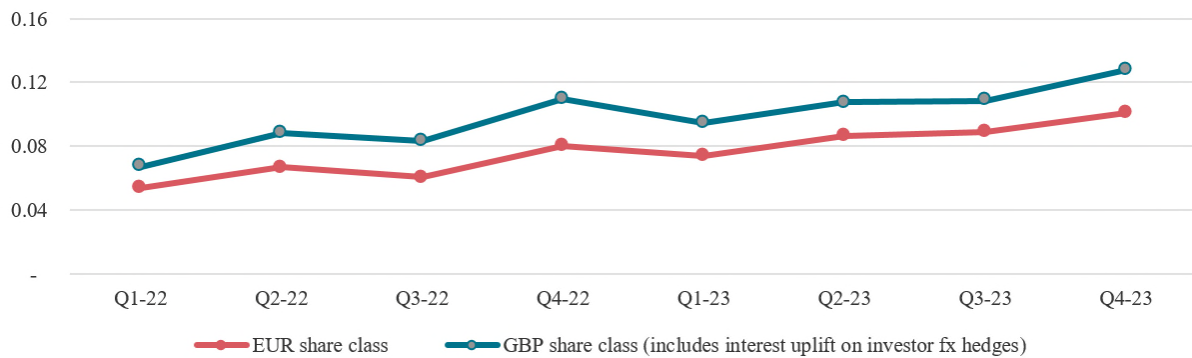
I. Performance 2023

The underlying Investment Vehicle generated 22.8% and 21.7% NAV performance on the GBP and EUR share classes respectively, which was our strongest year since IPO. The strong performance was a result of the high coupons the underlying Investment Vehicle is receiving on loans, strong credit selection and dynamic portfolio management:

1. Income generation

As a result of rising base rates and widening credit spreads, the annualised net cash flow from coupon payments has increased over the last 24-month period.

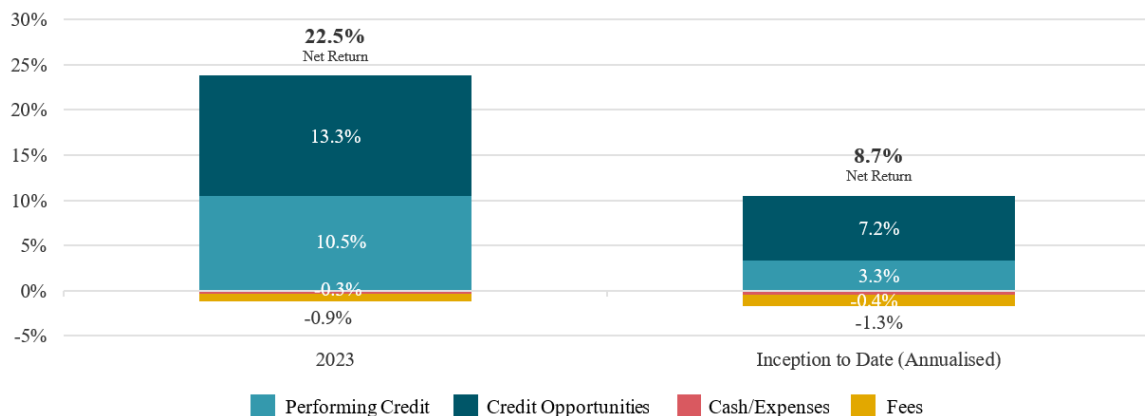
Investment Vehicle Net Cash Interest Income per Company Share (Annualised)



2. Strong credit selection

In addition to the income generated, the Investment Vehicle also generated strong returns from the credit opportunities sleeve as dislocations in the market often present interesting opportunities for a strategy with a flexible mandate.

Attribution by Strategy¹



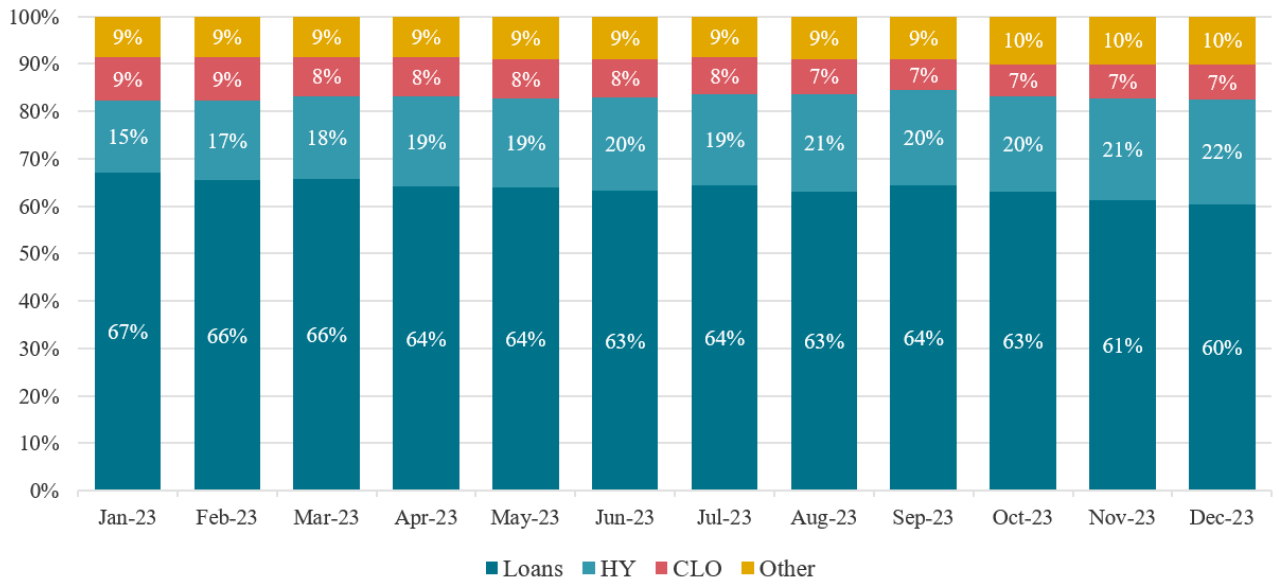
¹Data as at 31 December 2023. All statistics are unaudited and subject to revision. The information set forth above was compiled from sources CVC Credit Partners believes to be reliable; however, CVC Credit Partners makes no representations or guarantees hereby with respect to the accuracy or completeness of such data. For informational purposes only. Past performance is not an accurate indicator of current or future returns and potential investors should have no expectation that past performance can or will be replicated in the future.

INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

3. Dynamic portfolio management

The Investment Vehicle Manager added considerable exposure to CLO tranches on the back of the sell-off the underlying Investment Vehicle saw in Q4 2022. During 2023, the Investment Vehicle Manager reduced exposure to this asset class as spreads tightened, while the allocation to fixed rate high yield increased over time as inflation started coming down and the market started to price in some interest rate cuts for 2024.

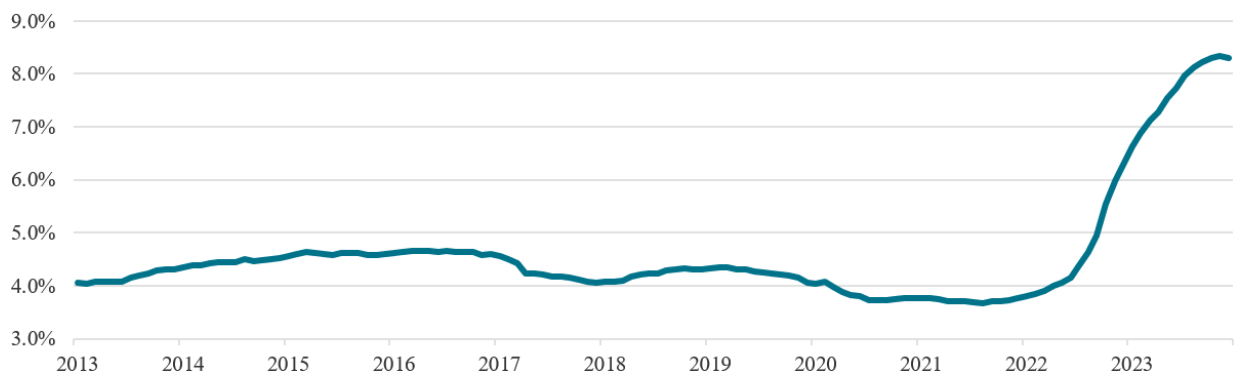
Asset Class Allocation



II. Outlook for 2024

The underlying Investment Vehicle started the year with coupon levels at the highest they have been since the IPO of the Company, so the Investment Vehicle Manager anticipates 2024 to be another strong year for income as reflected in the Board's decision to increase the dividend guidance.

Credit Suisse Western European Leveraged Loan Index – Coupon Levels²

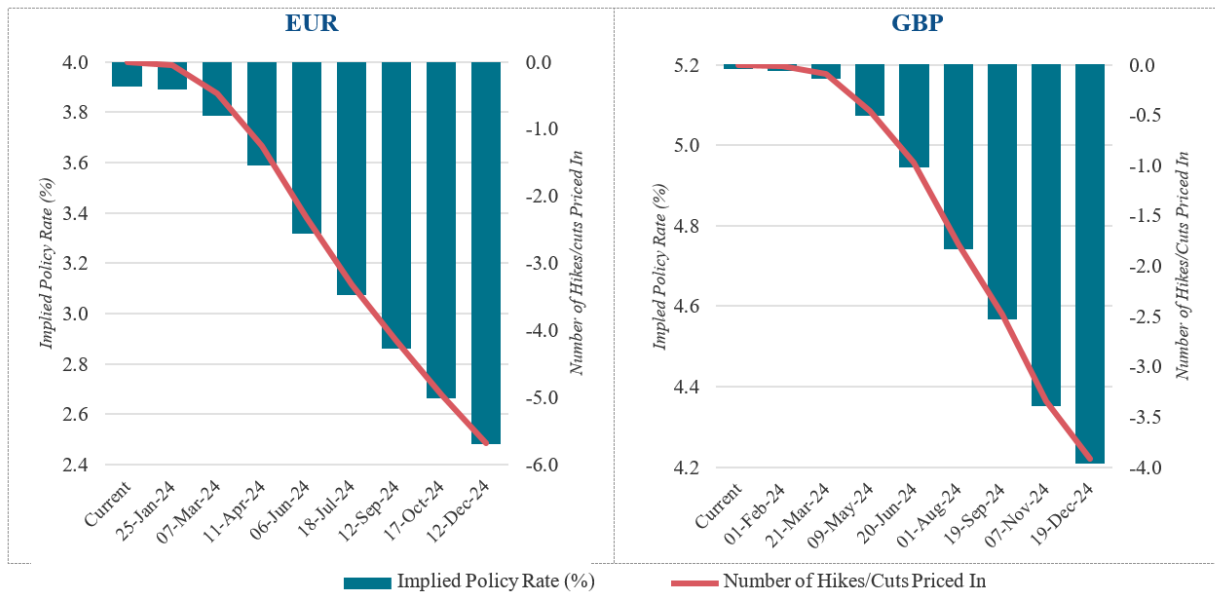


²Source: Credit Suisse Western European Leveraged Loan Index. Data as at 31 December 2023.

INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

2023 benefitted from significant tailwinds following a difficult 2022. While the Investment Vehicle Manager does not expect 2024 to be a repeat of 2023, the Investment Vehicle Manager still sees positive momentum in the market:

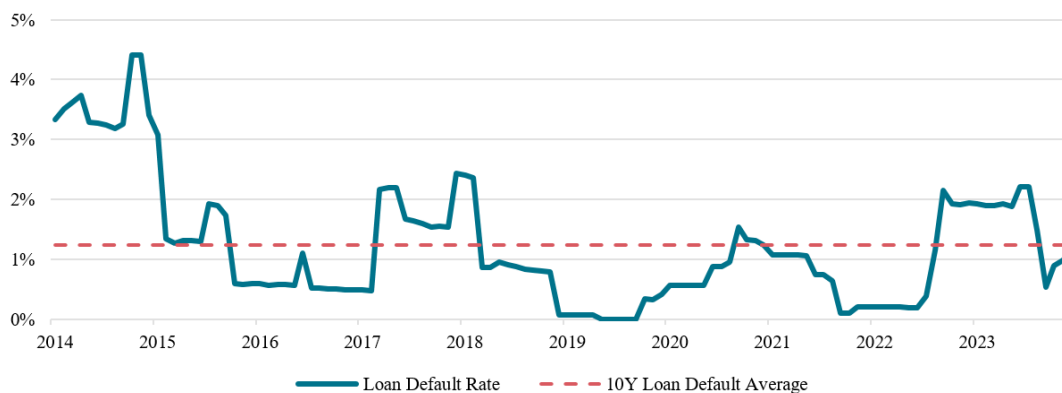
1. Inflation has come down from the peaks seen 12 months ago but is still not at the 2% target that central banks are targeting. As a result, central banks are likely to start cutting base rates during 2024. This will reduce some of the coupon income the underlying Investment Vehicle is getting over time. At the time of writing,³ the market is pricing in ~150 basis points rate cuts by the European Central Bank in 2024 and ~125 basis points of rate cuts by the Bank of England in 2024, as illustrated below:⁴



2. Tighter credit spreads leading to refinancings of higher coupon paper. As at 31 December 2023, the 3 year discount margin on the Credit Suisse Western European Leveraged Loan Index was 505 basis points, considerably lower than at 31 December 2022, when the 3 year discount margin was 661 basis points. However, this still stands above the 10 year average 3 year discount margin of 495 basis points.

Overall, the Investment Vehicle Manager anticipates default rates to remain fairly benign in 2024 compared to the longer term average.

Credit Suisse Western European Leveraged Loan Index – Historical Default Rates⁵



³ As at 11 January 2024.

⁴ Source: Bloomberg. Data as at 8 January 2024.

⁵ Source: Credit Suisse Western European Leveraged Loan Index. LTM default rates based on par amount. Data as at 31 December 2023.

INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

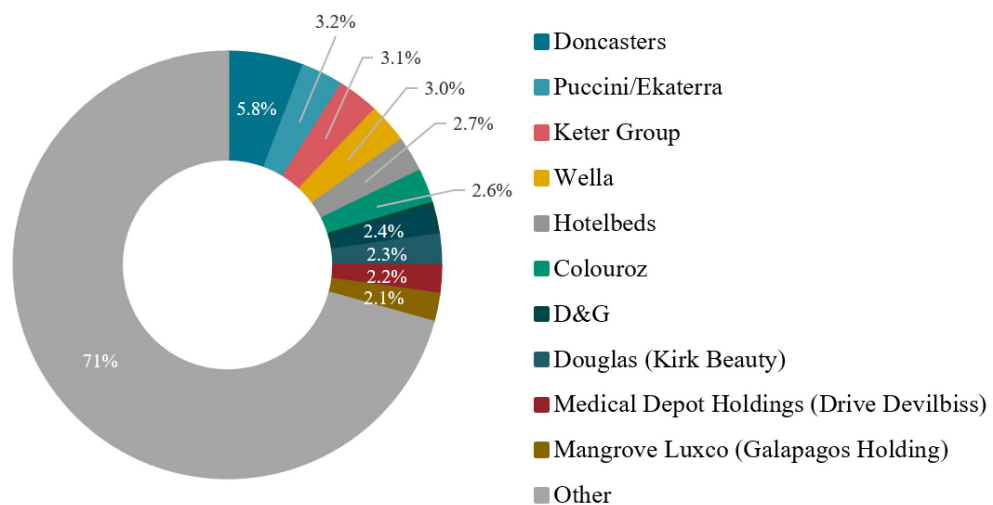
The biggest risk to the 2024 outlook is geopolitical risk. About half of the world's population is expected to vote for a new government in 2024, with the US election of course front and centre of a lot of investors' minds. However, we are approaching the second anniversary of the Russia/Ukraine conflict and tensions in the Middle East are also increasing. The Investment Vehicle Manager has seen that a lot of these events can re-ignite inflation fears, and just in the last few weeks the spot cost of shipping containers from Asia to Europe has doubled as container vessels are unable to continue to use the Suez Canal.

III. Portfolio Composition

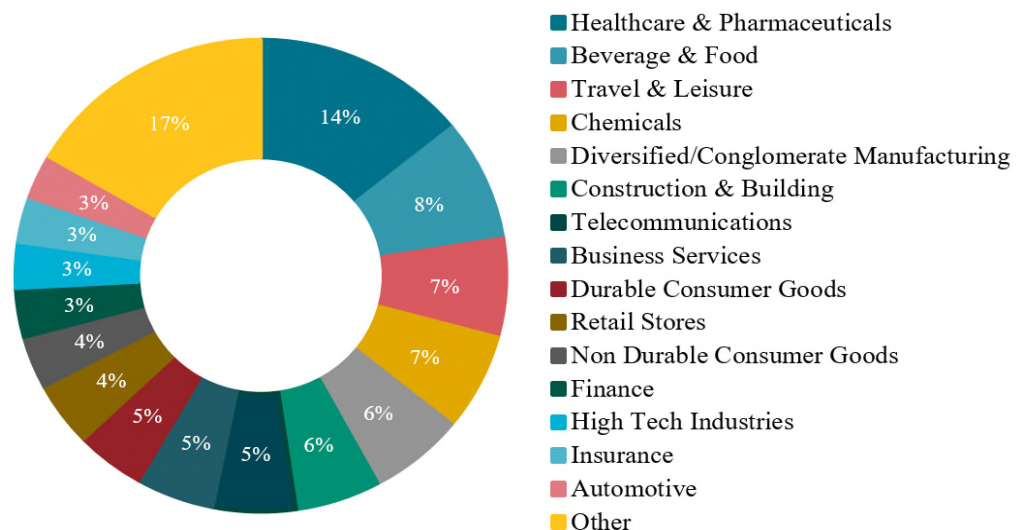
At the end of December 2023, there were 107 different issuers in the portfolio of the underlying Investment Vehicle, split 52% / 48% between performing credit and credit opportunities.

Portfolio positioning as at 31 December 2023 shown below:⁶

Top 10 Issuers Exposure



Industry Exposure⁷

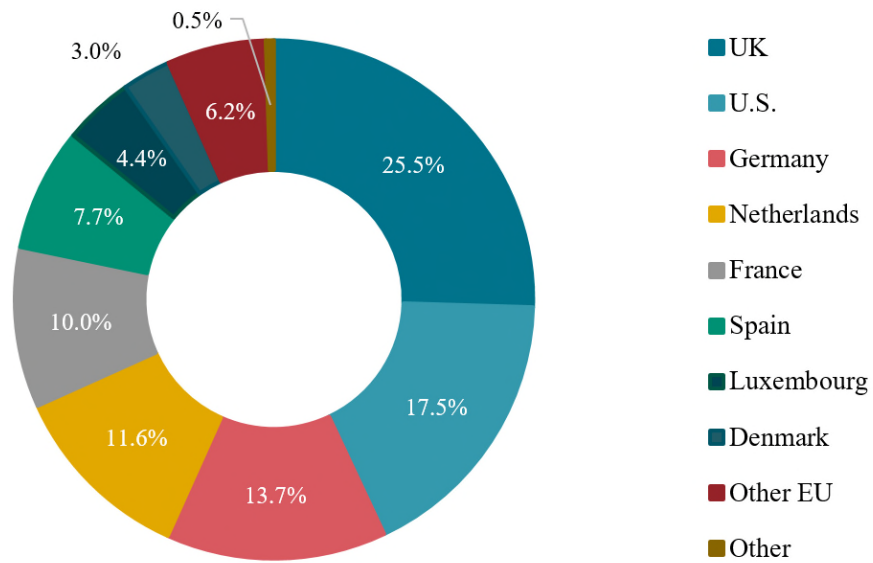


⁶ As at 31 December 2023. Totals may not add up to 100% due to rounding.

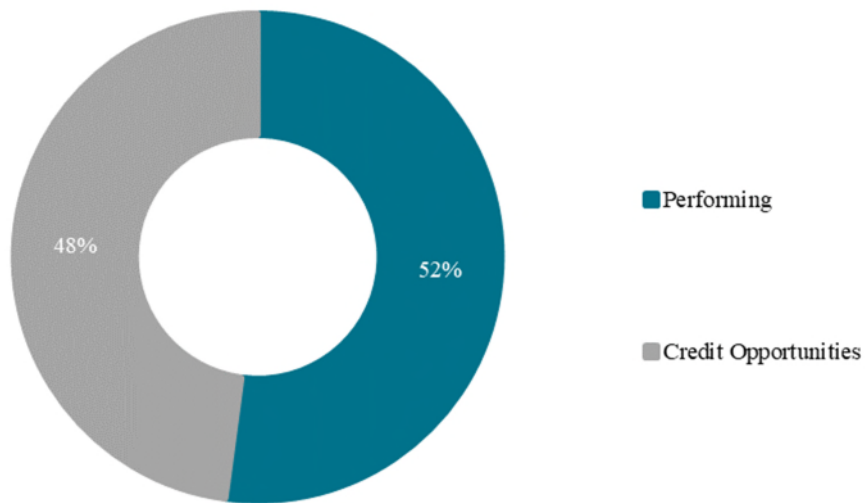
⁷ Excludes CLO investments.

INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

Geographic Exposure⁷



Strategy Split



There are a couple of key themes the Investment Vehicle Manager continues to focus on:

1. Large issuers with liquid capital structures where the underlying Investment Vehicle can trade in or out of the position if needed, with c.95% of the portfolio being marked to market and readily tradable.

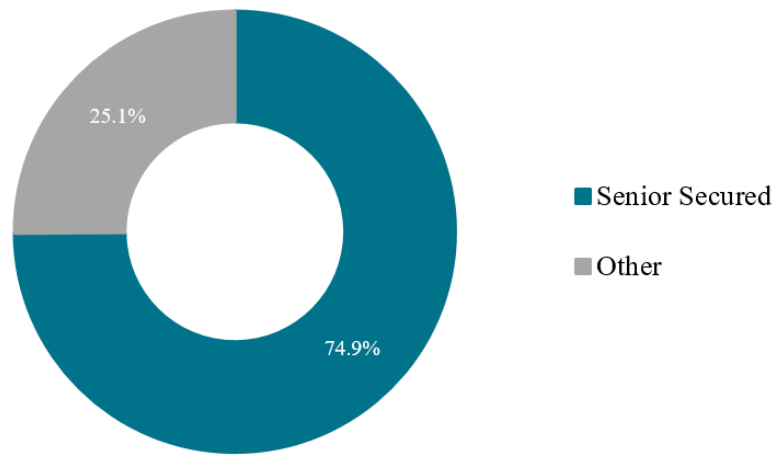
⁷ Excludes CLO investments.

INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

Borrower Statistics ⁸	
LTM Revenue	€2.2 billion
LTM EBITDA	€385 million
Total Leverage	5.6x
Enterprise Multiple	10.1x
Loan to Value	55%

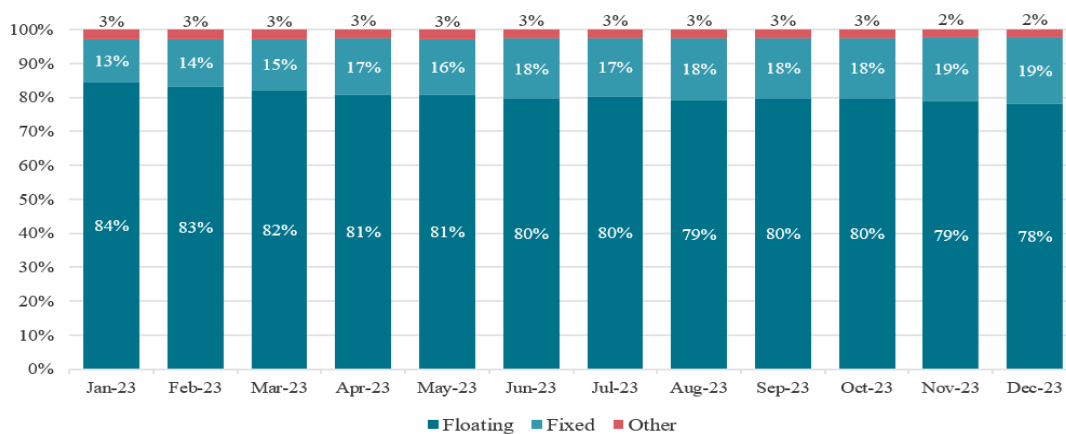
2. Focus on senior secured part of the capital structure to protect downside.

Asset Seniority Breakdown



3. Even though the underlying Investment Vehicle is largely a floating rate fund, the Investment Vehicle Manager has increased the underlying Investment Vehicle exposure to fixed rate bonds given where the underlying Investment Vehicle is in the rates cycle.

Interest Rate Exposure



⁸ Borrower statistics shown as a weighted average of the portfolio as at 31 December 2023. Excludes CLO, equity and warrant investments.

INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

Below are some other key characteristics for the underlying Investment Vehicle as at 31 December 2023.

Portfolio Characteristics ⁹	
Current Yield¹⁰	GBP: 13.8% EUR: 12.5%
Yield to Maturity¹⁰	GBP: 15.4% EUR: 14.1%
Weighted Average Price¹¹	90.4

IV. Conclusion

After a strong 2023, the Investment Vehicle Manager remains positive about the outlook for both income and growth in 2024. Total yields on the loan market are still at attractive levels versus historical yields. As inflation is now materially lower than 12 months ago, the Investment Vehicle Manager anticipates base rates to come down over time, which will impact the income generated by the portfolio. The base dividend (excluding top-up) was well covered and the Investment Vehicle Manager consulted with the Board about the 2024 dividend guidance, which resulted in an increase in base dividends to £0.0825 and €0.0725 on the GBP and EUR share class respectively. The credit opportunities sleeve, which historically has generated the capital growth for the portfolio, has an average cash price of 84.4%, meaning there is upside to the marks on the portfolio as well. After many years of quantitative easing across many parts of the world, the Investment Vehicle Manager anticipates there will be structurally more volatility in credit markets: base rates will fluctuate considerably more, credit spreads will vary over time and defaults are likely to be higher. This should lead to good income on the portfolio but also opportunities for the credit opportunities side of the portfolio.

CVC Credit Partners Investment Management Limited

Investment Vehicle Manager

Pieter Staelens

Managing Director, Portfolio Manager
27 March 2024

Pieter Staelens joined CVC in 2018. He is a member of the Performing Credit team and based in London. Prior to joining CVC, he worked at Janus Henderson Investors in London where he was involved in various high yield strategies and a credit long/short strategy.

Pieter is a graduate of the Université Catholique de Louvain in Belgium. He also holds an MSc in Finance, Economics and Econometrics from the Cass Business School and an MBA from the University of Pennsylvania.

Mitchell Glynn

Managing Director, Assistant Portfolio Manager

Mitchell joined CVC in 2013. Mitchell is a member of the Performing Credit team and based in London. Prior to joining CVC, he was at Neuberger Berman, where he worked as an Associate from 2008 in the Non-Investment Grade team responsible for evaluating investments across a wide range of industries.

Mitchell holds an MSc in Business Economics and Finance from Loughborough University. Mitchell attained the Chartered Financial Analyst designation in 2012.

Past performance is not indicative of future results. There can be no assurance that the Investment Vehicle will be able to implement its investment strategy, achieve its investment objective or avoid substantial losses.

Refer to the Useful Information for Shareholders section for the Index Disclaimer.

⁹ Portfolio characteristics as at 31 December 2023.

¹⁰ Includes Investment Vehicle leverage.

¹¹ Average market price of the portfolio weighted against the size of each position.

STRATEGIC REPORT

This Strategic Report is designed to provide information about the Company's business and results for the year ended 31 December 2023. It should be read in conjunction with the Chairman's Statement and the Investment Vehicle Manager's Report which gives a detailed review of investment activities for the year and an outlook for the future.

Corporate summary

The Company is a closed-ended investment company limited by shares, registered and incorporated in Jersey under the Companies (Jersey) Law 1991 on 20 March 2013, with registration number 112635. The Company's share capital consists of Sterling shares and Euro shares which are denominated in Sterling and Euro respectively. The Company's Sterling shares and Euro shares are listed on the Official List of the UK Listing Authority and admitted to trading on the Main Market of the London Stock Exchange.

The Company is self-managed as its assets are managed by the Directors of the Company. The Directors of the Company have invested the net proceeds from share issues into the Investment Vehicle, which is managed by the Investment Vehicle Manager.

The Company is a member of the AIC and the ELFA. The Company is regulated by the Jersey Financial Services Commission.

Significant events during the year ended 31 December 2023

Dividends

On 30 January 2023, the Board announced a dividend of £0.0250 per Sterling share and €0.01750 per Euro share, which reflected an uplift to the previously indicated quarterly dividend of £0.0150 per Sterling share and €0.0150 per Euro share.

On 7 March 2023, the Board announced that the Company's annual dividend targets were being increased to £0.0750 per Sterling share and €0.0700 per Euro share with immediate effect.

Refer to note 12 for full details on dividend paid during the year.

Director appointments

On 14 September 2023, Philip Braun was appointed as a Non-Executive Director of the Company as part of the Board's succession planning. Philip Braun was appointed Chair of the Audit Committee on 1 January 2024 replacing Mark Tucker who retired from the Board.

On 22 September 2023, Robert Kirkby was appointed as a Non-Executive Director of the Company and Chair-elect of the Board to replace Richard Boléat who will be stepping down from the Board at the AGM in April 2024.

Full biographies of all the Directors can be found on pages 25 to 26 and on the Company's website.

AGM

At the AGM held on 2 May 2023, two new Contractual Semi-Annual Tenders were presented to shareholders, offering shareholder liquidity on a net asset value basis. Further information can be found on the Company's website: <https://ig.cvc.com/wp-content/uploads/2023/09/cvc-2023-agm-notice-and-tender-circular-final.pdf>.

Share conversions

Following requests made by shareholders, the Company converted a total of 295,233 Sterling shares into 298,964 Euro shares and 5,660,302 Euro shares into 5,692,752 Sterling shares under the conversion facility during the year ended 31 December 2023.

STRATEGIC REPORT (CONTINUED)

Purpose

The Company is an investment company and its scope is restricted to that activity. In that context, the Company's purpose is to provide investors with sustainable long-term returns by investing in a diversified portfolio of principally European corporate debt. In fulfilling the Company's purpose, the Board seeks to consider the views of all stakeholders and is mindful of the impact that the Company has on wider society.

Investment Objective

The Company's investment objective is to provide shareholders with regular income returns and capital appreciation from a diversified portfolio of predominantly senior secured loans and other sub-investment grade corporate credit investments.

Investment Policy

The Company's investment policy is to invest predominantly in debt instruments issued by companies across various industries domiciled, or with material operations, in Western Europe. These investments are mainly focused on the senior secured obligations of such companies, but investments are also made across the capital structure of such companies.

The investment policy and the Investment Vehicle's investment limits can be found on the Company's website: ig.cvc.com/overview/investment-policy/.

The Board continues to believe that the investment strategy and policy adopted by the Investment Vehicle is appropriate for and is capable of meeting the Company's current objectives.

It is the Board's assessment that the Investment Vehicle Manager's resources are appropriate to properly manage the Investment Vehicle's portfolio in the current and anticipated investment environment.

KPIs

The Board meets regularly to review performance and risk against a number of key measures. The Company considers the KPIs to be share price total return, dividend yield, NAV total return and the share price premium/discount to NAV. The KPIs are set out in the Financial Highlights and Performance Summary section. The KPIs are considered to be APMs and further details can be found on pages 89 to 92.

Share price total return and NAV total return

The Board regularly reviews and compares the NAV and share price of the Company. The Directors regard the Company's NAV total return as being the overall measure of value delivered to shareholders over the long-term.

Share price total return reflects both changes to the Company's share price and dividends paid to shareholders. NAV total return reflects both NAV growth of the Company and dividends paid to shareholders.

Premium/discount

The Directors review the trading prices of the Company's Sterling shares and Euro shares and compare them against their respective NAVs to assess volatility in the discount or premium of the share prices to their NAVs.

STRATEGIC REPORT (CONTINUED)

Other measures

In addition to the above KPIs, the Board meets regularly to review the performance and risk against the below other measures:

Ongoing charges

For the year ended 31 December 2023, the ongoing charges ratio was 1.77% for the Company's Sterling shares (31 December 2022: 1.76%) and 1.82% for the Company's Euro shares (31 December 2022: 1.80%). Ongoing charges are considered to be an APM and further details can be found on pages 91 to 92.

Diversification

The Directors review the geographical, industry, asset and currency diversification of the underlying Investment Vehicle to ensure that holdings are in line with the Investment Vehicle's prospectus and also to monitor the diversification risk of the underlying portfolio. Refer to the Investment Vehicle Manager's Report for analysis of the Investment Vehicle portfolio and note 8 and the 'Investment Vehicle portfolio' section in Useful Information for Shareholders, for further details regarding the Investment Vehicle's risk diversification policies.

Default rates in Europe and US

The Directors regularly discuss historic and emerging default risk in Europe and the US with the Investment Vehicle Manager to help assess and understand the performance and prospective performance of the Company. Performance of the Company may be affected by the default or perceived credit impairment of investments held by the Investment Vehicle. A withdrawal of investment capital, an economic downturn and/or rising interest rates could severely disrupt the European and US markets which could impact the ability of issuers to repay principal and interest and could adversely affect the value of the Company's investment in the Investment Vehicle and by extension, the Company's NAV and/or the market price of the Company's shares. The Directors hold at least quarterly discussions with representatives of the Investment Vehicle Manager to assist in monitoring the above indicator.

Life of the Company

The Company has an indefinite life. In accordance with the Articles of Association, the Directors are required to propose an ordinary resolution that the Company continues its business as a closed-ended investment company (the "Continuation Resolution") if the following occur:

- (i) the Company's total NAV falls below €75 million; or
- (ii) the Directors are required to convene 'class closure meetings' for all classes of shares in issue. A class closure meeting is required if a share class is delisted for any reason, or, if in any rolling 12-month period, the average daily closing market price (as derived from the market data published by Bloomberg or any successor market data service thereto) of any class of shares during such 12-month period is 10% or more below the average NAV per share (calculated inclusive of current year income).

If a Continuation Resolution is not passed, the Directors are required to put forward proposals within six months for the reconstruction or reorganisation of the Company to the shareholders for their approval.

These proposals may or may not involve winding up the Company and, accordingly, failure to pass the Continuation Resolution will not necessarily result in the winding up of the Company. A failure to pass a Continuation Resolution may result in the redemption by the Company of its entire holding of PECs.

STRATEGIC REPORT (CONTINUED)

Going concern

Under the Listing Rules, the AIC Code and applicable regulations, the Directors are required to satisfy themselves that it is reasonable to assume that the Company is a going concern as at the date of approval of the financial statements.

In making this assessment, the Directors have reviewed the Company's budget and cash flow forecast for the next 12 months from the date of approval of the financial statements and considered information regarding climate-related matters in conjunction with other uncertainties. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the period to 27 March 2025, a period of twelve months from the date of approval of the financial statements. The Directors are also satisfied that no material climate-related matters or uncertainties exist that cast significant doubt over the Company's ability to continue as a going concern.

Viability Statement

Under the AIC Code, the Directors are required to make a Viability Statement which explains how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, taking into account the Company's current financial position and principal risks. The principal risks faced by the Company are described on pages 18 to 21.

The prospects of the Company are driven by its investment objectives, investment policy and investment strategy as summarised on page 14, and by the conditions existing in the markets in which the Company's ordinary shares trade and in which the Investment Vehicle invests and financial markets generally.

In assessing the prospects of the Company, the Directors have, in addition to taking into account the principal and emerging risks facing the Company, taken into account the Company's current financial position. Their assessment has included a robust process encompassing an examination of the:

- (i) Investment Vehicle Manager's view of the investment opportunity and the conditions existing in the markets in which the Investment Vehicle is exposed and financial markets generally, including scenario analysis, stress tests and volatility and return comparisons;
- (ii) liquidity and fundamental prospects of the underlying positions of the Investment Vehicle;
- (iii) extent to which the Company directly or indirectly uses gearing;
- (iv) liquidity of the PECs in which the Company invests; and
- (v) impact on the Company's viability under scenarios stemming from the application of the tender mechanism (as detailed on pages 76 to 77).

Based on the results of their assessment of the above processes, and in the absence of any unforeseen circumstances, the Directors have concluded that a period of three years from the date of this statement is an appropriate period over which to assess the prospects of the Company as the principal risks, mitigating controls and investment strategy and policy are not expected to materially change over this period. This period reflects the effect of significant redemption requests received from shareholders under the tender mechanism, coupled with no further issuances of ordinary shares by the Company, before a Continuation Resolution would be proposed as a result of the NAV falling below €75 million.

The Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due within at least this period of assessment. The Directors are also of the opinion that given the information available to them at the date of these financial statements, the Company will be able to continue to conduct its commercial activities in a manner consistent with its investment objectives for the foreseeable future.

Social and environmental responsibility

Refer to the ESG Committee Report for details on the Company's social and environmental responsibility.

STRATEGIC REPORT (CONTINUED)

Investment Vehicle Manager stewardship

The Board continues to believe that the investment strategy and policy adopted by the Investment Vehicle is appropriate for and is capable of meeting the Company's current objectives. It is the Board's assessment that the Investment Vehicle Manager's resources are appropriate to properly manage the Investment Vehicle's portfolio in the current and anticipated investment environment.

This Strategic Report was approved by the Board of Directors on 27 March 2024 and signed on its behalf by:

Richard Boléat
Chairman

PRINCIPAL RISKS AND UNCERTAINTIES

When considering the distribution policy and total return of the Company, the Directors take account of the risks which have been taken in order to achieve that return. The Directors have carried out a robust assessment of the principal and emerging risks facing the Company including those which would threaten its business model, future performance, solvency or liquidity. An overview of the principal and emerging risks and uncertainties is set out below:

Since the publication of the Company's Annual Financial Report for the year ended 31 December 2022, the key change to the Company's principal risks and uncertainties was the updated wording for geopolitical factors.

Principal Risks

Geopolitical factors

The continuing conflict in Ukraine has to date had no material effects on the performance of the Company or on its financial condition. However, there are a range of reasonably conceivable scenarios where impacts could be felt, notably if the conflict were to extend beyond Ukraine's borders. In addition, and of potentially greater impact to the Company, 2023 has seen significantly heightened tensions in the eastern Mediterranean and the Middle East. The potential consequences for the Company's portfolio interests derive principally from supply chain disruption risk caused by rerouting of seaborne cargo around southern Africa and away from more efficient routings through the Red Sea. This has the potential not only to impede efficient industrial production and retail operations through delivery delays but may also have inflationary impacts through additional cost impacts.

Supply and demand

The value of the investments in which the Company indirectly invests are affected by the supply of primary issuance and secondary paper and the continued demand for such instruments from buy side market participants. A change in the supply of, or demand for, underlying investments may materially affect the performance of the Company.

Credit risk

The Investment Vehicle invests predominantly in sub-investment grade European corporate issuers and therefore credit risk is greater than would be the case with investments in investment grade issuers.

Liquidity

The Company relies on the periodic redemption mechanism offered by the Investment Vehicle to realise its investment in PECs, and on that mechanism operating in a timely and predictable manner.

The Investment Vehicle's underlying investments are not inherently liquid. Investments are generally

Mitigating Factors

The Company's exposure to the potential impacts of the risks identified is limited by its widely diversified portfolio and its concentration in large scale issuers that are well placed to withstand such challenges. The Board will continue to dialogue with the Investment Vehicle Manager around such non-portfolio risks and will report any material changes to its assessment as appropriate.

The Company has no control over the supply and demand characteristics of the leveraged finance markets. However, the Directors are in regular communication with the Investment Vehicle Manager and receive monthly performance reports and independent data to assist in monitoring the performance of the Investment Vehicle and the supply and demand characteristics of the asset class. It is the Investment Vehicle's performance which is the main driver of the Company's performance.

The Company and the Investment Vehicle have investment limits and risk diversification policies in place to mitigate individual issuer credit risk. Refer to the [Company's website: ig.cvc.com/overview/investment-policy/](https://www.ig.cvc.com/overview/investment-policy/) for details of the Investment Vehicle's investment limits and the Investment Vehicle Manager's Report for analysis of the Investment Vehicle portfolio.

The Board holds periodic meetings at which extensive discussion of the Investment Vehicle's portfolio takes place. This includes consideration of portfolio liquidity. Refer to note 8.2 for further details.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Principal Risks (continued)

Liquidity (continued)

bought and sold by market participants on a bilateral basis and any reduction in liquidity caused by a reduction of demand or market dislocation may have a negative impact on the Company's ability to effectively conduct its periodic redemption activities.

Foreign exchange risk

Foreign exchange risk is the risk that the values of the Company's and the Investment Vehicle's assets and liabilities are adversely affected by changes in the values of foreign currencies by reference to the Company's base currency, the Euro.

Macroeconomic factors

Adverse macroeconomic conditions may have a material adverse effect on the performance of the Investment Vehicle's underlying assets and liabilities and on the ability of underlying borrowers to service their ongoing debt obligations.

Changes in the level of short-term risk-free rates in the Company's chosen markets has a direct impact, both positively and negatively, on the performance of the Company, depending on the direction of such rates, given that the Investment Vehicle invests in predominantly floating rate assets.

Capital management risks

Shareholders may seek to redeem their shareholdings in the Company using the Company's periodic redemption arrangements, subject to restrictions as detailed in note 12, which could result in the NAV of the Company falling below €75 million and as such, triggering the requirement for a Continuation Resolution. There is a risk that a Continuation Resolution will not be passed which could result in the redemption by the Company of its entire holding in the Investment Vehicle.

Mitigating Factors (continued)

The effect of foreign exchange risk at the Investment Vehicle level is actively managed by the Board of the Investment Vehicle and its advisors through hedging arrangements as detailed in note 8.6. The Board monitors the NAV per share divergence between the Sterling and Euro share classes to identify the impacts of the foreign exchange movement and interest rate differentials between the two share classes.

The Board is reliant on the active portfolio management of the Investment Vehicle Manager which monitors and manages each investment on an ongoing basis. Part of this monitoring includes considering macroeconomic, credit specific, event-driven and environmental and social factors in respect of each investment. This analysis helps inform the Investment Vehicle Manager's decision to buy, sell or hold each investment. The Directors are in regular communication with the Investment Vehicle Manager and receive monthly performance reports to assist in monitoring these factors.

The Company's investment policy is to invest in predominantly floating rate assets. As a result, the Company's performance will improve in absolute terms during times of rising interest rates and will decline during times of declining interest rates. The Investment Vehicle does not seek to speculate on the direction of such rates, or hedge its predominantly floating rate exposure, as this would be inconsistent with its and the Company's investment policy.

The Company has placed restrictions within the tender mechanism that limit the number of shares that shareholders can redeem at each tender (refer to note 12 for details of these restrictions). The Board performs an annual modelling exercise to determine whether consecutive tender requests would prompt a Continuation Resolution and actively monitors the level of tenders throughout the year. The Company engages with tendering shareholders to understand the rationale behind significant tender requests. The Board and representatives of the Investment Vehicle Manager proactively engage with current and prospective shareholders and seek to understand their views on the Company.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Principal Risks (continued)

Capital management risks (continued)

ESG Matters

Reputational damage stemming from the Company's environmental footprint, deemed disregard of its use of social capital and related activities and disclosures failing to meet the standard expected by shareholders and regulators.

Financial losses stemming from climate-related factors adversely impacting the capital value of securities held within the Investment Vehicle portfolio and/or the ability of those companies whose securities are held to meet their financial obligations thereunder.

Reputational damage stemming from the Company's association with companies whose securities are held within the Investment Vehicle portfolio and whose ESG policies, activities or disclosures fail to meet the standards expected by stakeholders.

Taxation

There is a risk that revisions to the taxation of the Investment Vehicle through the introduction and implementation of new or amended tax legislation will impact its ability to continue to deliver current after-tax returns to the Company.

Mitigating Factors (continued)

The engagement and monitoring in place by the Board allows the Company to be proactive in identifying any common themes driving significant tender requests.

The Company continues with its programme to better understand the views and expectations of stakeholders regarding ESG-related matters. This is aided by Vanessa Neill who is a consultant specialising in sustainability and is Chair of the ESG Committee.

The ESG Committee interacts with the Investment Vehicle Manager on ESG matters. Additionally, the Investment Vehicle Manager considers ESG factors within the investment process and the use of the CVC Credit Partners proprietary ESG scorecard during the due diligence process as well as ESG assessment from external providers such as Sustainable Fitch.

The consideration of such risks is embedded within the Investment Vehicle Manager's ESG policy.

The Company engages with representatives of the Investment Vehicle Manager on a continual basis to ensure the policy is appropriate and is implemented appropriately.

The Board and the Investment Vehicle take ongoing advice on all tax compliance matters relating to the Company and the Investment Vehicle as necessary and keep all such developments under review.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

The Company may be exposed to additional risks not disclosed above or within the Annual Financial Report as they are not considered by the Board to be principal or emerging risks. The Company assesses risks, and the mitigation thereof, on an ongoing basis and as part of its formal business risk assessment process.

SECTION 172(1) STATEMENT

Through adopting the AIC Code, the Board acknowledges its duty to comply with section 172 of the UK Companies Act 2006 to act in a way that promotes the success of the Company for the benefit of its members as a whole, having regard to (amongst other things and to the extent applicable):

- a) the consequences of any decision in the long-term;
- b) the need to foster business relationships with suppliers, customers and others;
- c) the impact on community and environment;
- d) the maintaining of reputation for high standards of business conduct; and
- e) acting fairly between members of the Company

The Board considers this duty to be inherent within the culture the Company and a part of its decision-making process.

Information on how the Board has engaged with its stakeholders and promoted the success of the Company, through the decisions it has taken during the year, whilst having regard to the above, is outlined below.

The principal decisions on pages 23 to 24 outline decisions taken during the year, which the Board believes has the greatest impact on the Company's long-term success. The Board considers the factors outlined under section 172 and the wider interests of stakeholders as a whole in all decisions it takes on behalf of the Company.

Stakeholder engagement

Who	Why we engage	How we engage	Outcome
Shareholders	Shareholders enable the Company to give effect to its purpose through the commitment of risk capital. Their continued support is imperative to the effective implementation of the Company's investment strategy, under the terms of the Company's prospectus as issued from time to time.	<p>The Company's monthly fact sheets and market announcements are published on the Company's website (ig.cvc.com).</p> <p>More detailed communications are made to shareholders on a biannual basis through the publication of the half-yearly and annual financial reports.</p> <p>Representatives of the Investment Vehicle Manager hold regular meetings with both current and potential shareholders, whose views are communicated to the Board, and periodically host investor events.</p> <p>The Board, in conjunction with the input of the corporate brokers, has arranged, and will continue to periodically arrange, meetings with shareholders for the primary purpose of remaining cognisant of shareholder views on a wide range of topics relevant to their shareholding in the Company.</p>	<p>Shareholders receive relevant information allowing them to make informed decisions about their investments.</p> <p>Shareholders' views inform Board decisions.</p> <p>The Board also seeks to address pertinent shareholder queries in its half-year and annual financial reports, together with any other communications or events during the year.</p>

SECTION 172(1) STATEMENT (CONTINUED)

Stakeholder engagement (continued)

Who	Why we engage	How we engage	Outcome
Shareholders (continued)		During 2023, the Company appointed Cadarn Capital Ltd to provide distribution and investor relations services to the Company.	
Investment Vehicle Manager	The Board needs to inform itself as to the effectiveness of the operation of the Investment Vehicle and its investment programme. In addition, the Investment Vehicle Manager provides investor relations support to the Company and the Board works with the Investment Vehicle Manager to support the investor relations function on a regular basis.	The Investment Vehicle Manager reports on the performance of the Investment Vehicle to the Board on a regular basis. In addition, the Board meets with representatives of the Investment Vehicle Manager on a regular basis to develop and monitor its sales and marketing strategy and to discuss strategic and market issues generally.	The Company is well managed, receives appropriate and timely advice and guidance and has an appropriate, open and transparent relationship with the Investment Vehicle Manager.
AIC and ELFA	The Board is informed of the emerging legislative and regulatory developments, market conditions and ESG initiatives undertaken by the AIC and ELFA for their members. Additionally, the Company gets to interact with the wider investment community, thus identifying trends and potential opportunities.	<p>The Company is an active member of the AIC and Board members regularly attend and actively participate in AIC sponsored events.</p> <p>Ms Neill is a member of the AIC's ESG Forum whose members are non-executive directors of investment companies and meets approximately three times a year.</p> <p>The Company and the Investment Vehicle Manager are both active members of ELFA and actively participate in ELFA sponsored events.</p> <p>Ms Neill and Ms Gilbert are both members of ELFA's ESG Committee, which meets approximately four times a year.</p>	<p>The Board and representatives of the Investment Vehicle Manager are well informed and positioned to identify market trends, opportunities and emerging risks as well as expand the network of the Company.</p> <p>The AIC is also positioned to support and promote investment companies including the Company.</p> <p>The AIC ESG forum provides advice to the AIC on its ESG initiatives and projects; relevant ESG regulatory issues and ESG trends and developments, which could impact investment companies.</p>

SECTION 172(1) STATEMENT (CONTINUED)

Stakeholder engagement (continued)

Who	Why we engage	How we engage	Outcome
Third-party service providers	The Board receives operational, compliance and associated reports and gets satisfied as to the effective operation of the services, systems and internal controls operated by service providers on behalf of the Company.	The Board oversees the performance of third-party service providers. Refer to page 35 for further information.	The Company's operations and internal controls are effective, efficient and compliant. The Board formed a Management Engagement Committee on 11 December 2023.
Wider society	As a responsible corporate citizen, the Company recognises that its operations have an environmental footprint and an impact on wider society.	The Board meets with stakeholders to remain current in their understanding of stakeholder views relating to environmental and social matters.	The Board has continued with its programme to offset the impact of the Company's operations on the community in which it operates, as demonstrated in the decision to engage with the JNP, having made a commitment to the value of £100,000 over a five-year period, starting in 2020.

Principal decisions

Decision	Impact on long-term success	Stakeholder considerations
Dividend level changes	Delivering consistent income distributions to shareholders.	<p>The Board understands that reliable income distributions through dividends are of significant importance to shareholders. During the year ended 31 December 2023, the annual dividend target was £0.0750 per Sterling share and €0.0700 per Euro share.</p> <p>Effective 5 February 2024, annual dividend targets were increased to £0.0825 per Sterling share and €0.0725 per Euro share.</p> <p>The dividend coverage ratio from coupon income, of 1.56x and 1.70x for the GBP and EUR share classes respectively, was a factor in the Board's decision to further increase the dividend target for the next twelve months as detailed above.</p> <p>The Company's distribution policy is reviewed on an ongoing basis, with a key focus being the determination of a stable level of dividends that, based on market conditions and expected cash yield, could reasonably be declared without recourse to capital for a forward-looking period of 12 months.</p>

SECTION 172(1) STATEMENT (CONTINUED)

Principal decisions (Continued)

Decision	Impact on long-term success	Stakeholder considerations
Director appointments	Appointment of Philip Braun and Robert Kirkby	<p>The Board sought candidates with relevant skills, experience and knowledge for the role of Chair of the Audit Committee and Chairman of the Board, as assessed by the Company’s Nomination & Remuneration Committee, and for the purpose of succession planning.</p> <p>The Company engaged Cornforth Consulting to conduct this search and interviewed a shortlist of suitable candidates before appointing Philip Braun, as Chair-elect of the Audit Committee and Robert Kirkby, as Chairman-elect of the Board respectively.</p> <p>The Board considers that Mr Braun and Mr Kirkby bring valuable skills to the role and have made valuable contributions to the Board’s discussions and decision making since their appointment.</p>
Tender mechanism	Offering shareholders liquidity on a NAV basis.	<p>The Board is aware of the importance shareholders place on being able to realise a proportion of their shareholding on a NAV basis.</p> <p>To ensure that the tender mechanism continues to be operated in a way that is in the best interests of the Company and the shareholder base as a whole, the Board announced on 1 February 2024 amended terms of the tender mechanism.</p> <p>On 1 February 2024, the Board announced the addition in the March 2024 Tender of an option for tendering shareholders to tender shares for placing with third party investors as an alternative to having the shares repurchased by the Company. By participating in the placing, shareholders can realise their shares and receive the consideration for all successfully placed shares up to 10 weeks earlier than the consideration payable for shares repurchased by the Company pursuant to the March 2024 Tender. Such an outcome will depend on the extent to which Winterflood Securities Limited identifies investors willing to buy the shares at a price per share which is equal to or higher than the floor price set by the Company. Shares not placed successfully will be repurchased in the same way as they would be under the current tender terms and conditions. For more information refer to pages 76 to 77.</p>

Employee engagement

The Company has no employees.

BOARD MEMBERS

All the Directors are independent and non-executive.

CHAIRMAN

Richard Michael Boléat. Appointed 20 March 2013.

Richard qualified as a Chartered Accountant with Coopers & Lybrand in the United Kingdom in 1987 and subsequently worked in the Middle East, Africa and the United Kingdom for a number of commercial and financial services groups, during which time he acted as a buy-side high yield credit analyst for an Arabian investment bank.

From 1996 he was a Principal of Channel House, a Jersey based financial services group, which was acquired by Capita Group plc in September 2005 and led their financial services client practice in Jersey until September 2007.

He currently acts as a non-executive director of a number of substantial collective investment and investment management entities and is active in a number of asset classes including global macro, leveraged corporate credit, long/short equity, fund of funds and EM real estate. He presently acts as Chairman of Yatra Capital Limited, listed on NYSE Euronext.

He is personally regulated by the Jersey Financial Services Commission in the conduct of financial services business and is a member of the Alternative Investment Management Association (AIMA), the International Corporate Governance Network and the European Corporate Governance Institute.

CHAIRMAN-ELECT

Robert Kirkby. Appointed 22 September 2023.

Robert qualified as a Chartered Accountant with KPMG in the London corporate tax team in 1998. Working for the Big 4 accounting firms in London, Auckland and Jersey until 2007 on large multinational clients with an increasing focus on strategy and transaction work with trade and private equity buyers. In 2007, Robert joined Jersey Finance Limited (a Jersey based quango responsible for marketing and developing the finance industry) as technical director and deputy CEO. Here he was engaged between government, industry and regulator to develop new laws, regulations as well as supporting various marketing initiatives. These regulations and laws included those appropriate for open and closed ended fund vehicles in the private or listed arena.

Following this, Robert returned to KPMG to build and lead the KPMG advisory team for ten years in Jersey, working on a variety of consulting jobs ranging from mergers and acquisitions, valuations, regulatory matters, strategy and government work. He worked on many multinational jobs with KPMG colleagues from around the world. During this time, he was also responsible for KPMG Channel Islands digital services and internal digital development. In addition, he was the lead for KPMG in the offshore fund administration / trust and corporate sector and offshore lead for risk and regulatory matters.

Robert currently serves as a non-executive director on Aberdeen Asian Income Fund Ltd and several other unlisted offshore structures.

DIRECTORS

Philip Braun. Appointed 14 September 2023.

Philip qualified as a chartered accountant in London in 1996 before moving to join PwC in Jersey in 1997. He spent nine years within PwC's audit practice including two years in PwC's Sydney office with a focus on investment management clients. After this he spent two years with an international fiduciary group, helping with the establishment of their funds business in Jersey as part of a wider corporate services group.

Following this he joined BDO in Jersey to establish a financial services audit practice, leading to him becoming an audit partner and the head of audit in the Jersey firm, where he has worked for the last sixteen years. Alongside this he was the firm's International Liaison Partner and so was responsible for coordinating BDO Jersey's response to international audit engagements and firmwide initiatives, and was also the firm's Ethics & Independence Partner, and was responsible for the firm's ongoing compliance with relevant ethical and independence standards.

Aside from the audit role, he was also responsible for the firm's business advisory team, which included the provision of corporate restructuring, liquidations, and transactional due diligence engagements within the wider advisory team. Philip is a Fellow of the Institute of Chartered Accountants of England & Wales and is a member of the IOD.

BOARD MEMBERS (CONTINUED)

Philip currently serves as a non-executive director to the International Stock Exchange Authority, the regulatory arm of the International Stock Exchange, as well as several offshore structures and provides ad hoc consultancy services to local businesses.

Stephanie Carbonneil. Appointed 21 February 2019.

Stephanie is a seasoned finance professional with extensive experience in investment management and distribution. As the head of investment trusts and managing director at Allianz Global Investors in London, she oversees a circa £3bn business, handling sales, marketing, accounting, finance and company secretaries' desk. She previously served as investment trusts business development manager at Schroders for several years.

Stephanie has 14 years of experience in investment and was a senior investment manager at AXA in the UK and at Pictet in Geneva, as a multi asset funds if funds investment manager. Her responsibilities encompassed all facets of portfolio management, including participating in the asset allocation investment committee, executing tactical allocation decisions, conducting fund selection across various asset classes including fixed income and alternative.

Throughout her career, she demonstrated a commitment to diversity and inclusion notably through mentoring in different programs and leading D&I initiatives at AXA.

Stephanie is also currently a trustee and chair of a charity, Grenadine, a Saturday morning French school.

Esther Gilbert. Appointed 23 September 2022.

Esther is a consultant specialising in product development and process enhancement for asset managers and asset owners. She works with global companies to enhance their position in the UK market, particularly in relation to their strategy offering, ESG integration and research capabilities, across both public and private markets.

Esther's executive experience was spent investing in fixed income and alternatives markets, most recently as Senior Fixed Income Analyst at Investec Wealth & Investment, a leading UK wealth manager, where she was integral to the development of the investment research process including ESG integration, as well as fixed income portfolio construction.

Prior to that she held roles as Portfolio Manager Analyst at AXA IM in London, and Fixed Income Portfolio Manager at Mitsubishi UFJ Asset Management (UK). Esther is a CFA Charter holder and holds the CFA Certificate in ESG Investing.

Vanessa Neill. Appointed 11 January 2022.

Vanessa is an experienced, senior sustainability and ESG consultant and advisor. She provides insights, guidance and advice on sustainability and ESG strategy, operations and communications to organisations. Vanessa currently advises companies across multiple sectors, with particular expertise in the financial services sector including asset management and private equity.

Vanessa's advisory work for clients is informed by the latest academic insights, including those drawn from the Cambridge Institute for Sustainable Leadership (CISL), where she recently completed a three-year Postgraduate Masters Level Diploma.

Prior to her studies at CISL, Vanessa was a senior corporate communications professional with over 20 years of experience. She was formerly a Partner at Kekst CNC, a global leading strategic communications consultancy, where she co-led the firm's ESG and Sustainability Steering Group. Prior to that, she served as Head of Communications for the Investment Banking and Capital Markets Division at Credit Suisse from 2009 to 2018, where she supported the launch of the Impact Advisory and Finance Department.

DIRECTORS' REPORT

The Directors present the Annual Financial Report for the Company for the year ended 31 December 2023. The results for the year are set out in these accounts.

Dividend Policy

The Company's dividend policy is to generate consistent income distributions to shareholders, at levels consistent with prevailing market conditions. During the year ended 31 December 2023, the annual dividend target was £0.0750 and €0.0700 per Sterling and Euro share respectively.

Share capital and voting rights

The Company has two classes of ordinary shares, being Sterling shares and Euro shares.

As at 31 December 2023, the Company had 118,916,157 (31 December 2022: 129,518,607) Sterling shares and 96,553,753 (31 December 2022: 105,076,336) Euro shares in issue, excluding shares held in treasury.

As at 31 December 2023, the Company held 247,533,235 (31 December 2022: 236,506,595) Sterling shares and 52,747,703 (31 December 2022: 44,767,789) Euro shares in treasury.

Each Sterling share holds 1.17 voting rights and each Euro share holds 1 voting right. As at 31 December 2023, the total number of voting rights of the Sterling shares was 139,131,903 (59.03%) and Euro shares was 96,553,753 (40.97%). The total number of voting rights in the Company was 235,685,656.

Acquisition of own shares

The Board has the authority to purchase its own shares under the terms and conditions of the tender mechanism as summarised in note 12. Details of the shares tendered and repurchased during the year are also detailed in note 12.

At the AGM held on 2 May 2023, the Company renewed the general authority to purchase in the market up to 14.99% of the shares in issue. This authority expires on the date of the 2024 AGM. During the year the Company did not purchase any shares in the market.

The Directors will seek renewal of these authorities from shareholders at the Company's 2024 AGM on 30 April 2024.

Directors' interests

The Directors held the following shares in the Company:

Director	Number of Sterling shares held		Number of Euro shares held	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
Richard Boléat	30,000	30,000	16,590	-
Philip Braun	-	n/a	-	n/a
Stephanie Carbonneil	36,763	22,200	-	-
Esther Gilbert	12,153	7,273	-	-
Robert Kirkby	8,977	n/a	-	n/a
Vanessa Neill	22,585	11,780	-	-
Mark Tucker	50,000	50,000	-	-

Between 1 January 2024 and 27 March 2024, following shares were acquired by Directors;

Director	Date	Number of Sterling shares
Philip Braun	6 February 2024	4,579
Esther Gilbert	22 February 2024	3,977

DIRECTORS' REPORT (CONTINUED)

Directors' interests (continued)

No Director has any interest in any contract to which the Company is a party.

Shareholders' interests

In accordance with Chapter 5 of the Disclosure and Transparency Rules (which covers the acquisition and disposal of major shareholdings and voting rights), the following shareholders had an interest of greater than 5% in the Company's issued share capital as at 31 December 2023.

	Percentage of total voting rights (%)
Investec Wealth & Investment Ltd	10.47
Mizrahi Tefahot Bank	8.75
Clearstream Banking (Luxembourg)	8.46
Brewin Dolphin Wealth Management Ltd (Ireland)	7.92
Fidelity Investments	5.01

Between 1 January 2024 and 27 March 2024 the Company did not receive any notifications.

Disclosures required under LR 9.8.4R

The Financial Conduct Authority's Listing Rule 9.8.4R requires that the Company includes certain information relating to arrangements made between a controlling shareholder and the Company, waivers of Director's fees, and long-term incentive schemes in force. The Directors confirm that there are no disclosures to be made in this regard.

Events after the reporting date

The Directors are not aware of any matters that might have a significant effect on the Company in subsequent financial periods not already disclosed in this report or the attached financial statements under note 16.

Statement as to disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and that they have taken the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Fair, balanced and understandable

In assessing the overall fairness, balance and understandability of the Annual Financial Report, including the financial statement, the Board has performed a comprehensive review to ensure consistency and overall balance.

AGM

All resolutions proposed at the 2023 AGM held on 2 May 2023 were passed without significant votes cast against any of the resolutions. The Company will hold the 2024 AGM on 30 April 2024. The notice and details of the resolutions being proposed will be circulated in a separate letter and will be available shortly afterwards on the Company's website (ig.cvc.com).

Corporate Governance Statement – Compliance with the AIC Code

The Company has a premium listing on the London Stock Exchange and is therefore required to report on how the principles of the UK Code have been applied. By reporting against the AIC Code, the Company has met its obligations under the UK Code and the associated disclosure requirements under paragraph 9.8.6 of the Listing rules, and as such does not need to report further issues contained in the UK Code which are not applicable to the Company. Being an investment company, a number of the provisions of the UK Code are not applicable as the Company has no executive directors or internal operations.

The AIC Code is available on the AIC website www.theaic.co.uk. The Company has complied with all the principles and applicable provisions of the AIC Code during the year ended 31 December 2023.

As the Company is self-managed, provisions pertaining to the relationship with managers are not applicable to the Company. As the Company is not newly incorporated, provisions pertaining to new companies are not applicable. It is noted that Philip Braun and Robert Kirkby were appointed during the year, and relevant disclosures have been made in accordance with the AIC Code.

DIRECTORS' REPORT (CONTINUED)

Set out below is where stakeholders can find further information within the Annual Financial Report about how the Company has complied with the various principles and provisions of the AIC Code.

1. Board Leadership and Purpose	
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Strategy	Page 14
Values and culture	Page 31
Stakeholder Engagement	Pages 21-23
2. Division of Responsibilities	
Director Independence	Page 31
Board meetings	Page 34-35
Management Engagement Committee	Page 33
3. Composition, Succession and Evaluation	
Nomination and Remuneration Committee	Page 33
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Use of an external search agency	Page 31
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4. Audit, Risk and Internal Control	
Audit Committee	Page 33
Principal and Emerging risks	Pages 18-21
Risk management and internal control systems	Pages 36
Going concern statement	Page 16
Viability statement	Page 16
5. Remuneration	
Directors' Remuneration Report	Pages 37-38

Directors' Statement of Responsibilities

The Directors are responsible for preparing the Annual Financial Report and financial statements in accordance with applicable Jersey law and IFRS as adopted by the European Union.

Jersey Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the year and of the profit or loss of the Company for that year.

In preparing these financial statements, the Directors should:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors confirm to the best of their knowledge that:

- the financial statements, which have been prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and

DIRECTORS' REPORT (CONTINUED)

Directors' Statement of Responsibilities (continued)

- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

The Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, position, business model and strategy.

This Directors' Report was approved by the Board of Directors on 27 March 2024 and signed on its behalf by:

Richard Boléat
Chairman

BOARD AND COMMITTEES

Culture

The Company's culture is one of openness, transparency and inclusivity. Respect for the opinions of its diverse stakeholders features foremost as does its desire to implement its operations in a sustainable way, conducive to the long-term success of the Company.

The Board

As at 31 December 2023, the Board consisted of the following non-executive directors:

- Richard Boléat (Chairman, to step down at the 2024 AGM);
- Philip Braun (Chair of the Audit Committee (effective 1 January 2024), appointed 14 September 2023);
- Stephanie Carbonneil (Chair of the Nomination and Remuneration Committee and SID (effective 1 January 2024));
- Esther Gilbert (Chair of the Management Engagement Committee);
- Robert Kirkby (Chairman – elect, appointed 22 September 2023);
- Vanessa Neill (Chair of the ESG Committee); and
- Mark Tucker (Chair of the Audit Committee and SID, retired 31 December 2023).

All the Directors are independent of the Investment Vehicle Manager, refer to pages 25 to 26 for the biographies and dates of appointment for all Directors.

Mark Tucker was the Chair of the Audit Committee and SID to 31 December 2023. Effective 1 January 2024, Philip Braun was appointed as the Chair of the Audit Committee and Stephanie Carbonneil was appointed as SID. The SID supports the Chairman and serves as an alternate point of contact for stakeholders.

Directors' appointment, retirement and rotation

During the year ended 31 December 2023, the Directors engaged Cornforth Consulting, an external search consultancy, in their search for additional Directors to replace Mark Tucker and Richard Boléat. Cornforth Consulting has no other connection to the Company or any individual Director. After careful deliberation, the Nomination and Remuneration Committee appointed Robert Kirkby and Philip Braun to enhance the Board's skillset and fill the positions of Chairman and Chair of the Audit Committee respectively.

Directors have agreed letters of appointment with the Company. No Director has a service contract with the Company and Directors' appointments may be terminated at any time by one month's written notice with no compensation payable at termination upon leaving office for whatever reason.

Subject to the Articles of Association, Directors may be appointed by the Board. In compliance with the AIC Code, the Board has resolved that all Directors will stand for re-election at each AGM, including the forthcoming AGM, except for Richard Boléat.

Board diversity

The Directors recognise the benefits and effectiveness that diversity, including gender, age, professional experience and cultural background, brings to the Board and its committees and have a strong commitment to ensuring a correct balance of knowledge, experience and independence. Board appointments are based on merit as well as being an appropriate fit for the Company.

As at 31 December 2023, the Board comprised of three female and three male Directors (Mark Tucker has not been included as he retired on 31 December 2023). As the Company has no employees there is no further requirement to report in respect of diversity quotas.

The below tables set out the Board's current composition. The below text compares this against the targets prescribed by Listing Rule 9.8.6R (9)(a).

BOARD AND COMMITTEES (CONTINUED)

The Board (continued)

Board diversity (Continued)

Number of board members	Percentage of the board	Number of senior positions on the Board (CEO, CFO, SID and Chair) ¹
Men: 3	50%	Chairman – Richard Boléat Chairman-elect – Robert Kirkby Chair of the Audit Committee - Philip Braun
Women: 3	50%	Chair of the Nomination and Remuneration Committee and SID – Stephanie Carbonneil Chair of the ESG Committee – Vanessa Neill Chair of the Management Engagement Committee – Esther Gilbert

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair) ¹
White British or other White (including minority-white groups)	6	100%	Chair – Richard Boléat Chair-Elect – Robert Kirkby Chair of the Audit Committee – Philip Braun Chair of the Nomination and Remuneration Committee and SID – Stephanie Carbonneil Chair of the ESG Committee – Vanessa Neill Chair of the Management Engagement Committee – Esther Gilbert
Mixed/Multiple Ethnic Groups	Nil	N/A	N/A
Asian/Asian British	Nil	N/A	N/A
Black/African/Caribbean/Black British	Nil	N/A	N/A
Other ethnic group, including Arab	Nil	N/A	N/A
Not specified/ prefer not to say	Nil	N/A	N/A

¹The Company is a self-managed fund and does not have executive management.

It is noted that at present 50% of the individuals on the Board are female, which is above the target of 40% prescribed by Listing Rule 9.8.6R (9)(a). At least one of the female directors needs to have a senior position within the Board. Vanessa Neill chairs the ESG Committee, Stephanie Carbonneil chairs the Nomination and Remuneration Committee and was appointed as SID when Mark Tucker retired and Esther Gilbert chairs the Management Engagement Committee.

At present none of the Board members are from minority ethnic backgrounds which is below the target of one, prescribed by Listing Rule 9.8.6R (9)(a). The Board is mindful of this and alongside knowledge and expertise, this will be considered when the Board next recruits.

BOARD AND COMMITTEES (CONTINUED)

The table below sets out the Board skills matrix.

Director	Appointed	Experience	Qualification
Richard Boléat	2013	I,D,CG,AF	FCA ICAEW
Philip Braun	2023	CG,AF	FCA ICAEW
Stephanie Carbonneil	2019	I,D,CG	MA in Finance, French LLM in Contract Law, IMC
Esther Gilbert	2022	I,CG,ESG	BA Mathematics with Finance, CFA, IMC, CFA ESG Investing
Robert Kirkby	2023	CG,AF,ESG	Ma Cantab. FCA ICAEW
Vanessa Neill	2022	I,CG,ESG	Postgraduate Masters Diploma in Sustainable Business, Cambridge Institute for Sustainable Leadership (CISL)

I – Investment; D-Distribution; CG- Corporate Governance; AF – Accounting and Finance; ESG – ESG expertise

Committees

The Board has established four committees, namely the Audit Committee, Nomination and Remuneration Committee, ESG Committee and Management Engagement Committee.

Audit Committee

The Audit Committee membership comprises all the Directors. The Chairman of the Board is a member of this Committee (but he does not chair it) which is considered appropriate given that he is a Fellow of the Institute of Chartered Accountants in England and Wales and has extensive knowledge of the financial services industry.

The report on the role and activities of this Committee and its relationship with the external auditor is set out in the Report of the Audit Committee on pages 39 to 42.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is comprised of Ms Carbonneil, Mr Braun, Mr Kirkby, Ms Neill and Ms Gilbert, and is chaired by Ms Carbonneil.

ESG Committee

The ESG Committee is chaired by Ms Neill and comprises all the Directors.

Management Engagement Committee

The Management Engagement Committee was formed on 11 December 2023, it is chaired by Ms Gilbert and comprises all the Directors, its terms of reference were adopted on 24 January 2024.

The Terms of Reference of all the committees can be found within the tab ‘Investors Information’ under ‘Governance’ on the Company’s website (ig.cvc.com).

Board and Committees’ evaluation

The Nomination and Remuneration Committee undertook an internal evaluation which comprised of questionnaires answered by each Director and discussed at Board level in respect of overall performance. The results of this evaluation were positive and a number of limited recommendations were made to further enhance the governance practices of the Company.

The evaluation considered the balance of skills, experience, independence, knowledge, diversity (including gender), how the Board works together as a unit and other factors relevant to its effectiveness. The evaluation also considered the Board’s and Committee’s performance, constitution and terms of reference to ensure that they are operating effectively.

It is intended that the evaluation will be externally facilitated every three years. An external evaluation is scheduled for the end of this financial year.

BOARD AND COMMITTEES (CONTINUED)

Director Remuneration

Refer to the Directors' Remuneration Report for details.

Tenure and succession policy

The Board regularly and critically examines and evaluates its membership and that of its Committees, and its succession requirements. In doing so, the Board takes into consideration: the duration of each member's appointment; their continued satisfactory performance; gender diversity; diversity of social and ethnic background; diversity of thought and previous experience; and continued prepossession of the skills identified by the Board as being essential to the Company's long-term success.

In addition, the Board recognises that to carry out its duties successfully and for the benefit of the Company's long-term success and its stakeholders, corporate knowledge of the type that is acquired over time, is beneficial to the Company and its stakeholders. It is against this backdrop that the policy adopted by the Company does not include fixed terms of service for non-executive directors, including the position of chairman.

Whilst the Board shares the view of the AIC that long periods of service pose a risk to each Director's independence, the Board takes the view that tenure is not the sole determinant of independence. The Board believes that Mr Boléat demonstrates constructive challenge in his dealings with other Board members and the Investment Vehicle Manager, and that, notwithstanding the length of his tenure, Mr Boléat remains independent in his character and judgement within his role. Mark Tucker retired from the Board on 31 December 2023 and Richard Boléat has informed the Company of his intention to stand down as Chairman and as a Director at the 2024 AGM. Robert Kirkby and Philip Braun have been appointed to the Board to take on the roles of Chairman and Chair of the Audit Committee respectively.

Board succession planning is discussed by the Board, and shareholders will be informed as and when there are any further developments. It is also noted that changes to the Board and the Investment Vehicle Manager personnel have provided new perspectives within this business relationship.

In making Board appointments and developing a succession plan, the Board takes into consideration the above factors which are aligned with the principles, provisions and spirit of the AIC Code and targets prescribed by Listing Rule 9.8.6R (9)(a) and will ensure that any appointments to the Board follow a formal, rigorous and transparent process. This is with ultimate consideration to ensuring that the Board and all Committees have an appropriate mix of skills and experience to best serve the Company.

The Board continues to welcome the views of major shareholders on the matter of Board tenure.

Board meetings

The Board meets periodically throughout the year. The Investment Vehicle Manager, together with the Company Secretary, also ensure that all Directors receive, in a timely manner, all relevant management, regulatory and financial information relating to the Company and the Investment Vehicle portfolio.

The Board applies its primary focus to the following:

- investment performance, ensuring that the investment objective and strategy of the Company are met;
- ensuring investment holdings are in line with the Company's prospectus;
- reviewing and monitoring financial risk management and operating cash flows, including cash flow forecasts and budgets for the Company; and
- reviewing and monitoring key risks to which the Company is exposed as set out in the Principal Risks and Uncertainties section.

At each relevant meeting, the Board undertakes reviews of key investment and financial data, transactions and performance comparisons, share price and NAV performance, marketing and shareholder communication strategies,

BOARD AND COMMITTEES (CONTINUED)

Board meetings (continued)

peer group information and industry issues. The Board holds regular discussions with the Investment Vehicle Manager to discuss performance of the Investment Vehicle portfolio, whilst considering ways in which future share price and overall performance can be enhanced. The share tender mechanism impacts the number of units of PECs that are to be redeemed to provide the required liquidity for the shares tendered by shareholders and is therefore discussed only to that extent, with the Investment Vehicle Manager.

The Board considers whether the investment policy continues to meet the Company's objectives and notes the change to the Company's investment policy to enable a maximum of 20% of the Investment Vehicle's gross assets to be invested in collateralised loan obligation securities (increased from 7.5%) which was proposed and received approval at the Company's AGM on 18 May 2022.

Attendance at 2023 scheduled meetings of the Board and its Committees

Director	Board Meetings	Audit Committee ¹	Nomination and Remuneration Committee	ESG Committee
Richard Boléat	6/6	4/4	5/5	6/6
Stephanie Carbonneil	6/6	4/4	5/5	6/6
Mark Tucker ²	6/6	4/4	5/5	6/6
Vanessa Neill	6/6	4/4	5/5	6/6
Esther Gilbert	6/6	4/4	5/5	6/6
Robert Kirkby ³	3/3	1/1	2/2	2/2
Philip Braun ⁴	3/3	1/1	2/2	2/2

In addition to these meetings, there were 5 ad-hoc Board meetings to deal with specific issues as they arose, and 9 Committee of the Board meetings held during the year. The Committees of the Board comprise of any one Jersey based Director to approve routine matters associated with the administration of the semi-annual tender, the share conversions and the dividends.

Monitoring and evaluation of service providers

The Board reviews the performance of the Company's third-party service providers together with their anti-bribery and corruption policies to ensure that they comply with the Corruption (Jersey) Law 2006, the Bribery Act 2010, the Criminal Finances Act 2017 and ensure their continued competitiveness and effectiveness and ensure that performance is satisfactory and in accordance with the terms and conditions of the respective appointments.

As part of the Board's ongoing evaluation of third-party service providers, it considers and reviews, on a periodic basis, contractual arrangements with the major service suppliers of the Company.

The Directors have adopted a procedure whereby they are required to report any potential acts of bribery and corruption in respect of the Company that come to their attention to the Company's compliance officer.

Shareholder communications

An analysis of the substantial shareholders of the Company's shares is provided to the Board on a quarterly basis, as applicable.

¹The Audit Committee has a sub-Committee of any two Jersey-based Directors for accounts approval. There was one audit sub-Committee meeting during the year.

²Mark Tucker retired from the Board on 31 December 2023.

³Robert Kirkby was appointed to the Board on 22 September 2023. His attendance is reported for meetings following his appointment.

⁴Philip Braun was appointed to the Board on 14 September 2023. His attendance is reported for meetings following his appointment.

BOARD AND COMMITTEES (CONTINUED)

Shareholder communications (continued)

The Board views shareholder relations and communications as a high priority and aims to have a thorough understanding of the views of shareholders. The Chairman and the SID are available for discussion about governance and strategy with major shareholders and they communicate shareholders' expressed views to the Board. Shareholders wishing to communicate with the Chairman, or the SID, may do so by any conventional means. The Directors welcome the views of all shareholders and place considerable importance upon them.

The main method of communication with shareholders is through the half-yearly and annual financial reports which aim to give shareholders a clear and transparent understanding of the Company's objectives, strategy and results. This information is supplemented by the publication of monthly fact sheets, and the weekly estimated and monthly NAV of the Company's Sterling shares and Euro shares and on the London Stock Exchange, via the Regulatory Information Service.

The Company's website (ig.cvc.com), which was refreshed and upgraded during the year, is regularly updated with monthly fact sheets and provides further information about the Company, including the Company's financial reports and announcements. The maintenance and integrity of the Company's website is the responsibility of the Directors. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board believes that the AGM provides an appropriate forum for investors to communicate with the Board and encourages participation. The AGM will be attended by at least the Chairman and the Chair of the Audit Committee.

The Board has also instigated a programme of quarterly investor calls, to allow investors and other interested parties to receive an update on the previous quarter's performance and market conditions. It also provides a forum for questions to be posed to the Chairman and representatives of the Investment Vehicle Manager.

Financial risk management objectives and policies

The Board is responsible for the Company's system of risk management and internal control and meets regularly in the form of periodic Board meetings to assess the effectiveness of such controls in managing and mitigating risk.

The Board confirms that it has reviewed the effectiveness of the Company's system of risk management and internal control for the year ended 31 December 2023, and to the date of approval of this Annual Financial Report. The Board has taken into consideration the FRC's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' to ensure that the Company's system of risk management and internal control is designed and operated effectively, in line with best practice guidance provided by the FRC.

The key financial risks that the Directors believe the Company is exposed to include credit risk, liquidity risk, market risk, interest rate risk, valuation risk and foreign currency risk. Refer to note 8 for reference to financial risk management disclosures, which explains in further detail the above risk exposures and the policies and procedures in place to monitor and mitigate these risks.

The Administrator has established an internal control framework to provide reasonable but not absolute assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of these controls is assessed by the compliance and risk department of the Administrator on an ongoing basis and by periodic review by external parties. The Company's compliance officer presents an assessment of their review to the Board in line with the compliance monitoring programme on a quarterly basis which has revealed no matters of concern.

DIRECTORS' REMUNERATION REPORT

Table of Directors' Remuneration

Director	Year ended 31 December 2023	Year ended 31 December 2022
Richard Boléat (Chairman)		
- Annual Fee	£65,000 (€74,741)	£65,000 (€76,257)
- One-off strategic review fee	-	£15,000 (€17,598)
Philip Braun ¹		
- Annual Fee	£42,500 (€48,869)	n/a
Stephanie Carbonneil ²		
- Annual Fee	£42,500 (€48,869)	£42,500 (€49,860)
- Chair of the Nomination and Remuneration Committee	£5,000 (€5,749)	£5,000 (€5,866)
- One-off strategic review fee	-	£10,000 (€11,732)
Esther Gilbert		
- Annual Fee	£42,500 (€48,869)	£42,500 (€49,860)
- Chair of the Management Engagement Committee ³	-	-
Robert Kirkby ⁴		
- Annual Fee	£42,500 (€48,869)	n/a
Vanessa Neill		
- Annual Fee	£42,500 (€48,869)	£42,500 (€49,860)
- Chair of the ESG Committee	£5,000 (€5,749)	£5,000 (€5,866)
- One-off strategic review fee	-	£10,000 (€11,732)
Mark Tucker		
- Annual Fee	£42,500 (€48,869)	£42,500 (€49,860)
- SID	£1,250 (€1,437)	£1,250 (€1,467)
- Chair of the Audit Committee	£5,000 (€5,749)	£5,000 (€5,866)
- One-off strategic review fee	-	£10,000 (€11,732)

Directors receive the above annual fees for their commitment as Directors. All additional fees are for additional responsibilities and time commitments. The Directors are also reimbursed for their expenses on an ad hoc basis.

No other remuneration or compensation was paid or is payable by the Company during the year to any of the Directors. There has been no change to the Company's remuneration policy as detailed below.

Annual review of Director fees

In December 2023, the Nomination and Remuneration Committee undertook its annual review of the fees paid to the Directors and compared these with the fees paid by reasonably comparable listed companies. The Nomination and Remuneration Committee concluded that Director fees should increase by 4.7% effective 1 January 2024, with no change proposed to the additional fees for Committee chairs. The Board also agreed that, going forward, Director's fee increases would be linked to the Jersey Retail Price Index. The Chair of the Nomination and Remuneration Committee or the Chairman would have discretion on the level of increase being made.

¹Philip Braun was appointed to the Board on 14 September 2023. Philip Braun was paid £12,604 (€14,493) during the year ended 31 December 2023. Philip Braun assumed the role of Chair of the Audit Committee on 1 January 2024.

²Stephanie Carbonneil assumed the role of SID on 1 January 2024.

³The Management Engagement Committee was formed on 11 December 2023. Esther Gilbert received no additional fee during the year ended 31 December 2023 as the Chair of the Management Engagement Committee.

⁴Robert Kirkby was appointed to the Board on 22 September 2023. Robert Kirkby was paid £11,644 (€13,389) during the year ended 31 December 2023. Robert Kirkby will assume the role of Chairman following the retirement of Richard Boléat.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Remuneration policy

The determination of the Directors' fees is a matter for the Board. The Nomination and Remuneration Committee considers the remuneration policy annually to ensure that it remains appropriately positioned and makes recommendations to the Board as applicable. As part of this process, the Directors review the fees paid to the boards of directors of similar companies. No Director is involved in decisions relating to their own remuneration.

Directors are remunerated in the form of fees, payable quarterly in advance. No Director has any entitlement to a pension, and the Company has not awarded any share options or performance incentives to any of the Directors. Directors are authorised to claim reasonable expenses from the Company in relation to the performance of their duties. The Company's policy is that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to enable high calibre candidates to be recruited. The policy is for the Chairman and chairs of committees to be paid a higher fee than the other Directors in recognition of their more onerous roles and more time spent. The Board may amend the level of remuneration paid within the limits of the Company's Articles of Association.

The Company's Articles of Association limit the aggregate fees payable to the Directors to a total of £434,835 (€500,000) per annum.

Statement of consideration of shareholder views

An ordinary resolution to ratify the Directors' Remuneration Report will be proposed at the 2024 AGM on 30 April 2024.

Stephanie Carbonneil

Chair of the Nomination and Remuneration Committee

27 March 2024

REPORT OF THE AUDIT COMMITTEE

It is my pleasure to present this report describing the activities of the Audit Committee in respect of the 2023 financial year.

Membership

The Board appointed Audit Committee operates within clearly defined Terms of Reference which are reviewed regularly by the Committee and amended as required.

The Terms of Reference of all the Committees can be found within the tab 'Investors Information' under 'Governance' on the Company's website (ig.cvc.com).

The Audit Committee comprises all the Directors and each Committee member has recent and relevant financial experience. The Audit Committee has competence relevant to the sector in which the Company operates.

During the year, the Audit Committee formally convened on four occasions and the members' attendance record can be found on page 35.

The Audit Committee has been expertly chaired by Mark Tucker from the inception of the Company back in 2013, and the Board would like to thank him for his leadership throughout his tenure. The Audit Committee has been chaired by Philip Braun since 1 January 2024.

Role of the Audit Committee

The main role of the Committee is to protect the interests of the Company's shareholders regarding the integrity of the Half-Yearly Financial Report and the Annual Financial Report of the Company and manage the Company's relationship with the external auditor.

The Audit Committee's key duties are:

- to review and monitor the fairness and balance of the financial statements of the Company including its half-year financial report and annual financial report to shareholders, reviewing any significant financial reporting issues and judgements which they contain;
- to advise the Board on whether the Audit Committee believes that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, position, business model and strategy;
- to identify and disclose those risks considered by the Committee to be significant to their financial reporting process;
- to consider and make recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditors and to negotiate their remuneration and terms of engagement on audit and non-audit work;
- to meet regularly with the external auditor to review their proposed audit programme of work and the subsequent Audit Report and to assess the effectiveness of the audit process and the level of fees paid in respect of audit and non-audit work; and
- to annually assess the external Auditor's independence, objectivity, effectiveness, resources and expertise.

The Audit Committee was also instrumental in an exercise to support the Board in making the Viability Statement which appears within the Strategic Report on page 16.

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

Significant risks

The Audit Committee views the below as the key significant risks to the financial statements:

Title to, and the existence of, the Company's investments

Procedures to confirm the Company's title to, and the existence of, the Company's investments are embedded within the Company's share issuance, conversion, tender, and dividend declaration processes as they occur throughout the year and further processes during the preparation of the Company's half year and annual financial reports. These procedures are executed through the Company's Administrator, the Investment Vehicle Manager and the Administrator of the Investment Vehicle Manager. Accordingly, title to, and existence of the Company's investments are confirmed by the Board regularly.

Valuation of Investments

The risk of misstatement due to errors in the valuation of the Company's investments is an issue of significance to the Committee. This risk is mitigated by regular Board meetings in which a review of the valuation of the Company's investments is included. Additionally, the Audit Committee regularly engages with representatives of the Investment Vehicle Manager and the valuation agent, SS&C, in order to gain assurances as to the continued appropriateness of the valuation methodology.

Risk of inappropriate revenue recognition with respect to investment revenue

The risk of inappropriate revenue recognition is an issue of significance to the Committee. This risk is mitigated by regular Board meetings in which a review of the Company's financial reporting is included. Additionally, the Audit Committee regularly engages with representatives of the Investment Vehicle Manager in order to understand the nature of investment income distributed by the underlying Investment Vehicle.

External audit process

The Audit Committee met formally with the Auditor prior to the commencement of the audit and agreed an audit plan that would adopt a risk-based approach. The Committee and the Auditor agreed that a significant portion of the Audit effort would include an examination of revenue recognition with respect to investment income and an examination of the procedures in place at the Administrator and at the Investment Vehicle Manager in respect of the valuation and existence of the Company's investments and the underlying portfolio assets respectively.

Upon completion of the audit, the Audit Committee discussed the effectiveness of the audit and concluded that the audit had been effective on the grounds that:

- the audit plan had been met;
- the Auditor had demonstrated a good understanding of the Company's business;
- no risks to audit quality had been identified;
- the Auditor demonstrated a robustness of process and perceptiveness in handling key accounting issues and judgements; and
- all issues that arose during the audit were satisfactorily resolved.

Additionally, procedures employed by the Auditors, described above, are viewed by the Audit Committee as being appropriate and sufficiently robust for the Committee to gain sufficient assurance as to the effectiveness of the audit.

Non-audit services

The Company has adopted a policy such that the provision of non-audit services by the Auditor is considered and approved by the Audit Committee on a case-by-case basis, taking into account relevant law, regulation, the Revised Ethical Standard 2019 and other applicable professional requirements.

The following factors are assessed when considering the provision of non-audit services by the Auditor:

- threats to independence and objectivity resulting from the provision of such services and any safeguards in place to eliminate or reduce those threats to a level where they would not compromise the Auditor's independence and objectivity;
- the nature of the non-audit services;

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

Non-audit services (continued)

- whether the skills and experience of the audit firm makes it the most suitable supplier of the non-audit service; and
- the fees incurred, or to be incurred, for non-audit services both for individual services and in aggregate, relative to the audit fee, including special terms and conditions (for example, contingent fee arrangements).

During the year ended 31 December 2023, the Auditor was engaged to conduct a review of the Company's Half-Yearly Financial Report for the six months ended 30 June 2023.

The fees for the year-end audit were €91,184 (£79,300) (2022: €84,543 (£72,063)). Fees for non-audit services were €14,603 (£12,700) (2022: €12,442 (£10,100)) for the review of the half year report.

Auditor independence

The Committee undertakes an annual assessment of the independence of the Auditor prior to the commencement of the audit, this includes:

- discussing with the Auditor the threats to their independence and the safeguards applied to mitigate such threats;
- considering all of the relationships between the Company and the Auditor;
- reviewing and confirming no relationships between the Company and the Auditor which could impact independence and objectivity;
- reviewing the level of fees paid by the Company in proportion to the overall fee income of the firm, office and partner; and
- reviewing the Auditor's policies and processes for maintaining independence and monitoring compliance with relevant requirements.

Based on the above criteria the Audit Committee was satisfied as to the independence of the Auditor during the year ended 31 December 2023 and throughout the course of the audit.

Auditor appointment

The Auditor was appointed on 19 August 2013. The Audit Committee undertook a detailed audit tender process in the prior year and the Committee's recommendation to the Board to reappoint of Ernst & Young LLP as the Company's auditor was accepted.

The Audit Committee considers the reappointment of the external auditor, including the rotation of the audit engagement partner, each year. The external auditor is required to rotate the audit engagement partner responsible for the Company audit every five years. This is the fourth year that the current audit engagement partner, Denise Davidson, has overseen the audit of the Company (having first overseen the 31 December 2020 audit).

The Audit Committee reviews a number of factors when considering proposing the re-appointment/appointment of an auditor including:

- effectiveness and quality of the previous audit (if applicable);
- independence;
- qualification, expertise and resources; and
- consideration as to whether it would be appropriate to recommend an external audit tender be conducted earlier than the maximum best practice ten-year period.

After considering the above, the Audit Committee provided the Board with its recommendation that Ernst & Young LLP should be reappointed as external auditor for the year ending 31 December 2024. Accordingly, a resolution proposing the reappointment of the Auditor will be put to shareholders at the 2024 AGM.

There are no contractual obligations restricting the Audit Committee's choice of external auditor and the Company does not indemnify its external auditor.

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

Internal controls

The Board is responsible for ensuring that suitable systems of risk management and internal control are implemented by the third-party service providers to the Company, the Audit Committee has reviewed the BNP Paribas S.A. ISAE 3402 report (Report on the description of controls placed in operation, their design and operating effectiveness for the period from 1 October 2022 to 30 September 2023) on fund administration and are pleased to note that no significant issues were identified. BNP Paribas S.A. also provided a bridging letter to cover the period from 1 October 2023 to 31 December 2023, confirming that there were no reportable issues to their knowledge during that period.

In accordance with the FRC's 'Internal Control: Guidance to Directors', and 'Guidance on Audit Committees', the Board confirms that there is an ongoing process for identifying, evaluating and managing the significant internal control risks faced by the Company.

As the Company does not have any employees it does not have a 'whistle blowing' policy in place. The Company delegates its day-to-day administrative operations to third-party providers who are monitored by the Board and who report on their policies and procedures to the Board. Accordingly, the Board believes an internal audit function is not required.

I welcome feedback from all shareholders as to the form and content of this Annual Report.

For and on behalf of the Audit Committee:

Philip Braun

Chair of the Audit Committee

27 March 2024

REPORT OF THE ESG COMMITTEE

The Company has identified the growing importance of responsible investment and integrating ESG considerations into the investment process. It supports CVC Adviser's belief that the management of environmental, social and governance factors play an important part in both risk management and value creation. The CVC Advisers [2023 annual ESG report](#) provides insight into how ESG is managed within the overall Group, its sustainability strategy and core themes and progress over the last 12 months prior to the publication.

Governance of ESG

In 2021, the Company established an ESG Committee to oversee the ESG policies and processes adopted by the Investment Vehicle Manager to enable the integration of ESG factors into the investment process as part of its due diligence and to oversee the Company's ESG disclosures.

ESG is a priority agenda topic at each quarterly Board meeting and includes regular discussions with the Investment Vehicle Manager.

The ESG Committee considers ESG risks and opportunities and continues to:

- monitor sustainability and ESG regulations and legislative developments to ensure that the Company is both compliant, but also continually working towards improvements in disclosure of relevant ESG metrics and targets for the benefit of investors. It receives ESG policy and regulation updates from its legal advisors with a view to continually ensuring best practice;
- promote ESG as an item for Directors' continued professional development in-line with the Board's belief that ESG risks and opportunities are key developments in the credit industry that the Directors should keep up-to date with.

In terms of the Company's own environmental and social responsibility; the ESG Committee convenes a meeting with the trustees of the JNP once a year to better understand how its funds are utilised (see below).

ESG Strategy

The Company continues to engage with the Investment Vehicle Manager in order to better understand and monitor ESG-related risks and opportunities.

The Investment Vehicle Manager's ESG and investment policies mandate that the investment management team includes ESG considerations in the investment process, where possible, before making an investment.

The Investment Vehicle Manager follows the ESG Approach, which is adopted by CVC Credit; which is outlined in the [CVC Group ESG Report](#) and includes a three-step approach: 1) due diligence; 2) monitoring; 3) engagement.

Due Diligence

For both private and performing credit, the investment team carries out a due diligence process by reviewing ESG information provided by the borrower as well as publicly available information. Performing Credit also utilises market standardised data such as the Loan Syndications and Trading Association and ELFA questionnaires.

Monitoring

Following the initial investment, CVC analysts monitor ESG topics using a proprietary scorecard to systematically assess ESG performance of borrowers. In addition, investment teams use an external news aggregator to monitor ESG-related news relevant to borrowers. Any material sustainability risks that are raised by this process are reviewed by the relevant investment committee.

Engagement

The CVC performing credit team actively engages with industry groups as part of the wider industry's commitment to and implementation of ESG principles. When appropriate, CVC Credit may seek to encourage companies to improve their ESG disclosures.

REPORT OF THE ESG COMMITTEE (CONTINUED)

The CVC performing credit team has been a member of ELFA’s ESG Committee since 2020 and has allowed it to proactively advocate for enhanced disclosure from borrowers as well as market best practice with regards to ESG.

In 2022, the Investment Vehicle Manager also partnered with Sustainable Fitch to incorporate data from Sustainable Fitch into the ESG integration process. Currently, 88 out of 103 issuers of the investment vehicles’ underlying investments are covered by Sustainable Fitch requirements. 4 issuers are work-in-progress and 11 are yet to be covered by these requirements.

CVC Credit ESG Performance

Whilst CVC Advisers has been a signatory to the UN Principles of Responsible Investment (“UN PRI”) since 2012; in December 2023, CVC Credit received its first UN PRI assessment score and achieved 4 (out of 5) stars for each of the following categories and above median scoring for all signatories:

- Policy, Governance, Strategy: 4 Stars
- Fixed Income – Corporate: 4 Stars
- Fixed Income – Private Debt: 4 Stars
- Confidence Building Measures: 4 Stars

ESG Disclosures and Metrics

The ESG Committee believes that climate change will have material impacts on the financial performance of companies in which the Investment Vehicle Manager invests and on the universe of companies in which the Investment Vehicle Manager may invest in the future. The ESG Committee continues to work with the Investment Vehicle Manager to monitor the carbon footprint of the portfolio through analysis from CVC Credit Partners proprietary ESG scorecard.

While the Company is not within scope of the mandatory climate-related financial disclosure requirements, it has been a formal supporter of the TCFD recommendations since 2018 and expects the companies in which the Investment Vehicle Manager invests to make TCFD disclosures, if required. Whilst the Company is a self-managed alternative investment fund, it is marketed in the EU by CVC Credit Partners Investment Management Limited and therefore; it has been designated as an Article 6 fund under the Sustainable Finance Disclosure Regulation.

The ESG Committee has aggregated some interesting data points from the ESG scorecard, which evidences that the Investment Vehicle Manager is integrating ESG in the investment process and demonstrates that ESG is an important area of focus for the underlying issuers as seen in the table below:

Description	Percentage of Issuers (data collected)	Percentage of Portfolio AUM represented by data figure ¹
Percentage of investee companies that have completed ESG scorecards	100%	100%
Percentage of investee companies that have senior leadership oversight of ESG	76%	81%
Percentage of investee companies that have a disclosable ESG Policy	69%	75%
Percentage of investee companies with gender diversity of Board or C-level management	69%	69%
Percentage of investee companies disclosing in line with TCFD recommendations	14%	16%

¹Excludes AUM from third-party managed assets (CLO Equity and Debt), which comprises 7.1% of the total portfolio AUM.

REPORT OF THE ESG COMMITTEE (CONTINUED)

During 2023, the Investment Vehicle Manager undertook engagements with its investee companies on ESG topics.

Commitment to support the transition to a low carbon economy

CVC has greenhouse gases (“GHG”) emissions reduction targets validated by the Science Based Targets initiative. Scope 1 and 2: CVC commits to reduce absolute scope 1 and 2 GHG emissions 73% by 2030 from a 2019 base year. This commitment includes operational emissions from CVC Credit and CVC Capital.

The Company’s own Environmental and Social responsibility

Given the structure of the Company and its activities, its own direct carbon footprint is minimal and arises from the Directors’ business travel for Board meetings. On 26 January 2023, it was agreed during the ESG Committee meeting that all Directors should offset their carbon footprint with effect from 1 February 2023.

The Board has continued to support the JNP, having made a commitment in 2020 of £100,000 over 5 years. This funding has supported the refurbishment of the facilities at the Frances Le Sueur Centre (the “Centre”) at the JNP to enable a range of organisations to benefit from environmental education, wellbeing classes and away days. For the year ending 2023, 19 organisations (including Government Departments, NGOs and schools) enjoyed the benefit of the Centre. In the future, the JNP will be working with educational providers in Jersey to enable Governmental and non-Governmental organisations to utilise the Centre for work and collaborative projects.

The funds from the Company have also enabled the installation of solar photovoltaic panels on the roof of the Centre; which will have the ability to generate a planned maximum output of 7Kw of electricity or 4.8 MWh/year. This investment in renewable energy is already reaping dividends, as the JNP saw a small credit in their Q4 2023 electricity bill for the 421 units (421 KWh) of electricity generated and purchased by the Jersey Electricity Company via a buy-back agreement with the JNP.

In the future, the Company’s funds will be directed towards habitat management projects across the protected land across Jersey. Once land ownership permissions have been given; funds will support a grazing project to restore coastal grasslands and the management of reedbeds for Jersey’s migratory birds.

Looking forward

The approach to integrating ESG into the investment process covers the underlying assets of the Investment Vehicle. As the Investment Vehicle Manager’s continues to utilise CVC Credit’s proprietary ESG scorecard and other third-party tools throughout the due diligence process prior to investment and the data from these tools becomes more reliable, robust and consistent; it is inevitable that there will be enhancements to the ESG approach. In addition, the Board will have greater visibility of ESG factors within the underlying issuers. In the meantime, the Board will look to provide updates in the Company’s Annual and Half Yearly Financial Reports and the Company has committed to developing further insights on ESG through:

- Continuously building its knowledge on ESG matters and sustainability developments. It participates in the ESG initiatives of the industry bodies, in order to inform the Directors of the latest regulatory and legislative developments relating to ESG as well as collaborative industry developments. It became a member of the ELFA in 2022 and two Directors (Ms Neill and Ms Gilbert) are members of ELFA’s ESG Committee. Ms Neill is also a member of the ESG forum at the Association of Investment Companies. Participation in both these industry ESG forums provides useful insights on current ESG initiatives and issues in the investment trust sector and the debt, loan and CLO markets.
- Continuing to work with its external advisors as required to continuously develop its ESG strategy.

Vanessa Neill

Chair of the ESG Committee

27 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED

Opinion

We have audited the financial statements of CVC Income & Growth Limited (the "company") for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets, the Statement of Cash Flows, and the related notes 1 to 17, including a summary of material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

In our opinion, the financial statements:

- ▶ give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- ▶ have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

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

Independence

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Ascertaining that the going concern assessment covers a period of at least twelve months from the date of approval of the financial statements. The directors have performed an assessment to 27 March 2025 which is least twelve months from the date of approval of the financial statements.
- Reviewing the cash flow and revenue forecasts which support the directors' assessment of going concern. This involved challenging the sensitivities and assumptions used in the forecasts.
- Reviewing the stress testing performed by the directors' and assessing whether the basis on which it was performed was appropriate and adequate, including validating assumptions used, that could have a material impact, by agreeing these to supporting documentation where possible.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED (CONTINUED)

- Holding discussions with the directors' and the administrator to determine whether, in their opinion, there is any material uncertainty regarding the company's ability to pay liabilities and commitments as they fall due and challenging this assessment through our audit procedures over the assessment of the company's liquidity.
- Considering whether the directors' assessment of going concern as included in the Annual Report, is consistent with the disclosure in the viability statement.
- Assessing whether the subsequent events identified by the directors impact the company's ability to continue as a going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period twelve months from when the financial statements are authorised for issue.

In relation to the company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	<ul style="list-style-type: none">▶ Risk of inappropriate revenue recognition with respect to investment revenue▶ Risk of incorrect valuation of investments▶ Risk that investments do not exist, including incomplete and inaccurate investment transactions
Materiality	<ul style="list-style-type: none">▶ Overall materiality of €2.5m which represents 1% of net assets attributable to shareholders.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

Climate change

The company has determined that the most significant future impacts from climate change on its operations will be from financial losses stemming from climate-related factors adversely impacting the capital value of securities held within the Investment Vehicle portfolio and/or the ability of those companies whose securities are held to meet their financial obligations thereunder. These are explained on page 20 in the principal risks and uncertainties, which form part of the "Other information," rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED
(CONTINUED)**

Our audit effort in considering climate change on the financial statements was focused on evaluating whether the effects of climate risks have been appropriately reflected by management in reaching their judgements and in relation to the assessment of the valuation of investments. As part of this evaluation we performed our own risk assessment to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

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 our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Risk of inappropriate revenue recognition with respect to investment revenue</p> <p><i>Refer to Accounting policy 2.9 (page 63) and Note 3 of the Financial Statements (page 64)</i></p> <p>For the year ended 31 December 2023, the company recognised investment revenue of €19.9m (2022 €14.9m).</p> <p>The ability to generate dividend yield for shareholders that is funded from investment revenue (rather than capital gains arising on the disposal of investments) is a key strategic objective of the company.</p> <p>Investment revenue is primarily generated in the form of distributions from the Investment Vehicle (CVC European Credit Opportunities S.à.r.l.). Given the importance that the company’s ability to generate a consistent level of investment revenue has on the company’s dividend yield objectives, we consider that the recognition of investment revenue represents a fraud risk and thus a significant risk.</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> ▶ Updated our understanding of the nature of the investment revenue attributable to the company from the Investment Vehicle. ▶ Updated our understanding of how this risk is considered and managed by the directors, the Investment Vehicle Manager (CVC Credit Partners Investment Management Limited) and the administrator and performed a walkthrough to assess the design and implementation of controls. ▶ Traced the investment revenue received in the year to bank statements. ▶ Obtained income distribution notices from the administrator and agreed these to signed Board meeting minutes and the income recorded in the year. ▶ Recalculated the investment revenue attributable to the company from the Investment 	<p>Based on the work performed, we have no matters to report to the Audit Committee.</p>

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED
(CONTINUED)**

Risk	Our response to the risk	Key observations communicated to the Audit Committee
	<p>Vehicle based on the company’s ownership of the Investment Vehicle and the income distributions made by the Investment Vehicle during the year and agreed the revenue to the audited financial statements of the Investment Vehicle. Performed recalculations of the foreign currency translations from Sterling to Euros.</p>	
<p>Risk of incorrect valuation of investments</p> <p><i>Refer to the Report of the Audit Committee (pages 39 to 42); Accounting policy 2.4 (pages 61 to 62); and Note 8.5 of the Financial Statements (page 73).</i></p> <p>At the year end, the company held 95,576,319.53 Euro Preferred Equity Certificates (‘PECs’) and 117,072,596.24 Sterling PECs (2022: 103,934,273.50 Euro PECs and 127,666,119.03 Sterling PECs) with a total value of €248.6m (2022: €235.0m).</p> <p>There is a risk that investment values are misstated or that valuations are incorrectly calculated through errors in the valuation of the PECs held by the company.</p> <p>The valuation of the PECs is dependent on a range of factors including the NAV of the Investment Vehicle and its underlying portfolio. The underlying portfolio includes level 3 securities valued by the Investment Vehicle Manager, and the directors of the company assess whether a liquidity adjustment should be taken on the NAV of the Investment Vehicle when arriving at the final valuations.</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> ▶ Updated our understanding of how this risk is considered and managed by the directors and the Investment Vehicle Manager by performing walkthrough procedures to assess the design and implementation of controls. ▶ Obtained an understanding of the administrator’s systems and controls in respect of investment valuation and performed walkthrough procedures to confirm the design effectiveness of the process and key controls. Additionally, we obtained the ISAE 3402 report and the related bridging letter from the administrator to consider the impact of any significant deficiencies identified in this report to our audit. ▶ Confirmed our understanding, obtained through our walkthrough procedures, of the current valuation methodology used by the Investment Vehicle Manager. 	<p>Based on the work performed, we have no matters to report to the Audit Committee.</p>

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED
(CONTINUED)**

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>As the investment valuations are received directly from the Investment Vehicle Manager, who is remunerated by the Investment Vehicle in the form of management fees based on NAV, there is also a risk the Investment Vehicle Manager may influence the valuations to meet the expectations of investors. As such, we consider that the risk of incorrect valuation of investments represents a fraud risk and thus a significant risk.</p>	<ul style="list-style-type: none"> ▶ Reviewed minutes of meetings of the Board to corroborate the valuation methodology and data inputs used and assessed whether the nature of the information and methodology utilised is appropriate. ▶ Agreed the valuation of the PECs to the audited financial statements of the Investment Vehicle, taking into account the ownership percentages. ▶ Assessed whether the year-end valuation of investments held by the Investment Vehicle (underlying the PECs held by the company) are in accordance with IFRS 13: Fair value measurement. ▶ Considered the impact of climate change throughout the procedures performed on the valuation of investments by making enquiries of the Board of the Directors. ▶ Considered and challenged whether the Board's assumptions around liquidity adjustments to NAV of the Investment Vehicle are appropriate by considering the historic trading and redemption activity in the Investment Vehicle and agreeing PEC redemptions to the bank statements. 	

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED
(CONTINUED)**

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Risk that investments do not exist, including incomplete and inaccurate investment transactions</p> <p><i>Refer to the Report of the Audit Committee – per the financial statements (pages 39 to 42); Accounting policy 2.4 (pages 61 to 62); and Note 7 of the Financial Statements (pages 66 to 69).</i></p> <p>At the year end, the company held 95,576,319.53 Euro Preferred Equity Certificates ('PECs') and 117,072,596.24 Sterling PECs (2022: 103,934,273.50 Euro PECs and 127,666,119.03 Sterling PECs) with a total value of €248.6m (2022: €235.0m).</p> <p>There is a risk that investments presented in the financial statements do not exist or the company does not have legal title to these.</p> <p>The individual investments are significant in value and the process that is involved in the completion of a purchase or a disposal of the PECs takes an extended period of time. As a result, there is a risk that incomplete or inaccurate transactional information with regards to the PECs would result in a material misstatement in the reported results and financial position of the company.</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> ▶ Updated our understanding of how this risk is considered and managed by the directors, the Investment Vehicle Manager and the administrator and performed walkthrough procedures to assess the design and implementation of controls. ▶ Obtained the PEC registers independently from the Company Secretary of the Investment Vehicle ('SS&C') and agreed the holdings to those disclosed in the accounts. ▶ Agreed a sample of investment trades in the year to agreements and traced cash movements to bank statements. ▶ Reviewed the audited financial statements of the Investment Vehicle to check the existence and completeness of the company's investment in the PECs, and agreed the PEC units held by the company to the Series 4 and Series 5 PEC units disclosed in the audited financial statements of the Investment Vehicle. ▶ Reviewed minutes of Board meetings and other internal reports for indications of significant investment transactions not appropriately recorded. 	<p>Based on the work performed, we have no matters to report to the Audit Committee.</p>

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED (CONTINUED)

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be €2.5 million (2022: €2.4 million), which is 1% (2022: 1%) of net assets attributable to shareholders. We believe that net assets attributable to shareholders provides us with is the most important financial metric on which shareholders would judge the performance of the company.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 75% (2022: 75%) of our planning materiality, namely €1.9m (2022: €1.8m). We have set performance materiality at this percentage based on our understanding of the entity and past experiences with the audit.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of €0.1m (2022: €0.1m) which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report page 2 to 45 and 82 to 95 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, except to the extent otherwise explicitly stated in this report, 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- ▶ proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the financial statements are not in agreement with the company's accounting records and returns; or
- ▶ we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED (CONTINUED)

Corporate Governance Statement

We have reviewed 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 by the Listing Rules.

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 or our knowledge obtained during the audit:

- ▶ 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 of the annual financial report;
- ▶ 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 of the annual financial report;
- ▶ Directors' statement on whether it has a reasonable expectation that the company will be able to continue in operation and meets its liabilities set out on page 16 of the annual financial report;
- ▶ Directors' statement on fair, balanced and understandable set out on page 28 of the annual financial report;
- ▶ Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 18 to 21 of the annual financial report;
- ▶ The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 36 of the annual financial report and;
- ▶ The section describing the work of the audit committee set out on pages 39 to 42 of the annual financial report.

Responsibilities of directors

As explained more fully in the directors' statement of responsibilities, as set out on pages 29 to 30 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.

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.

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED (CONTINUED)

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- ▶ We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are International Financial Reporting Standards as adopted by the European Union, the Companies (Jersey) Law 1991, the UK Corporate Governance Code (taken in the context of the AIC Code), and the Listing Rules.
- ▶ We understood how CVC Income & Growth Limited is complying with those frameworks by making enquiries with the directors including the Chairman of the Audit Committee. We corroborated our understanding through our review of board minutes and board papers provided to the Audit Committee.
- ▶ We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified fraud risks in relation to inappropriate revenue recognition with respect to investment revenue, including risk of management override in relation to inappropriate journal entries, and risk of incorrect valuation of investments. Our audit procedures stated above in the 'Key audit matters' section of this Auditor's report, including test of journal entries, were performed to address these identified fraud risks.
- ▶ Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals, journals posted around the year end date and other focused testing procedures.

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

Other matters we are required to address

- ▶ Following the recommendation from the Audit Committee, we were re-appointed by the company on 18 November 2022 to audit the financial statements for the year ending 31 December 2023 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is 10 years, covering the years ending 31 December 2014 to 31 December 2023.

- ▶ The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting the audit.
- ▶ The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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.

Denise Davidson
for and on behalf of Ernst & Young LLP
London
27 March 2024

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	Year ended 31 December 2023 €	Year ended 31 December 2022 €
Income			
Investment revenue		19,928,600	14,901,667
Tender fee revenue	3	206,590	335,621
Bank interest		103,155	22,771
Net gains/(losses) on financial assets held at fair value through profit or loss	7	31,912,591	(33,535,183)
Foreign exchange gain/(loss) on financial assets held at fair value through profit or loss	7	2,941,492	(8,497,450)
Foreign exchange (loss)/gain on ordinary shares	12	(2,961,776)	8,642,248
Foreign exchange loss on translation of cash and cash equivalents		(3,224)	(106,967)
		52,127,428	(18,237,293)
Expenses			
Operating expenses	4	(1,436,945)	(1,701,289)
		(1,436,945)	(1,701,289)
Profit/(loss) before finance costs and taxation		50,690,483	(19,938,582)
Finance costs			
Dividends paid	12	(18,948,851)	(13,833,833)
Profit/(loss) before taxation		31,741,632	(33,772,415)
Taxation		-	-
Increase/(Decrease) in net assets attributable to shareholders from operations		31,741,632	(33,772,415)
Return/(loss) per Sterling share (Sterling equivalent)	12	£0.1198	£(0.1275)
Return/(loss) per Euro share	12	€0.1381	€(0.1440)

All items in the above statement are derived from continuing operations.

The Company has no items of other comprehensive income/(loss).

The notes on pages 59 to 81 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	31 December 2023 €	31 December 2022 €
Assets			
Financial assets held at fair value through profit or loss	7	248,600,415	234,969,326
Prepayments		58,158	50,374
Cash and cash equivalents		1,435,723	2,196,695
Total assets		250,094,296	237,216,395
Liabilities			
Payables	9	144,968	377,325
Total liabilities excluding net assets attributable to shareholders		144,968	377,325
Net assets attributable to shareholders	13	249,949,328	236,839,070
Total liabilities		250,094,296	237,216,395

The financial statements on pages 55 to 81 were approved by the Board of Directors on 27 March 2024 and signed on its behalf by:

Richard Boléat
Chairman

Philip Braun
Chair of the Audit Committee

The notes on pages 59 to 81 form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 December 2023

	Note	Net assets attributable to shareholders €
As at 1 January 2023		236,839,070
Issuance and subscriptions arising from conversion of ordinary shares	12	533,224
Redemption payments arising on conversion and tender of ordinary shares	12	(22,126,374)
Increase in net assets attributable to shareholders from operations		31,741,632
Net foreign currency exchange gain on opening ordinary shares	12	2,961,776
As at 31 December 2023		249,949,328

For the year ended 31 December 2022

	Note	Net assets attributable to shareholders €
As at 1 January 2022		312,415,699
Issuance and subscriptions arising from conversion of ordinary shares	12	5,991,717
Redemption payments arising on conversion and tender of ordinary shares	12	(39,153,683)
Decrease in net assets attributable to shareholders from operations		(33,772,415)
Net foreign currency exchange loss on opening ordinary shares	12	(8,642,248)
As at 31 December 2022		236,839,070

The notes on pages 59 to 81 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Note	Year ended 31 December 2023 €	Year ended 31 December 2022 €
Cash flows from operating activities			
Profit/(loss) before taxation ¹		31,741,632	(33,772,415)
Adjustments to reconcile profit/(loss) before tax to net cash flows:			
- Net (gains)/losses on investments held at fair value through profit or loss	7	(31,912,591)	33,535,183
- Foreign exchange (gains)/losses on financial assets held at fair value through profit or loss	7	(2,941,492)	8,497,450
- Foreign currency exchange loss/(gain) on ordinary shares	12	2,961,776	(8,642,248)
- Dividends paid	12	18,948,851	13,833,833
- Foreign exchange loss on translation of cash and cash equivalents		3,224	106,967
Changes in working capital:			
- (Increase)/decrease in prepayments		(7,784)	28,008
- (Decrease)/increase in payables		(232,357)	5,735
Net cash provided by operating activities		18,561,259	13,592,513
Cash flows from investing activities			
Proceeds from redemption of financial assets held at fair value through profit or loss ²	7	21,223,747	32,741,194
Net cash provided by investing activities		21,223,747	32,741,194
Cash flows from financing activities			
Payments from redemption of ordinary shares ³	12,14	(21,593,903)	(33,198,148)
Dividends paid	12	(18,948,851)	(13,833,833)
Net cash used in financing activities		(40,542,754)	(47,031,981)
Net decrease in cash and cash equivalents in the year		(757,748)	(698,274)
Cash and cash equivalents at beginning of the year		2,196,695	3,001,936
Effect of exchange rate changes on cash and cash equivalents		(3,224)	(106,967)
Cash and cash equivalents at the end of the year		1,435,723	2,196,695

¹ Includes cash receipts relating to income distributions of €19,928,600 (2022: €14,901,667), bank interest of €103,155 (2022: €22,770) and tender fee revenue of €206,590 (2022: €335,621).

² Cash flows arising from redemptions of financial assets above do not include subscriptions and redemptions arising from the conversion of €(533,224) (2022: €(5,991,717)) and €532,471 (2022: €5,955,535), respectively, as these transactions have no associated cash flow.

³ Cash flows arising from the redemption of ordinary shares above does not include subscriptions and redemptions arising from conversion of €533,224 (2022: €5,991,717) and €(532,471) (2022: €(5,955,535)), respectively, as these transactions have no associated cash flow.

The notes on pages 59 to 81 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Company was incorporated on 20 March 2013 and is registered in Jersey as a closed-ended investment company with registration number 112635. The Company's Sterling shares and Euro shares were admitted to the Official List of the UK Listing Authority and admitted to trading on the Main Market of the London Stock Exchange on 25 June 2013.

The Company's registered address is IFC1, The Esplanade, St Helier, Jersey, JE1 4BP.

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented.

2.1 Basis of preparation

(a) Statement of Compliance

The Annual Financial Report is prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and with IFRS as adopted by the European Union which comprise standards and interpretations approved by the International Accounting Standards Board, and interpretations issued by the International Financial Reporting Standards Interpretations Committee as approved by the International Accounting Standards Board which remain in effect. The financial statements give a true and fair view of the Company's affairs and comply with the requirements of the Companies (Jersey) Law 1991.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis except for the revaluation of financial assets held at fair value through profit or loss and ordinary shares that are held at amortised cost.

(c) Functional and presentational currency

The Company's functional currency is the Euro, which is the currency of the primary economic environment in which it operates. The Company's performance is evaluated and its liquidity is managed in Euros. Therefore, the Euro is considered the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Euros, except where otherwise indicated, and are rounded to the nearest Euro.

(d) Significant accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the Company to make judgements, estimates and assumptions that affect items reported in the Statement of Financial Position and Statement of Comprehensive Income and the disclosure of contingent liabilities at the date of the financial statements. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Significant accounting judgements

Classification of ordinary shares as a financial liability

During the May 2022 AGM, shareholders reapproved a suspension restriction that allows the Directors, in their sole discretion, to alter or suspend the tender mechanism. This restriction allows the Directors to respond to sudden changes in market conditions and the macroeconomic climate more generally. The Directors' power is limited by clauses in the circular which limit the circumstances under which such discretion can be exercised only in relation to material and adverse changes in market conditions and the macroeconomic environment.

The Board believe it is appropriate to classify the ordinary shares as a financial liability under IAS 32 – Financial Instruments: Presentation (“IAS 32”) rather than equity as their interpretation of ‘suspend’ is to delay the facility tenders, not to cancel or avoid them permanently. As such, the obligation to honour redemption requests is delayed rather than negated and the Company has a contractual obligation to deliver cash and does not have the unconditional right to avoid paying such cash.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

2.1 Basis of preparation (continued)

(d) *Significant accounting estimates and judgements (Continued)*

Significant accounting judgements (Continued)

Classification of ordinary shares as a financial liability (Continued)

This position has been further supported by legal correspondence whereby the Company's legal counsel has confirmed the Directors do not have unfettered ability to cancel a tender under the facility and could only use their powers in extreme circumstances (e.g., Covid-19 pandemic, Russia/Ukraine war, etc.) which would not violate the contract between the Directors and the shareholders in relation to the facility. In the circular, the Company has committed to the tender mechanism as a key feature and, therefore, if the Directors' powers are read in the context of the other representations in the documents, there is an obligation to deliver cash and the Directors do not have the unconditional right to avoid paying such cash. As such, classification of the ordinary shares as a liability is deemed appropriate.

Functional currency

As outlined above in note 2.1(c) the Directors have used their judgement to determine that the Company's presentational and functional currency is Euro.

Significant accounting estimates

Valuation of financial assets

Valuation of financial assets is also considered a significant estimate and is monitored by the Board to ensure that judgements, estimates and assumptions made and methodologies applied are appropriate and in accordance with IFRS 13. The Board believes that it is appropriate to measure the PECs at the NAV of the investments held in the Investment Vehicle, adjusted for discount for lack of liquidity if necessary, as the underlying investments held in the Investment Vehicle are held at fair value. As such the Board applies judgement to determine the liquidity adjustment necessary in the relevant financial period. Refer to note 2.4(c) for details regarding fair value estimation of financial assets and note 7 for IFRS 13 disclosures.

(e) *Climate change*

In preparing the financial statements, the Directors have considered the impact of climate change on the Company's financial statements, and in particular in relation to climate change related issues affecting any of the issuers in which the Investment Vehicle invests, and this is advised to the Board regularly by the Investment Vehicle Manager. The Directors will continue to monitor the risks emanating from climate change, including reputational risk, identified in the Principal Risks and Uncertainties on page 20, and as set out in the ESG Committee Report on page 43 to 45.

(f) *Standards and amendments to existing standards effective from 1 January 2023*

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2023 that have a material effect on the financial statements of the Company.

(g) *Standards, amendments and interpretations issued but not yet effective*

Standards, amendments and interpretations that become effective in future accounting periods and have not been adopted by the Company:

<u>International Financial Reporting Standards (IFRS)</u>	<u>Effective for periods beginning on or after</u>
• Amendments to IAS 1 - Non-Current Liabilities with Covenants and Classification of Liabilities as Current or Non-current	1 January 2024
• Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements	1 January 2024

Under the amendments to IAS 1 Presentation of Financial Statements the classification of certain liabilities as current or non-current may change (e.g. convertible debt). In addition, companies may need to provide new disclosures for

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

2.1 Basis of preparation (continued)

(g) Standards, amendments and interpretations issued but not yet effective (continued)

liabilities subject to covenants. The Directors believe that the application of this amendment will not have an impact on the Company's financial statements.

IFRS 16 Leases ended sale-and-leaseback transactions as an off-balance sheet financing proposition. The deals themselves are often highly structured and can be material, especially for seller-lessees, and accounting for them can be complex. Assessing whether a transaction qualifies for sale-and-leaseback accounting under IFRS 16 is a key judgement. The Directors believe that the application of this amendment will not have an impact on the Company's financial statements.

In response to investors' calls for more transparency of supplier finance arrangements' impacts on the financial statements, IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures was amended. The amendments introduce additional disclosure requirements for companies that enter into these arrangements. The Directors believe that the application of this amendment will not have an impact on the Company's financial statements.

A number of amendments and interpretations to existing standards have been issued, but are not yet effective, that are not relevant to the Company's operations. The Directors believe that the application of these amendments and interpretations will not impact the Company's financial statements when they become effective.

2.2 Going concern

The Directors have reviewed the Company's budget and cash flow forecast for the next 12 months from the date of approval of the financial statements and also considered information regarding climate-related matters in conjunction with other uncertainties. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the period to 27 March 2025, a period of twelve months from the date of approval of the financial statements, being the period of assessment covered by the Directors. The Directors are also satisfied that no material climate-related matters or uncertainties exist that cast significant doubt over the Company's ability to continue as a going concern. In making this assessment, the Directors have considered the impact that Russia's invasion of Ukraine and the conflict in the Middle East may have on the Company. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Foreign currency translations

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

2.4 Financial instruments

Financial assets

(a) Classification

The Company classifies its investments as financial assets held at fair value through profit or loss. These financial assets do not possess contractual terms which give rise to cash flows on specified dates that are solely payments of principal and interest, and therefore these financial assets default to this classification. Financial assets also include

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

2.4 Financial instruments (continued)

Financial assets (continued)

(a) Classification (continued)

cash and cash equivalents as well as other receivables which are measured at amortised cost.

(b) Recognition, measurement and derecognition

Purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Financial assets at fair value through profit or loss are measured initially and subsequently at fair value. Transaction costs are expensed as incurred and movements in fair value are recorded in the Statement of Comprehensive Income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

(c) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company holds PECs issued by the Investment Vehicle. These investments are not listed or quoted on any securities exchange and are not traded regularly and, on this basis, no active market exists.

(d) Valuation process

The Company relies on the board of the Investment Vehicle making fair value estimates of an equivalent basis to those that would be made under IFRS. As at 31 December 2023, the Directors reviewed documentary evidence of the valuation of Investment Vehicle investments and scrutinised fair value estimates used to gain assurances as to the appropriateness and robustness of the valuation methodology applied by the Investment Vehicle to its underlying portfolio assets and hence to the Company investments in the Investment Vehicle. Being satisfied by the appropriateness and robustness of the valuation methodology applied by the Investment Vehicle, the Directors then incorporated those fair value estimates into the Company's Statement of Financial Position without adjustment.

The Directors interviewed representatives of the Investment Vehicle Manager in order to verify how the PECs are valued and the composition of the NAV of the PECs as of the date of the Statement of Financial Position.

The Directors are in regular communications with the Investment Vehicle Manager and receive monthly performance reports from the Investment Vehicle Manager in respect of the Investment Vehicle and its underlying investments, which are presented to the Directors by the Investment Vehicle Manager and discussed by these parties.

The Directors consider the impact of general credit conditions on the valuation of both the PECs and Investment Vehicle portfolio, as well as specific credit events in the European corporate environment. The Directors also analyse the Investment Vehicle portfolio in terms of both investment mix and fair value hierarchy.

Financial Liabilities

(a) Classification

As disclosed in note 2.7, the Company classifies its ordinary shares as financial liabilities held at amortised cost. Financial liabilities also include payables, excluding accruals, which are also held at amortised cost.

(b) Recognition, measurement and derecognition

Financial liabilities are recognised initially at fair value plus any directly attributable incremental costs of acquisition or issue and are subsequently carried at amortised cost. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Ordinary shares are carried at amortised cost, being the redemption value that an investor can partially tender their shareholding at, in accordance with the Company's tender mechanism.

2.5 Operating expenses, placing programme costs and share issue costs

Operating expenses, placing programme costs and share issue costs are recognised on an accruals basis and are recognised in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

2.6 Dividends payable

Dividends are recognised as finance costs in the Statement of Comprehensive Income on the record date.

2.7 Ordinary shares

In accordance with IAS 32 – Financial Instruments: Presentation, the ordinary shares are classified as a financial liability rather than equity due to the redemption mechanism of the ordinary shares, in addition to there being two share classes which have different characteristics. Refer to note 2.1(d) for detail on significant accounting judgements regarding the classification of ordinary shares as a financial liability and note 12 for detail on the characteristics of the two share classes.

2.8 Management shares

The management shares are non-redeemable and the most subordinate share class. Therefore, management shares are classified as equity. Refer to note 11 for further detail.

2.9 Investment revenue

Investment revenue primarily relates to quarterly income distributions received from the Investment Vehicle based on income returns and capital appreciation from a diversified portfolio of sub-investment grade debt instruments. The Company is entitled to receive income distributions every quarter, which will equate to not less than 75% of the net income of the Company's investment in the Investment Vehicle. Investment revenue is recognised in the Statement of Comprehensive Income when the Company's right to such income is established.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Cash equivalents are short-term, highly liquid investments, with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2.11 Segmental reporting

The Directors view the operations of the Company as one operating segment, being the investment business. All significant operating decisions are based upon analysis of the Company's investments as one segment. The financial results from this segment are equivalent to the financial results of the Company as a whole, which are evaluated regularly by the Board with insight from the Investment Vehicle Manager.

2.12 Contingent liabilities and provisions

A contingent liability is a possible obligation depending on whether some uncertain future event occurs; or a present obligation, but payment is not probable or the amount cannot be measured reliably. A provision is recognised when:

- the Company has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

2.13 Taxation

Profits arising in the Company for the 2023 year of assessment will be subject to Jersey tax at the standard corporate income tax rate of 0% (2022: 0%).

2.14 Capital risk management

The Board defines capital as financial resources available to the Company. The Company's capital as at 31 December 2023 comprises its net assets attributable to shareholders at a total of €249,949,328 (2022: €236,839,070).

The Company's objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern;
- provide returns for shareholders; and
- maintain an optimal capital structure to minimise the cost of capital.

The Board monitors the capital adequacy of the Company on an ongoing basis and the Company's objectives regarding capital management have been met.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2.14 Capital risk management (continued)

Under the Code of Practice for Alternative Investment Funds and AIF Services Business, the Company, as a self-managed AIF is required to have an initial capital of at least €300,000. If the NAV of the Company falls below €75 million, it will trigger the requirement for the Directors to convene an extraordinary general meeting to propose an ordinary resolution that the Company continues its business as a closed-ended investment company. Except for the aforementioned, the Company has no other internally or externally imposed capital requirements.

3. Tender fee revenue

The tender price pursuant to the Company's tender mechanism is calculated based on the NAV per share (calculated as at the final business day in each quarter up until, and including, the March 2022 tender and thereafter (i) as at the final business day of the month of September 2022; or (ii) as at the final business day of the month of March 2023, or such other date as the Directors in their absolute discretion may determine from time to time) minus 1.0% of the reference price (the reference price being £1.00 per Sterling share and €1.00 per Euro share), which is retained by the Company. The Company recognises retained redemption proceeds of 1% as tender fee revenue.

During the year ended 31 December 2023, 11,026,640 Sterling shares and 7,979,914 Euro shares (2022: 18,457,960 Sterling shares and 9,678,734 Euro shares) were tendered by shareholders which generated tender fee revenue of €206,590 (2022: €335,621). Refer to note 12 for further details on the tender mechanism.

4. Operating expenses

	Year ended 31 December 2023	Year ended 31 December 2022
	€	€
Directors' fees (see note 6)	321,113	313,968
Administration fees	248,313	246,133
Professional fees	147,758	404,433
Advisor fees	133,760	167,910
Audit fees	91,184	84,543
Registrar fees	65,349	67,503
Regulatory fees	52,524	53,675
Corporate broker fees	60,199	54,752
Marketing fees	69,396	70,278
Trustee fees	11,039	11,879
Non-audit fees paid to the Auditor	14,603	12,442
Sundry expenses	221,707	213,773
Total operating expenses	1,436,945	1,701,289

Non-audit fees paid to the Auditor

Non-audit fees paid to the Auditor relate to interim review services.

Advisor fees

CVC Credit Partners Investment Services Management Limited (the "Corporate Services Manager") provided the services of Mr Justin Atkinson to assist with the marketing and promotion of the Company's shares (the "Advisor fees"). The agreement was terminated effective 31 August 2023. The Corporate Services Manager recharged the Company for Mr Atkinson's costs until termination. During 2023, Cadarn Capital Ltd were engaged to provide distribution and investor relations services to the Company.

Trustee fees

Trustee fees relate to fees paid to the trustee of the Trust which facilitates the conversion of treasury shares as further described in note 12. As the Trust was not engaged to convert treasury shares during the year ended 31 December 2023, the Trust did not earn any commission fee income for providing such services and only received trustee fees.

5. Finance costs

Dividends paid

Refer to note 12 for further information on dividends paid.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Directors' fees and interests

Annual Director fees are detailed in the Directors' Remuneration Report.

Refer to note 4 for details of total Directors' fees for the years ended 31 December 2023 and 31 December 2022 and the Directors' Remuneration Report for details on fees due to each Director. Directors' fees are paid gross of any taxes. Expenses incurred by the Directors are included within sundry expenses in note 4.

No pension contributions were paid or are payable in respect of any of the Directors.

Richard Boléat acts as the enforcer of the Trust, refer to note 15 for further details.

Directors held the following shares in the Company:

Director	Number of Sterling shares held		Number of Euro shares held	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
Richard Boléat	30,000	30,000	16,590	-
Philip Braun	-	n/a	-	n/a
Stephanie Carbonneil	36,763	22,200	-	-
Esther Gilbert	12,153	7,273	-	-
Robert Kirkby	8,977	n/a	-	n/a
Vanessa Neill	22,585	11,780	-	-
Mark Tucker ¹	50,000	50,000	-	-

¹ Retired from the Board on 31 December 2023.

Details of Director share purchases after the Statement of Financial Position date can be found in note 16.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Financial assets held at fair value through profit or loss

	31 December 2023	31 December 2022
	€	€
PECs - Unquoted investment	248,600,415	234,969,326

The PECs are valued taking into consideration a range of factors including the audited NAV of the Investment Vehicle as well as available financial and trading information of the Investment Vehicle and of its underlying portfolio; the price of recent transactions of PECs redeemed and advice received from the Investment Vehicle Manager; and such other factors as the Directors, in their sole discretion, deem relevant in considering a positive or negative adjustment to the valuation.

Refer below for the reconciliation of PECs from 1 January 2022 to 31 December 2023:

	Sterling PECs	Euro PECs
As at 1 January 2022	142,063,595.26	118,672,886.93
Subscriptions	-	-
Monthly conversions	4,137,739.77	(5,210,131.43)
Contractual tenders	(18,535,216.00)	(9,528,482.00)
As at 31 December 2022	127,666,119.03	103,934,273.50
Subscriptions	-	-
Monthly conversions	436,782.21	(546,555.97)
Contractual tenders	(11,030,305.00)	(7,811,398.00)
As at 31 December 2023	117,072,596.24	95,576,319.53

Fair value hierarchy

IFRS 13 requires an analysis of investments valued at fair value based on the reliability and significance of information used to measure their fair value.

The Company categorises its financial assets and financial liabilities according to the following fair value hierarchy detailed in IFRS 13, that reflects the significance of the inputs used in determining their fair values:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable variable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Financial assets held at fair value through profit or loss (continued)

Fair value hierarchy (continued)

As at 31 December 2023

	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets				
Financial assets held at fair value through profit or loss	-	-	248,600,415	248,600,415
Financial liabilities				
Ordinary shares ¹	227,650,626	-	-	227,650,626

As at 31 December 2022

	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets				
Financial assets held at fair value through profit or loss	-	-	234,969,326	234,969,326
Financial liabilities				
Ordinary shares ¹	220,750,561	-	-	220,750,561

¹ As disclosed in note 2.7, the Company classifies its ordinary shares as financial liabilities held at amortised cost. For disclosure purposes only, ordinary shares have been disclosed at fair value using the quoted price in accordance with IFRS 13.

The financial assets held at fair value through profit or loss is the Company's unquoted investment in the PECs and is assessed on an ongoing basis by the Board. The valuation of the PECs is detailed above. The valuation process for the investments held by the Investment Vehicle is detailed in the 'Investment Vehicle portfolio' section in Useful Information for Shareholders.

Due to the short-term nature of the payables, their carrying amount is considered to be the same as their fair value.

The carrying amount of cash and cash equivalents is considered to be the same as their fair value.

Level 3 reconciliation

The following table shows a reconciliation of all movements in the fair value of financial assets held at fair value through profit or loss categorised within Level 3.

31 December 2023

	€
Balance as at 1 January 2023	234,969,326
Subscriptions arising from conversion	533,224
Redemption proceeds arising from conversion	(532,471)
Redemption proceeds arising from tenders	(21,223,747)
Net gain on financial assets held at fair value through profit or loss	31,912,591
Foreign exchange gain on financial assets held at fair value through profit or loss	2,941,492
Balance as at 31 December 2023	248,600,415
Net gain on financial assets held at fair value through profit or loss for the year ended 31 December 2023	31,912,591

During 2023, there were no reclassifications between levels of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Financial assets held at fair value through profit or loss (continued)

Fair value hierarchy (continued)

31 December 2022

	€
Balance as at 1 January 2022	309,706,971
Subscriptions arising from conversion	5,991,716
Redemption proceeds arising from conversion	(5,955,535)
Redemption proceeds arising from tenders	(32,741,193)
Net loss on financial assets held at fair value through profit or loss	(33,535,183)
Foreign exchange loss on financial assets held at fair value through profit or loss	(8,497,450)
Balance as at 31 December 2022	234,969,326
<hr/>	
Net loss on financial assets held at fair value through profit or loss for the year ended 31 December 2022	(33,535,183)

During 2022, there were no reclassifications between levels of the fair value hierarchy.

Quantitative information of significant unobservable inputs – Level 3 – PECs

Description	31 December 2023 €	Valuation technique	Unobservable input	Input used
PECs	248,600,415	Adjusted NAV	Discount for lack of liquidity	0%

Description	31 December 2022 €	Valuation technique	Unobservable input	Input used
PECs	234,969,326	Adjusted NAV	Discount for lack of liquidity	0%

The Board believes that it is appropriate to measure the PECs at the NAV of the investments held in the Investment Vehicle, adjusted for discount for lack of liquidity if necessary, as the underlying investments held in the Investment Vehicle are held at fair value. The Board has concluded that no adjustment was necessary for the year ended 31 December 2023 (2022: none), given that the PECs have not been redeemed at a price below the NAV during current and prior periods.

The NAV of the Investment Vehicle attributable to each PEC unit is €1.0280 (2022: €1.0131).

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy – Level 3 – PECs

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis are shown below:

As at 31 December 2023

Description	Input	Sensitivity used	Effect on fair value €
PECs	Discount of lack of liquidity	3%	(7,458,012)

As at 31 December 2022

Description	Input	Sensitivity used	Effect on fair value €
PECs	Discount of lack of liquidity	3%	(7,049,080)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Financial assets held at fair value through profit or loss (continued)

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy – Level 3 – PECs (continued)

The sensitivity applied in the analysis above reflects the possible impact of the worst case scenario in the 0-3% (2022: 0-3%) range that is applicable to the discount for lack of liquidity. This level of change is considered to be possible based on observation of current market conditions and historical trends that do not suggest the possibility of a more than 3% decline in the redemption value when compared to the NAV. Refer to note 2.4 for valuation methodology of PECs.

8. Financial risk management

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, market risk, interest rate risk, valuation risk and foreign currency risk.

8.1 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Board has in place monitoring procedures in respect of counterparty risk which is reviewed on an ongoing basis.

The Company's credit risk is attributable to its financial assets at fair value through profit or loss, financial assets receivable and cash and cash equivalents.

In the opinion of the Board, the carrying amounts of financial assets best represent the maximum credit risk exposure to the Company. The Company's financial assets exposed to credit risk amounted to the following:

	31 December 2023	31 December 2022
	€	€
Financial assets held at fair value through profit or loss	248,600,415	234,969,326
Cash and cash equivalents	1,435,723	2,196,695
Total assets	250,036,138	237,166,021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Financial risk management (continued)

8.1 Credit risk (continued)

The Company is indirectly exposed to credit risks associated with the investments held by the Investment Vehicle. These credit risks include (among others): (i) the possibility that earnings of an underlying issuer may be insufficient to meet its debt service obligations; (ii) an underlying issuer's assets declining in value; (iii) the declining creditworthiness of the Investment Vehicle's financial counterparties; and (iv) the declining creditworthiness, default and potential for insolvency of issuers during periods of rising interest rates and/or economic downturn. An economic downturn and/or rising interest rates could severely disrupt the leveraged finance market and adversely affect the value of the Investment Vehicle's investments and the ability of issuers to repay principal and interest. In turn, this may adversely affect the performance of the Investment Vehicle and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market prices of the ordinary shares.

The Board discusses the creditworthiness of the Investment Vehicle's underlying portfolio constituents and banking counterparties (e.g., banks, money market funds and the issuers of the debt securities) with CVC Credit Partners on a periodic basis.

The Investment Vehicle's investment portfolio exposure categorised according to the credit rating of the issuers, is: BB 9%, B 63%, CCC 18% and not rated 10% (31 December 2022: BB 6%, B 65%, CCC 19% and not rated 10%). Cash and cash equivalents exposure is with institutions rated A+ 100% (31 December 2022: A+ 100%). Derivative financial instruments market value exposure is with institutions rated A+ 38% and A- 62% (31 December 2022: A+ 100%).

Cash amounts are placed with BNP Paribas S.A., Jersey Branch and Santander Financial Services plc, Jersey Branch. BNP Paribas S.A., Jersey Branch, is a wholly owned subsidiary of BNP Paribas Securities Services S.A. which is publicly traded and a constituent of the S&P 500 Index with a long-standing credit rating of A+ (2022: A+) from Standard & Poor's. Santander Financial Services plc, Jersey Branch, is a wholly owned subsidiary of Santander International with a long-term credit rating of A1 (2022: A1) from Moody's.

There is no expected credit loss on cash and cash equivalents.

8.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in realising assets or otherwise raising funds to meet financial commitments. Given that the PECs issued by the Investment Vehicle and held by the Company are not traded on a stock exchange, the Company relies on the periodic redemption mechanism provided by the Investment Vehicle in order to realise its investments in the Investment Vehicle, and on mechanisms operating in accordance with their contracted terms. The Company does not have any control over the redemption mechanism operated by the Investment Vehicle.

Refer to Principal Risks and Uncertainties on pages 18 to 21 and note 12 for detail regarding the option available to ordinary shareholders to tender their shares, and the applicable restrictions around that tender mechanism.

The Company may redeem PECs in accordance with its contracted rights. However, if the Investment Vehicle receives applications to redeem Investment Vehicle interests in respect of any redemption date and it determines (in its sole judgement) that there is insufficient liquidity to make redemptions without prejudicing existing investors in the Investment Vehicle, then the Investment Vehicle is entitled to suspend or scale down the redemption requests on a pro rata basis so as to only carry out redemptions that will not prejudice remaining investors.

As such, in circumstances where the Company wishes to redeem part or all of its holdings in the Investment Vehicle, it may not be able to achieve this on a single redemption date. This may also result in restrictions on the Company's ability to complete or to conduct the tender mechanism.

In certain circumstances, whether prior to or following a NAV determination date, (being the Investment Vehicle valuation date), the Investment Vehicle directors may, at their discretion, suspend all calculations, payments and redemptions of the outstanding Investment Vehicle interests (including the Company's Investment Vehicle interests).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Financial risk management (continued)

8.2 Liquidity risk (continued)

In the event of a material adverse event occurring in relation to the Investment Vehicle or the market in which it operates generally, the ability of the Company to realise its investment and prevent the possibility of further losses could, therefore, be limited by its restricted ability to realise its investment in the Investment Vehicle. This delay could materially affect the value of the PECs and the timing of when the Company is able to realise its investments in the Investment Vehicle, which may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market prices of the ordinary shares.

The table below shows the worst case scenario of the residual contractual maturity of the Company's financial liabilities and the best case scenario for the financial assets:

31 December 2023	Less than 1 year	1 to 5 years	Total
	€	€	€
Financial assets			
Financial assets held at fair value through profit or loss ¹	134,236,322	114,364,093	248,600,415
Cash and cash equivalents	1,435,723	-	1,435,723
Total undiscounted financial assets	135,672,045	114,364,093	250,036,138
Financial liabilities			
Payables	(144,968)	-	(144,968)
Ordinary shares ²	(62,487,332)	(187,461,996)	(249,949,328)
Total undiscounted financial liabilities	(62,632,300)	(187,461,996)	(250,094,296)
31 December 2022			
	€	€	€
Financial assets			
Financial assets held at fair value through profit or loss ¹	124,915,876	110,053,450	234,969,326
Cash and cash equivalents	2,196,695	-	2,196,695
Total undiscounted financial assets	127,112,571	110,053,450	237,166,021
Financial liabilities			
Payables	(377,325)	-	(377,325)
Ordinary shares ²	(59,209,767)	(177,629,303)	(236,839,070)
Total undiscounted financial liabilities	(59,587,092)	(177,629,303)	(237,216,395)

¹ The Company has classified financial assets held at fair value through profit or loss into maturity bands based on the annual maximum redeemable PECs set by the Investment Vehicle Manager at 50% (2022: 50%) after the expected income distribution which amounted to €19,872,228 (2022: €14,862,427).

² The Company has classified the ordinary shares into maturity bands based on the approved limits of the shares redeemable by the shareholders with the maximum annual limit set at 25% (2022: 25%). Details of the Company's financial liabilities in relation to the ordinary shares, which are carried at amortised cost, are set out in note 12. The ordinary shares above include the lifetime decrease in net assets attributable to the Sterling and Euro shares.

In the ordinary course of business, the Directors expect the Company's tender mechanism to be funded by redemptions from the Investment Vehicle, excepting cumulative tenders received in an amount equal to or less than £100,000 which may initially, at the discretion of the Directors, be funded from the Company's working capital.

8.3 Market risk

Market risk is the risk that the Company's performance will be adversely affected by changes in the markets in which it invests. The Company holds a single investment in the form of PECs in the Investment Vehicle which is the main driver of the Company's performance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Financial risk management (continued)

8.3 Market risk (continued)

At the Investment Vehicle level, performance is driven by the portfolio of the Investment Vehicle and therefore consideration of the market risks to which the Company is exposed should be taken.

The Investment Vehicle is required to hold at least 60% of its gross assets in companies domiciled in, or with material operations in, Western Europe. As such, the Company and the Investment Vehicle could be particularly exposed to any deterioration in the current geopolitical and European economic climate.

In addition, the Investment Vehicle does not have any restrictions on the amount of investments it can make in a single industry. As such, any significant event which affects a specific industry in which the Investment Vehicle has significant exposure could materially and adversely affect the performance of the Investment Vehicle and, by extension, the Company's ordinary shares.

In order to avoid excessive concentrations of risk, the Investment Vehicle's private placement memorandum includes specific guidelines on maintaining a diversified portfolio. These guidelines are detailed in the 'investment limits' and 'borrowing limits' sections on the Company's website: ig.cvc.com/overview/investment-policy/. The Board receives from third-party service providers the results of investment and borrowing restriction monitoring exercises performed over the investment portfolio. During the years ended 31 December 2023 and 31 December 2022, the Company complied with all investment and borrowing limits.

Continued or recurring market deterioration may materially adversely affect the ability of an issuer whose debt obligations form part of the Investment Vehicle portfolio to service its debts or refinance its outstanding debt. Further, such financial market disruptions may have a negative effect on the valuations of the Investment Vehicle investments (and, by extension, on the NAV and/or the market price of the Company's ordinary shares), and on liquidity events involving such Investment Vehicle investments. In the future, non-performing assets in the Investment Vehicle's portfolio may cause the value of the Investment Vehicle's portfolio to decrease (and, by extension, the NAV and/or the market price of the Company's ordinary shares to decrease). Adverse economic conditions may also decrease the value of any security obtained in relation to any of the Investment Vehicle investments. The Board receives frequent presentations and reporting at Board meetings from CVC Credit Partners which allows it to monitor the performance of the Investment Vehicle's investment portfolio.

Refer below for sensitivity analysis on the Statement of Comprehensive Income and NAV of the Company if the fair value of the PECs at the year-end increased or decreased by 5% (2022: 5%). This level of change is considered to be possible based on observation of current market conditions.

31 December 2023			
Current value	Total	Increase by 5%	Decrease by 5%
Sterling PECs (Euro equivalent)	€150,351,877	€7,517,594	€(7,517,594)
Euro PECs	€98,248,538	€4,912,427	€(4,912,427)
Financial assets held at fair value through profit or loss	€248,600,415	€12,430,021	€(12,430,021)
Sterling PECs	£130,344,064	£6,517,203	£(6,517,203)
31 December 2022			
Current value	Total	Increase by 5%	Decrease by 5%
Sterling PECs (Euro equivalent)	€140,626,211	€7,031,311	€(7,031,311)
Euro PECs	€94,343,115	€4,717,156	€(4,717,156)
Financial assets held at fair value through profit or loss	€234,969,326	€11,748,466	€(11,748,466)
Sterling PECs	£124,503,064	£6,225,153	£(6,225,153)

The above calculations are based on the investment valuation at the Statement of Financial Position date and may not be reflective of future market conditions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Financial risk management (continued)

8.4 Interest rate risk

Interest rate movements affect the fair value of investments in fixed interest rate securities and floating rate loans and on the level of income receivable on floating rate loans and cash deposits.

The Company invests in PECs which are non-interest bearing and therefore the majority of the Company's interest rate exposure arises indirectly in the fair value of the underlying Investment Vehicle portfolio which is largely invested in the debt securities of companies domiciled in, or with material operations in, Western Europe.

As at 31 December 2023, the Investment Vehicle portfolio contained interest bearing financial assets at fair value through profit or loss of €626.7 million (2022: €587.2 million) and financial liabilities at fair value through profit or loss of €nil (2022: € nil). Most of these investments in debt securities carry variable interest rates and have various maturity dates. Interest rate risk on fixed interest instruments is considered to be part of market risk on fair value and is monitored by the Board on a monthly basis. In addition, as at 31 December 2023, the Company was exposed to interest rate risk arising on the Investment Vehicle's derivative financial instruments of €2.5 million (2022: €13.6 million), receivables and payables on unsettled trades of €14.9 million (2022: €4.8 million) and €13.5 million (2022: €20.1 million), respectively, and loans and borrowings of €155.0 million (2022: €158.1 million).

The Company is also exposed to changes in interest rates on cash and cash equivalents held directly of €1,435,723 (2022: €2,196,695). The Board considers this risk to be immaterial to the Company.

8.5 Valuation risk

Valuation risk is the risk that the valuation of the Company's investments in the Investment Vehicle PECs, and accordingly the periodic calculation of the NAV of the Company's Sterling and Euro shares, does not reflect the true value of the Company's proportionate interest in the Investment Vehicle's underlying investment portfolio.

The Investment Vehicle's portfolio may at any given time include securities or other financial instruments or obligations which are very thinly traded, for which no ready market exists or which are restricted as to their transferability under applicable securities laws. These investments may be extremely difficult to value accurately.

Further, because of overall size or concentration in particular markets of positions held by the Investment Vehicle, the value of its investments at which they can be liquidated may differ, sometimes significantly, from their carrying values. Third-party pricing information may not be available for certain positions held by the Investment Vehicle and therefore investments held by the Investment Vehicle may be valued based on valuation techniques using unobservable inputs. In light of the foregoing, there is a risk that an Investment Vehicle interest holder, such as the Company, which redeems all or part of its investment while the Investment Vehicle holds such investments, could be paid an amount less than it would otherwise be paid if the actual value of the Investment Vehicle's investment was higher than the value designated for that investment by the Investment Vehicle. Similarly, there is a risk that a redeeming Investment Vehicle interest holder might, in effect, be overpaid at the time of the applicable redemption if the actual value of the Investment Vehicle's investment was lower than the value designated for that investment by the Investment Vehicle, in which case the value of the Investment Vehicle interests to the remaining Investment Vehicle interest holders would be reduced.

The Board of the Investment Vehicle monitors and reviews the PEC valuation process frequently and the Board of the Company monitors and reviews the Company's NAV production process regularly.

Refer to note 7 for sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy of the Company's investments and underlying investments held by the Investment Vehicle.

8.6 Foreign currency risk

Foreign currency risk is the risk that the values of the Company's assets and liabilities are adversely affected by changes in the values of foreign currencies by reference to the Company's functional currency. The functional currency of the Company and the Investment Vehicle is the Euro.

At the Company level, the Sterling and Euro share classes invest into Sterling and Euro PECs, respectively, and therefore there is no material foreign currency risk at the Company level. The Company only has exposure to material foreign currency movements at the Investment Vehicle level.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Financial risk management (continued)

8.6 Foreign currency risk (continued)

At the Investment Vehicle level, certain assets are typically denominated in other currencies. The Investment Vehicle is subject to immaterial foreign currency exchange risks and the value of its assets may be affected by fluctuations in foreign currency exchange rates. This may, in turn, result in fluctuations in the value of the Sterling and Euro PECs which would result in similar variances within the NAV per share of the Sterling shares and Euro shares the issued by the Company, and so in variations between the market prices of Sterling shares and the Euro shares.

The Investment Vehicle uses a third-party professional foreign exchange manager, who regularly updates the Board, to seek to fully hedge the foreign currency exposures to which it is exposed. However, it may not be possible for the Investment Vehicle to hedge against a particular change or event at an acceptable price or at all. In addition, there can be no assurance that any attempt to hedge against a particular change or event would be successful, and any such hedging failure could materially and adversely affect the performance of the Investment Vehicle and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market prices of the ordinary shares.

Subscription monies for Sterling shares issued by the Company have been used to fund subscriptions for Sterling-denominated PECs and such monies may then be converted to Euro by the Investment Vehicle for operating purposes. The holders of Sterling shares will therefore be subject to the foreign currency fluctuations between Sterling and Euro. Although the Investment Vehicle has in place a hedging programme, there is no guarantee that any such hedging arrangements will be successful. In addition, the costs and any benefit of hedging such foreign currency exposure will be allocated solely to the Sterling-denominated PECs (and, as a consequence, indirectly impacts the Company's Sterling Shares).

The below information regarding the foreign currency risk for the Investment Vehicle has been included for informational purposes only.

The following table indicates the currencies to which the Investment Vehicle had significant exposure as at 31 December 2023 on its financial assets and liabilities. The analysis calculates the total effect of a reasonably possible movement of the currency rate against the EUR on the net assets attributable to PEC holders with all other variables held constant and includes the impact of the hedging programme undertaken by the Investment Vehicle.

Currency	Change in currency rate	Effect on net assets attributable to PEC holders and on the change in net assets attributable to PEC holders from operations	
		31 December 2023	31 December 2022
		€'000	€'000
GBP	10%	153	142
USD	10%	125	197

An equivalent decrease in each of the aforementioned currencies against the EUR would have resulted in an equivalent but opposite impact.

9. Payables

	31 December 2023	31 December 2022
	€	€
Advisor fees	-	148,314
Audit fees	41,379	49,089
Administration fees	21,576	21,833
Other payables	82,013	158,089
Total payables	144,968	377,325

10. Contingent liabilities and commitments

As at 31 December 2023, the Company had no contingent liabilities or commitments (2022: nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Stated capital

	Number of shares 31 December 2023	Stated capital 31 December 2023 €	Number of shares 31 December 2022	Stated capital 31 December 2022 €
Management shares	2	-	2	-

Management shares

Management shares are non-redeemable, have no par value and no voting rights, and also no profit allocated to them in the earnings per share calculation.

12. Ordinary shares

The Company has two classes of ordinary shares, being Sterling shares and Euro shares.

Each Sterling share holds 1.17 voting rights and each Euro share holds 1 voting right. Each share has no par value.

	Number of shares 31 December 2023	Stated capital 31 December 2023 €	Number of shares 31 December 2022	Stated capital 31 December 2022 €
Sterling shares	118,916,157	151,390,416	129,518,607	161,549,578
Euro shares	96,553,753	98,295,010	105,076,336	106,767,222
Total	215,469,910¹	249,685,426²	234,594,943¹	268,316,800²

¹ Excludes 247,533,235 (2022: 236,506,595) Sterling shares and 52,747,703 (2022: 44,767,789) Euro shares held as treasury shares.

^{1,2} Excludes €263,902 (2022: (€31,477,730)) relating to the increase (2022: decrease) since inception in net assets attributable to shareholders from operations.

Share movements	31 December 2023 Total €	31 December 2022 Total €
Opening balance	268,316,800	310,121,014
Issue of ordinary shares	-	-
Subscriptions arising from conversion of ordinary shares	533,224	5,991,717
Redemption payments arising from conversion of ordinary shares	(532,471)	(5,955,535)
Redemption payments arising from tenders of ordinary shares	(21,593,903)	(33,198,148)
Foreign currency exchange gain on ordinary shares	2,961,776	(8,642,248)
Closing balance	249,685,426	268,316,800

As at 31 December 2023, the Company had 366,449,392 (inclusive of 247,533,235 treasury shares) (2022: 366,025,202 (inclusive of 236,506,595 treasury shares)) Sterling shares in issue and 149,301,456 (inclusive of 52,747,703 treasury shares) (2022: 149,844,125 (inclusive of 44,767,789 treasury shares)) Euro shares.

Share conversions

Until 1 June 2022, at the first Business Day of each month (each first Business Day of the relevant month being a "Conversion Calculation Date"), shareholders could convert shares of any class into shares of any other class (of which shares were in issue at the relevant time) by giving not less than 10 Business Days' notice to the Company in advance of such Conversion Calculation Date.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

12. Ordinary shares (continued)

Share conversions (continued)

With effect from 1 July 2022, at the first Business Days of January and July of each year (each first Business Day of January or July of each year being a "Share Conversion Calculation Date"), shareholders can convert shares of any class into shares of any other class (of which shares are in issue at the relevant time) by giving not less than 10 business days' notice to the Company in advance of such Share Conversion Calculation Date, either through submission of the relevant instruction mechanism (for shareholders holding shares in uncertificated form) or through submission of a share conversion notice and the return of the relevant share certificate to the Company's registrars. This mechanism is subject to regulatory considerations.

Such share conversion will be effected on the basis of the ratio of the last reported NAV per share of the class of shares held (calculated in Euro less the costs of effecting such share conversion and adjusted to reflect the impact of adjusting any currency hedging arrangements and taking account of any dividends resolved to be paid), to the last reported NAV per share of the class of shares into which they will be converted (also calculated in Euro, and each as at the relevant share Conversion Calculation Date) in each case, for the avoidance of doubt, such Net Asset Value per share shall be calculated inclusive of accrued income.

During the year no (2022: 250,000) Sterling shares were converted into (2022: 318,897) Euro shares and 542,669 (2022: 5,580,392) Euro shares were converted into 424,190 (2022: 4,352,393) Sterling shares.

Treasury share convertor mechanism

At the 2016 Annual General Meeting, the Company requested, and received, shareholder approval to create a mechanism whereby treasury shares held by the Company be converted from one currency denomination to another in accordance with the procedure set out in the Articles. As the conversion cannot take place while the treasury shares are held by the Company, it was proposed that a facility be created so that some or all of the treasury shares be sold to a related party, who would be willing to facilitate the conversion of the treasury shares from one currency denomination to another. The treasury share convertor mechanism was put in place to provide the Company with a means of converting one class into another to meet demand in the market from time to time.

Accordingly, on 11 September 2017, the Company established the Trust, a business purpose trust established under Jersey law. The purpose of the Trust is the facilitation of the conversion of the treasury shares by the incorporation of a company, Conversion SPV Limited ("Conversion Vehicle"), who would purchase treasury shares from the Company, convert them into shares of the other currency denomination and sell those converted shares back to the Company. The Chairman of the Company was appointed as the enforcer of the Trust.

The treasury share convertor mechanism was not utilised during the year ended 31 December 2023 (2022: not utilised).

Tender mechanism

The Company has, established a tender mechanism that enables shareholders to tender their shares in the Company in accordance with a stated contracted mechanism.

The Directors believe that the Company's tender mechanism provides shareholders with additional liquidity when compared with other listed closed-ended investment companies. The offer of the Company's tender mechanism is subject to annual shareholder approval and subject to the terms, conditions and restrictions as set out in the prospectus.

On 1 February 2024, the Board announced the addition in the March 2024 Tender of an option for tendering shareholders to tender shares for placing with third party investors as an alternative to having the shares repurchased by the Company. By participating in the placing, shareholders have the opportunity to realise their shares and receive the consideration for all successfully placed shares up to 10 weeks earlier than the consideration payable for shares repurchased by the Company pursuant to the March 2024 Tender. Such an outcome will depend on the extent to which Winterflood Securities Limited identifies investors willing to buy the shares at a price per share which is equal to or higher than the floor price set by the Company (as detailed below). Shares not placed successfully will be repurchased in the same way as they would be under the current tender terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Ordinary shares (continued)

Tender mechanism (continued)

In consideration of its role in the placing in the March 2024 Tender, the Company will pay Winterflood Securities Limited a commission of 0.5 per cent. of the gross proceeds generated by the placing purchases.

The summary of the placing arrangements incorporated the following:

For the March 2024 Tender:

- (i) Shareholders (other than restricted shareholders) who held shares on the relevant tender record date may, instead of simply tendering shares for repurchase, elect to have the Shares be placed by Winterflood Securities Limited with placees.
- (ii) The placing price shall be subject to a floor price per share of an amount equal to 98% of the last NAV per share published by the Company before the placing closes on 5 March 2024.
- (iii) The consideration for each successful placing will be paid in accordance with the regular settlement procedures under the tender terms and conditions (as amended and restated on 1 February 2024)
- (iv) Where placees are not willing to take all shares submitted for a placing, shares tendered for the placing will be scaled back on a pro rata basis.
- (v) All unplaced shares will be deemed to have been tendered for purchase by the Company at the tender price and will be repurchased in the same way as they would be under the current tender terms and conditions.

This section should be read in conjunction with the amended and restated tender terms and conditions which are available on the Company's website: [CVC Income & Growth – Proven dynamic strategy to deliver cash yield & capital gains](#).

It is important to note that tenders, if made, are contingent upon certain factors including, but not limited to, the Company's ability to finance tender purchases through submitting redemption requests to the Investment Vehicle to redeem a pro rata amount of Company Investment Vehicle interests.

Factors, including restrictions at the Investment Vehicle level on the amount of PECs which can be redeemed, may mean that sufficient Company Investment Vehicle interests cannot be redeemed and, consequently, tender purchases in any given period may be scaled back on a pro rata basis.

In the absence of the availability of the tender mechanism shareholders wishing to realise their investment in the Company will be required to dispose of their shares on the stock market. Accordingly, shareholders' ability to realise their investment at any particular price and/or time may be dependent on the existence of a liquid market in the shares.

Liquidity risks associated with the tender mechanism are set out in note 8.2.

During the year 11,026,640 (2022: 18,457,960) Sterling shares and 7,979,914 (2022: 9,678,734) Euro shares were redeemed as part of the tender mechanism and subsequently held by the Company in the form of treasury shares. Refer to pages 76 to 77 for details. Treasury shares do not carry any right to attend or vote at any general meeting of the Company. In addition, the tender mechanism and the voluntary conversion facility are not available in respect of treasury shares.

Ad hoc purchase of shares

In addition to the tender mechanism, the Directors seek annual shareholder approval to grant them the power to make ad hoc market purchases of shares. If such authority is subsequently granted, the Directors will have complete discretion as to the timing, price and volume of shares to be purchased. Shareholders should not place any reliance on the willingness or ability of the Directors so to act. Refer to note 2.1(d) for detail on significant accounting judgements regarding the classification of ordinary shares as a financial liability.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Ordinary shares (continued)

Dividends

The ordinary shares of each class carry the right to receive all income of the Company attributable to such class of ordinary share, and to participate in any distribution of such income made by the Company and within each such class such income shall be divided pari passu among the shareholders in proportion to the shareholdings of that class. During the years ended 31 December 2023 and 31 December 2022, the Company declared and paid dividends based on the investment revenue received from the Investment Vehicle during the year.

Refer below for amounts recognised as dividend distributions to ordinary shareholders in the years ended 31 December 2023 and 31 December 2022.

	Ex-dividend date	Payment date	£ equivalent	€
Sterling - £0.02500 per share	09/02/2023	03/03/2023	3,237,965	3,723,213
Euro - €0.01750 per share	09/02/2023	03/03/2023		1,838,836
Sterling - £0.01875 per share	11/05/2023	02/06/2023	2,378,198	2,734,599
Euro - €0.01750 per share	11/05/2023	02/06/2023		1,832,221
Sterling - £0.01875 per share	10/08/2023	01/09/2023	2,386,151	2,743,745
Euro - €0.01750 per share	10/08/2023	01/09/2023		1,822,724
Sterling - £0.01875 per share	09/11/2023	01/12/2023	2,229,678	2,563,822
Euro - €0.01750 per share	09/11/2023	01/12/2023		1,689,691
Total for the year ending 31 December 2023				18,948,851
	Ex-dividend date	Payment date	£ equivalent	€
Sterling - £0.0125 per share	03/02/2022	25/02/2022	1,706,768	2,002,342
Euro - €0.0125 per share	03/02/2022	25/02/2022		1,365,602
Sterling - £0.0125 per share	26/05/2022	17/06/2022	1,672,725	1,962,403
Euro - €0.0125 per share	26/05/2022	17/06/2022		1,342,697
Sterling - £0.01250 per share	04/08/2022	26/08/2022	1,669,600	1,958,737
Euro - €0.01250 per share	04/08/2022	26/08/2022		1,346,683
Sterling - £0.01500 per share	03/11/2022	25/11/2022	1,942,779	2,279,224
Euro - €0.01500 per share	03/11/2022	25/11/2022		1,576,145
Total for the year ending 31 December 2022				13,833,833

Refer to note 16 for details on dividends paid subsequent to the reporting period.

Return per share

	31 December 2023 £ equivalent	31 December 2023 €	31 December 2022 £ equivalent	31 December 2022 €
Sterling shares				
Increase/(decrease) in net assets for the year	15,146,339	17,471,304	(16,857,334)	(19,517,848)
Weighted average number of ordinary shares	126,472,843	126,472,843		129,518,607
Return per share	0.1198	0.1381	(0.1275)	(0.1440)
Euro shares				
Increase/(decrease) in net assets for the year	-	14,270,328	-	(14,254,567)
Weighted average number of ordinary shares		103,301,329		105,076,336
Return per share	-	0.1381	-	(0.1440)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Ordinary shares (continued)

Return per share (continued)

Return per share has been calculated on a weighted average basis.

Refer to note 16 for transactions involving the Company's Sterling or Euro shares between 1 January 2024 and date of approval of these financial statements.

13. NAV per ordinary share

	31 December 2023	31 December 2023	31 December 2022	31 December 2022
	Sterling equivalent		Sterling equivalent	
Sterling shares				
NAV	£132,399,128	€152,722,394	£126,873,439	€143,303,549
Number of shares in issue ¹	118,916,157	118,916,157	129,518,607	129,518,607
NAV per ordinary share	£1.1134	€1.2843	£0.9796	€1.1064
Euro shares				
NAV	-	€97,226,934	-	€93,535,520
Number of shares in issue ¹	-	96,553,753	-	105,076,336
NAV per ordinary share	-	€1.0070	-	€0.8902

¹excludes shares held in treasury.

14. Reconciliation of liabilities arising from financing activities

	31 December 2023	31 December 2022
	€	€
Opening Balance	236,839,070	312,415,699
Cash flow movements		
Payments from redemption of ordinary shares	(21,593,903)	(33,198,148)
Dividends paid	(18,948,851)	(13,833,833)
Profit/(loss) before finance costs and taxation items	18,801,400	13,558,771
Non-cash flow movements		
Proceeds from subscriptions arising from conversion of ordinary shares	533,224	5,991,717
Proceeds from redemptions arising from conversion of ordinary shares	(532,471)	(5,955,535)
Foreign currency exchange gain/(loss) on ordinary shares	2,961,776	(8,642,248)
Profit/(loss) before finance costs and taxation items	31,889,083	(33,497,353)
Closing Balance	249,949,328	236,839,070

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Related party disclosure

The Directors are entitled to remuneration for their services and all Directors hold Sterling shares in the Company. Refer to note 6 for further detail.

Transactions between the Company, the Trust, the Corporate Services Manager and the Conversion Vehicle are disclosed in note 4 and 12.

Richard Boléat acts as the enforcer of the Trust, a business purpose trust established under Jersey law and settled by the Company. The role has arisen as a result of the implementation of the resolution passed at the Company's Annual General Meeting on 4 April 2016 which authorised the Company to make arrangements to enable the conversion of treasury shares held by the Company from time to time from one currency denomination to another. The position is unremunerated and represents an alignment of interests with those of the Company.

The below information regarding select related party disclosures for the Investment Vehicle has been included for information purposes only.

As at 31 December 2023, the Investment Vehicle holds debt securities in entities where CVC Capital Partners also has an interest. These positions were entered into pari passu with third party investors.

16. Material events after the Statement of Financial Position date

Management has evaluated subsequent events for the Company through 27 March 2024, the date the financial statements were available to be issued and has concluded that the material events listed below do not require adjustment of the financial statements.

Share conversion

On 26 January 2024, the Company announced the conversion into Sterling shares of Euro shares based on the NAVs of the Company's Sterling and Euro Shares as at 31 December 2023 (using spot currency exchange rates as at 31 December 2023). The Company received eligible conversion notices from shareholders in respect of 4,687 Sterling shares and 723,284 Euro shares by the relevant closing date. Accordingly, an application was made for the admission of 566,866 Sterling shares and 5,980 Euro Shares to the Official List of the UK Listing Authority and the main market for listed securities of the London Stock Exchange plc. The application became effective and dealings in the new Sterling shares commenced 31 January 2024.

Dividend declaration and dividend increase

On 30 January 2024, the Company declared a dividend of £0.04125 per Sterling share and €0.0225 per Euro share payable on 1 March 2024 to shareholders on the register as at 9 February 2024.

These amounts reflect an uplift to the previously indicated quarterly dividend of £0.01875 per Sterling share and €0.0175 per Euro share announced by the Company on 7 March 2023.

On 5 February 2024, the Company announced that the annual dividend targets were being increased to £0.0825 per Sterling share and €0.0725 per Euro share with immediate effect. This means that the Company's quarterly dividends will be increased to £0.020625 per Sterling share and €0.018125 per Euro share, including the Company's first quarter 2024 dividends, payable in the second quarter of 2024.

Addition of placing of shares as part of the March 2024 Tender

On 1 February 2024, the Company announced the addition in the March 2024 Tender of an option for tendering shareholders to tender shares for placing with third party investors, as an alternative to having the shares repurchased by the Company. By participating in the placing, shareholders have the opportunity to realise their shares and receive the consideration for all successfully placed shares up to 10 weeks earlier than the consideration payable for shares repurchased by the Company pursuant to the March 2024 Tender.

Director share purchases

On 6 February 2024, Philip Braun purchased 4,579 Sterling shares at a price of £1.084 per share on the London Stock Exchange.

On 22 February 2024, Esther Gilbert purchased 3,977 Sterling shares at a price of £1.053 per share on the London Stock Exchange.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Material events after the Statement of Financial Position date (continued)

Result of semi-annual tender process

On 14 February 2024, the Company announced that it received tender applications for the semi-annual tender process in respect of the March 2024 Tender. 2,495,798 Sterling shares and 2,251,521 Euro shares were tendered for repurchase by the Company. 50,000 Sterling shares were tendered for placing with third party investors.

Results of placings in respect of March 2024 Tender

On 6 March 2024, the Company announced that the 50,000 placing shares arising in the March 2024 Tender were not able to be placed by the time of the close of the placing on 5 March 2024. Accordingly, the 50,000 placing shares will now be deemed to have been tendered for repurchase by the Company at the tender price pursuant to the tender terms and conditions.

17. Controlling party

In the Directors' opinion, the Company has no ultimate controlling party.

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED)

Investment Vehicle portfolio

The following information regarding the Investment Vehicle has been included for informational purposes only.

Listed equity securities and corporate bonds

The fair values of listed equity securities and corporate bonds at the reporting date are based on quoted market prices or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. The listed equity securities and corporate bonds are included within Level 1 of the hierarchy.

Unlisted equities, warrants and debt securities

For all other financial instruments, fair value is determined using valuation techniques.

The Investment Vehicle invests in some unlisted equities, warrants, corporate bonds and other debt securities. When these instruments are not measured at the quoted price in an active market, they are valued using observable inputs, initially sourcing broker quotes from a number of sources and, where this data does not yield a reliable market price, utilising appropriate valuation techniques, such as recently executed transaction prices in securities of the issuer or comparable issuers. Adjustments are made to the valuations when necessary to recognise differences in the instrument's terms. To the extent that these inputs are observable, the Investment Vehicle classifies the fair value of these investments as Level 2.

The Investment Vehicle invests in unlisted corporate debt and managed CLOs, including asset backed securities. These investments are generally not quoted in an active market and may be subject to restrictions on redemptions such as lock up periods. Transactions in these assets do not occur on a regular basis. Investments in these debt securities are valued based on a combination of a third-party pricing service, an appraisal of the performance of the issuing company and utilising appropriate valuation techniques such as counterparty marks and recently executed transaction prices in securities of the issuer or comparable issuers. The Investment Vehicle has classified the fair value of these investments as Level 3 for this financial year.

Forward currency contracts

Foreign currency forward contracts are recognised as contractual commitments on a trade date basis and are carried at fair value based on quotes obtained from an independent source (e.g. Bloomberg). Foreign currency forward contracts are commitments to either purchase or sell a designated currency at a future date for a specified price and are settled in cash. Foreign currency forward contracts are valued by reference to the forward price at which a new contract of the same size and remaining maturity could be undertaken at the valuation date. For these financial instruments, significant inputs are market observable and are included within Level 2.

Valuation process for Level 3 investments

Valuations are the responsibility of the board of the Investment Vehicle, who have engaged the Investment Vehicle Services Manager, the Investment Vehicle Manager and the independent service provider to independently value the assets on a monthly basis and perform a price challenge process. Following the completion of the price challenge process, the Investment Vehicle Manager presents the valuation of the assets to the Board on a monthly basis, including a discussion on the assumptions used and significant fair value changes during the year.

Investments in CLOs are primarily valued based on the bid price as provided by the third-party pricing service and may be amended following consideration of the NAV published by the administrator of the CLOs. Furthermore, such a NAV is adjusted, when necessary, to reflect the effect of the time passed since the calculation date, liquidity risk, limitations on redemptions and other factors. Depending on the fair value level of a CLO's assets and liabilities, and on the adjustments needed to the NAV published by that CLO, the Investment Vehicle classifies the fair value of these investments as Level 3.

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED) (CONTINUED)

Investment Vehicle portfolio (continued)

Valuation process for Level 3 investments (continued)

Investments in debt securities for which there are a limited number of broker quotes and for which no other evidence of liquidity exists, and investments in unlisted equity and private equity companies that are not quoted in an active market, are classified as Level 3. For debt securities with a limited number of broker quotes, these are then valued by considering in detail the limited broker quotes available for evidence of outliers (which may skew the average) which, if existent, are then removed, and then by calculating the average of the remaining quotes. For debt securities and unlisted equity or private equity companies for which there are no broker quotes, the Investment Vehicle Manager produces a pricing memorandum for the Investment Vehicle drawing on the International Private Equity Valuation guidelines, which is discussed, reviewed and accepted by the Investment Vehicle Manager's board and the independent service provider.

If the Investment Vehicle Manager and the independent service provider have difficulty in establishing an agreed upon valuation for an asset, they will discuss and agree alternative valuation methods.

The below disclosures have been included to provide an insight to shareholders of the asset class mix held by the Investment Vehicle portfolio. It is important to note that as at 31 December 2023, the Company held a 50.55% (2022: 52.04%) interest in the net assets of the Investment Vehicle. The disclosures have not been apportioned according to the Company's PEC holding, as the Board believes to do so would be misleading and not an accurate representation of the Company's investment in the Investment Vehicle.

The following tables detail the investment holding of the Company at the Investment Vehicle level, categorising these assets according to the fair value hierarchy in accordance with IFRS 13 and detailing the quantitative information of significant unobservable inputs of the Level 3 investments held.

Financial assets at fair value through profit or loss 31 December 2023

	Level 1	Level 2	Level 3	Total
	€'000	€'000	€'000	€'000
Financial assets				
Equity securities				
Equities and warrants	-	-	15,534	15,534
Debt securities				
Corporate bonds and other debt securities	136,089	303,227	140,548	579,864
CLOs	-	-	46,882	46,882
Derivative financial instruments				
Forward currency contracts	-	2,487	-	2,487
Total	136,089	305,714	202,964	644,767

31 December 2022

	Level 1	Level 2	Level 3	Total
	€'000	€'000	€'000	€'000
Financial assets				
Equity securities				
Equities and warrants	-	-	18,641	18,641
Debt securities				
Corporate bonds and other debt securities	90,208	301,035	144,364	535,607
CLOs	-	-	51,617	51,617
Derivative financial instruments				
Forward currency contracts	-	13,555	-	13,555
Total	90,208	314,590	214,622	619,420

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED) (CONTINUED)

Investment Vehicle portfolio (continued)

Transfers between Level 2 and Level 3

Since 2020, there has been an increase in macroeconomic volatility, driven by a global pandemic, conflict in Ukraine and Israel, high inflation and rising base rates. However, despite the volatility, liquidity in the secondary market continued to be adequate and the Investment Vehicle Manager has been able to continue to trade uninterrupted.

The Investment Manager believes that the impact of climate change, interest rate changes and other geopolitical risks is accurately reflected in the valuations. There have been no new or additional risks arising that would not already have been considered and monitored by the Investment Vehicle Manager.

In 2023, there were investments reclassified from Level 2 to Level 3 having a market value of EUR 27.3 million (2022: EUR 44.6 million). In 2023, there were investments reclassified from Level 3 to Level 2 having a market value of EUR 35.4 million (2022: EUR 4.1 million).

Level 3 reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting year.

	Equities and Warrants	Corporate bonds and other debt securities	CLOs	Total
	€'000	€'000	€'000	€'000
Balance as at 1 January 2022	9,637	89,216	33,307	132,160
Recategorisation	-	7,351	(7,351)	-
Total gains/(losses) in statement of comprehensive income during the year	9,006	(10,307)	(11,970)	(13,271)
Purchases/subscriptions	10,187	39,891	39,343	89,421
Sales/redemptions	(10,189)	(22,243)	(1,712)	(34,144)
Transfers into and out of Level 3	-	40,456	-	40,456
Balance as at 31 December 2022	18,641	144,364	51,617	214,622
Total gains/(losses) in statement of comprehensive income during the year	(3,640)	(1,532)	8,824	3,652
Purchases/subscriptions	533	58,413	9,317	68,263
Sales/redemptions	-	(52,627)	(22,876)	(75,503)
Transfers into and out of Level 3	-	(8,070)	-	(8,070)
Balance as at 31 December 2023	15,534	140,548	46,882	202,964
Total unrealised losses and gains at 31 December 2022 included in statement of comprehensive income for assets held at the end of the year	9,048	(11,616)	(11,999)	(14,567)
Total unrealised losses and gains at 31 December 2023 included in statement of comprehensive income for assets held at the end of the year	(3,640)	(2,629)	9,520	3,251

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED) (CONTINUED)

Investment Vehicle portfolio (continued)

Quantitative information of significant unobservable inputs – Level 3

Description	31 December 2023 €'000	Valuation technique	Unobservable input	Range (weighted average)
Equities and warrants	3,545	Broker quotes / other methods	Discount to broker quotes / valuation method	N/A
Equities and warrants	11,989	Asset sale value	Transaction price constituents	N/A
Equities and warrants	-	Earnings-multiple	Market multiples	6.3x-6.3x
Corporate bonds and other debt securities	8,480	Discounted Cash Flow	Yield	7.2% – 10.0%
Corporate bonds and other debt securities	132,067	Broker quotes / other methods	Cost of market transactions / Management information	N/A
CLOs	46,882	Broker quotes / other methods	Specific valuations of the industry: expert valuation	N/A

Description	31 December 2022 €'000	Valuation technique	Unobservable input	Range (weighted average)
Equities and warrants	2,952	Broker quotes / other methods	Discount to broker quotes / valuation method	N/A
Equities and warrants	15,689	Asset value approach	Valuation method	N/A
Corporate bonds and other debt securities	16,596	Discounted Cash Flow	Yield	8.15% – 12.3%
Corporate bonds and other debt securities	127,768	Broker quotes / other methods	Cost of market transactions / multiple of listed companies / management information	N/A
CLOs	51,617	Broker quotes / other methods	Specific valuations of the industry: expert valuation	N/A

The board of the Investment Vehicle Manager and CPIM have valued the CLO positions at bid-price as at 31 December 2023 and 31 December 2022, as they believe this is the most appropriate value for these positions. The board of the Investment Vehicle and CPIM believe that where certain credit facilities are classified as Level 3 due to limited number of broker quotes, there is still sufficient supporting evidence of liquidity to value these at an undiscounted bid price.

The above categorisations and descriptions of valuation technique and unobservable inputs, including ranges, may vary year-on-year due to changes or evolutions in valuation techniques as well as the addition or removal of positions due to trade activity or transfers to or from Level 3.

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED) (CONTINUED)

Investment Vehicle portfolio (continued)

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy – Level 3

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at are as shown below:

31 December 2023

Description	Input	Sensitivity used	Effect on fair value €'000
Equities and warrants	Discount to broker quotes / valuation method	20%	1,265 / (1,265)
Equities and warrants	Transaction price constituents	N/A	N/A
Equities and warrants	Market multiples	1x	60/(-)
Corporate bonds and other debt securities	Yield	2.5%	(466)/ 506
Corporate bonds and other debt securities	Cost of market transactions / management information	10%	13,207 / (13,207)
CLOs	Specific valuations of the industry: expert valuation	20%	9,376 / (9,376)

31 December 2022

Description	Input	Sensitivity used	Effect on fair value €'000
Equities and warrants	Discount to broker quotes / valuation method	20%	1,144 / (1,147)
Equities and warrants	Valuation method	20%	811 / (816)
Corporate bonds and other debt securities	Yield	2.5%	(575) / 616
Corporate bonds and other debt securities	Cost of market transactions / Multiple of listed companies / Management information	10%	12,777 / (12,777)
CLOs	Specific valuations of the industry: expert valuation	20%	10,323 / (10,323)

The above categorisations, unobservable inputs and use of sensitivities may vary year-on-year due to changes or evolutions in valuation techniques as well as the addition or removal of positions due to trade activity or transfers to or from Level 3.

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED) (CONTINUED)

Investment Vehicle portfolio (continued)

The below information details loans and borrowings for the Investment Vehicle.

	Effective interest rate (EIR, %)	Maturity	31 December 2023 €'000	31 December 2022 €'000
Loan – Bank (principal: €157.5 million)	5.32%	28-Jul-25	154,964	157,328
Interest on loan - bank			1,526	763
Total			156,490	158,091

On 28 July 2022, the existing facility was fully paid and closed out and a new credit facility agreement was entered into by the Investment Vehicle with a different finance provider. The new loan facility has a maturity date of 28 July 2025 and a rate of interest of (a) Margin of 0.95%; and (b) 3-Month Euribor floor 0% payable on a quarterly basis.

The facility includes a covenant that a maximum of 20% of the Investment Vehicle's Gross Assets (as defined in the PPM) is invested or shall be invested in structured finance securities at any time. As at year-end, the Investment Vehicle had an exposure to structured finance securities (CLOs) of 7.27% (2022:8.33%).

The financing bank has collateral to the loans held by the Investment Vehicle, and to high yield bonds (to the extent that these are not subject to a repurchase agreement), as well as to the cash accounts (excluding custody accounts).

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED) (CONTINUED)

Dividend history

Year ended	Total dividend paid per Sterling share	Total dividend paid per Euro share
2014	£0.03500	€0.03500
2015	£0.05000	€0.05000
2016	£0.06250	€0.06250
2017	£0.05250	€0.05250
2018	£0.05500	€0.05500
2019	£0.05500	€0.05500
2020	£0.04875	€0.04875
2021	£0.04750	€0.04750
2022	£0.05250	€0.05250
2023	£0.08125	€0.07000

AIFMD report

The Company (which is a non- EU) AIF for the purposes of the AIFM Directive and related regimes in European Economic Area member states) is a self-managed fund and therefore acts as the deemed AIFM of the Company. The Company is authorised as an Alternative Investment Fund Services Business as defined under Article 2(11) of the Financial Services (Jersey) Law 1998 and, as such, fulfils the role of Alternative Investment Fund Manager.

In 2014, the Company registered with the Jersey Financial Services Commission, being the Company's competent regulatory authority, as a self-managed non-EU AIF, and has registered with the UK Financial Conduct Authority, under the relevant NPPR.

In 2015, the Company registered with the Finnish Financial Supervisory Authority, Belgium Financial Services and Markets Authority, Danish Finanstilsynet, Luxembourg Commission de Surveillance du Secteur Financier and Swedish Finansinspektionen, under the relevant NPPR of each jurisdiction.

In 2017, the Company registered with Central Bank of Ireland, under the relevant NPPR.

As the Company is non-EU domiciled, no depositary has been appointed in line with the AIFM Directive, however BNP Paribas S.A., Jersey Branch has been appointed to act as custodian.

Information relating to the current risk profile of the Company and the risk management systems employed by the Company to manage those risks, as required under paragraph 4(c) of Article 23 of the AIFM Directive, is set out in note 8 – financial risk management. Refer to pages 18 to 21 for the Board's assessment of the principal risks and uncertainties facing the Company.

AIFM remuneration

The total fees paid to the Board by the Company are disclosed within the Directors' Remuneration Report and in note 4.

Article 22(2)(e) and 22(2)(f) of the AIFM Directive is not deemed applicable as the AIFM has no staff. No other remuneration costs have been incurred with the exception of those costs incurred by the Board as referenced above.

Index Disclaimer

The **Credit Suisse Western European Leveraged Loan Index** is an unmanaged market value-weighted index representing the investable universe of the U.S. dollar and Western European currencies-denominated leverage loan market. The index reflects reinvestment of all distributions and changes in market prices. The index inception is January 1998.

The indices are provided for informational purposes and comparison only and differ from the fund shown in their strategy, investment restrictions and guidelines. Indexes are unmanaged and do not reflect the deduction of fees and expenses payable by the fund. Other market return data also does not reflect the deduction of fees and expenses, which will reduce an investor's returns. Investments cannot be made directly in an index.

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED) (CONTINUED)

Index Disclaimer (continued)

Benchmarks and financial indices are shown for illustrative purposes only and are provided for the purpose of making general market data available as a point of reference only. Information related to indices and benchmarks, has been provided by and/or is based on third party sources and, although believed to be reliable, has not been independently verified. Such benchmarks and financial indices may not be available for direct investment, may be unmanaged, assume reinvestment of income, do not reflect the impact of any trading commissions and costs, management or performance fees, and have limitations when used for comparison or other purposes because they, among other reasons, may have different trading strategy, volatility, credit, or other material characteristics (such as limitations on the number and types of securities or instruments). The Fund's investment objective is not restricted to the securities and instruments comprising any one index. No representation is made that any benchmark or index is an appropriate measure for comparison.

Alternative Performance Measures disclosure

In accordance with ESMA Guidelines on APMs, the Board has considered what APMs are included in the Annual Financial Report, including the financial statements, which require further clarification. An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs included in the financial statements, which are unaudited and outside the scope of IFRS, are deemed to be as follows:

Share price total return

The share price total return is expressed as a percentage of the change in the Sterling and Euro share price during the year, including the annual dividend paid during the year.

	31 December 2023		31 December 2022	
	Sterling shares	Euro shares	Sterling shares	Euro shares
Opening share price (A)	£0.9200	€0.8200	£1.0400	€0.9500
Closing share price (B)	£1.0050	€0.9300	£0.9200	€0.8200
Annual dividend per share (C)	£0.0813	€0.0700	£0.0525	€0.0525
Share price total return (D=((B-A+C)/A))	18.08%	21.95%	(6.49)%	(8.16)%

Dividend yield

The dividend yield is the dividend per Sterling and Euro share expressed as a percentage of the Sterling and Euro share price (bid price).

	31 December 2023	31 December 2022
Sterling shares		
Annual dividend per Sterling share	£0.08125	£0.05250
Share price (bid price)	£1.00500	£0.9200
Dividend yield¹	8.08%	5.71%
Euro shares		
Annual dividend per Euro share	€0.07000	€0.05250
Share price (bid price)	€0.93000	€0.8200
Dividend yield¹	7.53%	6.40%

¹ Annual dividend yield per Sterling share and Euro share as at 31 December 2023 and 31 December 2022 is based on the four quarterly dividends announced and paid by the Company during the 12 months prior to the year end as applicable.

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED) (CONTINUED)

Alternative Performance Measures disclosure (continued)

NAV Total Return

The Company's Sterling share and Euro share NAV capital return is calculated by dividing the difference between the closing NAV per share and the opening NAV per share by the opening NAV per share. The income return is calculated by adding each dividend paid back to the NAV per share on the ex-dividend date (being the date dividends are deducted from the NAV of the Company). This amplifies the value of each dividend paid by the capital return and demonstrates the effect of reinvesting dividends back into the Company at the ex-dividend date. The total return is then determined by adding the capital and income return. The total return calculations are presented below.

	Annual dividend per share	31 December 2023	Annual dividend per share	31 December 2022
Sterling share				
Opening NAV per share		£0.9796		£1.1058
Closing NAV per share		£1.1134		£0.9796
<i>Capital return</i>		13.66%		(11.41)%
<i>Income return</i>	£0.08125	9.13%	£0.05250	4.66%
Total return		22.79%		(6.75)%
Euro share				
Opening NAV per share		€0.8902		€1.0266
Closing NAV per share		€1.0070		€0.8902
<i>Capital return</i>		13.12%		(13.29)%
<i>Income return</i>	€0.07000	8.57%	€0.05250	4.97%
Total return		21.69%		(8.32)%

NAV total return vs monitored indices

The NAV total return measures how the NAV per Sterling share and Euro share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders. The Company quotes NAV total return as a percentage change from a certain point in time, such as the initial issuance of Sterling and Euro shares or the beginning of the period, to the latest reporting date, being 31 December 2023 in this instance. It assumes that dividends paid to shareholders are reinvested back into the Company therefore future NAV gains are not diminished by the paying of dividends.

The Board monitors the Company's NAV total return against the Credit Suisse Western European High Yield Index (hedged in Euros) total return and Credit Suisse Western European Leveraged Loan Index (hedged in Euros) total return. The total return results for both the Company's NAV and the monitored indices over certain time periods are presented below:

	3 Months	6 Months	12 Months	Since inception
Sterling NAV Total Return	2.94 %	10.10 %	22.79%	9.32 %
Euro NAV Total Return	2.66%	9.42 %	21.69%	(1.55) %
Credit Suisse Western European High Yield Index (hedged in Euros) Total Return	5.39 %	7.11 %	12.50%	45.92%
Credit Suisse Western European Leveraged Loan Index (hedged in Euros) Total Return	1.83 %	5.42 %	12.46%	47.66 %

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED) (CONTINUED)

Alternative Performance Measures disclosure (continued)

Discount

The NAV per share is the value of the Company's assets, less any liabilities it has, divided by the total number of Sterling and Euro shares. However, because the Company's ordinary shares are traded on the London Stock Exchange's Main Market, the share price may be higher or lower than the NAV. The difference is known as a premium or discount. The Company's premium or discount to NAV is calculated by expressing the difference between the period end respective share class price (bid price) and the period end respective share class NAV per share as a percentage of the respective NAV per share.

At 31 December 2023, the Company's Sterling shares and Euro shares traded at £1.0050 (2022: £0.9200) and €0.9300 (2022: €0.8200), respectively. The Sterling shares traded at a discount of 9.73% (2022: 6.08% discount) to the NAV per Sterling share of £1.1134 (2022: £0.9796) and the Euro shares traded at a discount of 7.64% (2022: 7.88% discount) to the NAV per Euro share of €1.0070 (2022: €0.8902).

Ongoing charges

The Company has chosen the AIC's methodology for calculating an ongoing charges figure. In line with the AIC's recommended guidance on ongoing charges, the ongoing charges include the Company's operating expenses and a relevant proportion of the Investment Vehicle's operating expenses, excluding finance costs, share issue or buyback costs and non-recurring legal and professional fees, expressed as a percentage of the average of the weekly net assets during the year; refer below for further details. The Company's ongoing charges ratio for the year ended 31 December 2023 was 1.79% (2022: 1.78%). The Company's ongoing charges ratio is based on annualised ongoing charges of €4,530,036 (2022: €4,681,787) divided by average NAV in the year of €253,436,313 (2022: €263,566,986).

Calculating ongoing charges

The ongoing charges are based on actual costs incurred in the year excluding any non-recurring fees in accordance with the AIC methodology. Expense items have been excluded in the calculation of the ongoing charges figure when they are not deemed to meet the following AIC definition:

“Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund, excluding the costs of acquisition/disposal of investments, financing charges and gains/losses arising on investments. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs.”

Ongoing charges methodology²

In accordance with the recommended methodology for the calculation of an ongoing charge figure published by the AIC, the Company has incorporated, in addition to a relevant portion of the Investment Vehicle management fee,³ a relevant proportion Investment Vehicle operating expenses (that would be considered ongoing charges under the AIC methodology) into its own ongoing charges figure. For the avoidance of doubt, the ongoing charges ratio includes the Company's pro-rata share of the Investment Vehicle management fee, custodian and administration expenses and other general expenses but excludes interest costs and performance fees.

²The Company's ongoing charges are considered to be APMs and differ to the ongoing costs disclosed within the Company's KIDs which follows the methodology prescribed by EU rules. For example, the ongoing costs disclosed in the Company's KIDs include interest expense and are based on average ongoing charges over the past three years whereas the ongoing charges ratio disclosed in this report do not include interest expense and are based on ongoing charges incurred during the year ended 2023 only. The Company's most current KIDs and an accompanying explanatory note reconciling the two different ratios are available on the Company's website (<https://ig.cvc.com/key-information-documents/>).

³The Investment Vehicle management fee is 0.90%, which reduces by a further 5 basis points each time the Investment Vehicle's NAV exceeds €500m, €750m and €1bn respectively, to a minimum of 0.75% per annum.

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED) (CONTINUED)

Alternative Performance Measures disclosure (continued)

Refer below for ongoing charges reconciliation:

	31 December 2023	31 December 2022
	€	€
Total operating expenses for the year	1,436,945	1,701,287
Expenses excluded from the calculation of ongoing charges figures, in accordance with AIC's methodology:		
Professional fees	(92,597)	(263,961)
Total ongoing charges for the year (excluding Investment Vehicle operating expenses and management fee)	1,344,348	1,437,326
Add: Investment Vehicle operating expenses	947,462	916,140
Add: Investment Vehicle management fee ³	2,238,226	2,328,320
Total ongoing charges for the year (including Investment Vehicle operating expenses and management fee)	4,530,036	4,681,787
	31 December 2023	31 December 2022
	Sterling shares	Euro shares
Ongoing charges ratio	1.77%	1.82%
	Sterling shares	Euro shares
	1.76%	1.80%

³ The Investment Vehicle management fee is 0.90%, which reduces by a further 5 basis points each time the Investment Vehicle's NAV exceeds €500m, €750m and €1bn respectively, to a minimum of 0.75% per annum.

GLOSSARY

Administrator	BNP Paribas S.A., Jersey Branch
Advisor fees	Cost of services provided by Mr Justin Atkinson to assist with the marketing and promotion of the Company's shares
AGM	Annual General Meeting
AIC	Association of Investment Companies
AIC Code	AIC Code of Corporate Governance, February 2021
AIF	Alternative Investment Fund
AIFM	Alternative Investment Fund Manager
APMs	Alternative Performance Measures
Auditor	Ernst & Young LLP
Borrowing Limit	Up to an amount equal to 100% of the NAV of the Investment Vehicle at the time of borrowing
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CLOs	Collateralised Loan Obligations
Company	CVC Income & Growth Limited
Continuation Resolution	An ordinary resolution proposed by the Directors that the Company continue its business as a closed-ended investment company
Conversion Vehicle	Conversion SPV Limited
CPIM	CVC Credit Partners Investment Services Management Limited
Credit Opportunities	Refers to investments where CVC Credit Partners anticipates an event in a specific credit is likely to have a positive impact on the value of its investment. This may include events such as a repayment event before maturity, a deleveraging event, a change to the economics of the instrument such as increased margin and/or fees or fundamental or sentiment driven change in the value. CVC Credit Partners seeks relative value opportunities which involve situations where market technicals have diverged from credit fundamentals often driven by selling by mandate constrained investors, CLO managers or hedge funds rebalancing their portfolios, macro views affecting different credit instrument types or sales by banks. CVC Credit Partners has additional flexibility compared to mandate-constrained capital and believes these assets have potential for capital gains and early cash flow generation based on the acquisition prices
CVC Group	CVC Group being CVC Credit Partners and CVC Credit Partners Group Holding Foundation, together with its direct and indirect subsidiaries and their respective affiliates and excluding any funds managed and/or advised by the CVC Group
DTRs	Disclosure Guidance and Transparency Rules

GLOSSARY (CONTINUED)

EEA	European Economic Area
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
ELFA	European Leveraged Finance Association
Enterprise Multiple	Enterprise value divided by EBITDA
ESG	Environmental, Social and Governance
EU	European Union
FRC	Financial Reporting Council
IFRS	International Financial Reporting Standards
IFRS 13	IFRS 13 – Fair Value Measurement
IPO	Initial Public Offering on 25 June 2013
Investment Vehicle	Compartment A of CVC European Credit Opportunities S.à r.l.
Investment Vehicle Manager (CVC Credit Partners)	CVC Credit Partners Investment Management Limited
Investment Vehicle Services Manager	CVC Credit Partners Investment Services Management Limited
JNP	Jersey National Park
KID	Key Information Document
KPIs	Key Performance Indicators
Loan to Value	Total leverage divided by Enterprise Multiple
LTM	Last twelve months
NAV	Net Asset Value
NPPRs	National Private Placement Regimes
PECs	Preferred Equity Certificates
Performing Credit	Generally refers to senior secured loans and senior secured high yield bonds sourced in both the primary and secondary markets. The investment decision is primarily driven by a portfolio decision around liquidity, cash yield and volatility
PRI	Principles for Responsible Investment
SID	Senior Independent Director
TCFD	Task Force on Climate-Related Financial Disclosures
Trust	CVC Credit Partners European Opportunities Limited Purpose Trust
Total Leverage	Total debt divided by EBITDA
UK Code	The UK Corporate Governance Code 2018
Viability Statement	A statement made by the Directors explaining how they assessed the prospects of the Company, over which period they have done so and why they consider that period to be appropriate

COMPANY INFORMATION

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WC2R 0AG

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Administrator and Company Secretary

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St Helier, Jersey
JE1 1ES

Distribution and Investor Relations Adviser to the Company

Cadarn Capital Ltd
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London
EC2Y 9DT

¹BNP Paribas S.A., Jersey Branch is regulated by the Jersey Financial Services Commission.

For Investors in Switzerland:

The Prospectus, the Memorandum and Articles of Association as well as the annual and half-yearly financial reports of the Company may be obtained free of charge from the Swiss Representative. In respect of the shares distributed in and from Switzerland to qualified investors, the place of performance and the place of jurisdiction is at the registered office of the Swiss Representative.

Swiss Representative: First Independent Fund Services Ltd., Feldeggstrasse 12, CH-8008 Zurich, Switzerland.

Swiss Paying Agent: Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich, Switzerland.