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 12 July 2022

**Foresight Group Holdings Limited**  
**Full year results for the year ended 31 March 2022**

**Delivered on strategic targets in our first full year as a public company with significant progress made post year end**

Foresight Group Holdings Limited ("Foresight", "the Group"), a leading infrastructure and private equity manager with a long-established focus on ESG and sustainability-led strategies, is pleased to announce its results for the year ended 31 March 2022 ("FY22").

**STRATEGIC AND FINANCIAL HIGHLIGHTS**

Achieving on all four of our strategic targets:

- **23% increase in Assets under Management ("AUM")** to £8.8 billion, in line with our ambitious target of 20-25% annual growth in AUM; 30% increase in Funds under Management ("FUM") to £6.7 billion
- **High quality recurring revenues comprised 87% of total revenue**, comfortably within our 85-90% target range
- **37% core EBITDA pre-Share Based Payments ("SBP") margin** delivered through a combination of strong revenue growth and cost discipline, well on track to meet our 43% medium term target
- **Final dividend of 9.8p**, supported by a robust closing cash position; the resulting 13.8p total dividend per share is in line with our 60% target payout ratio

Key Financial Metrics	31 March 2022	31 March 2021	Change
Year-end AUM (£m)	<b>8,839</b>	7,193	+22.9%
Year-end FUM (£m)	<b>6,675</b>	5,132	+30.1%
Total Revenue (£m)	<b>86.1</b>	69.1	+24.6%
Recurring Revenue (% of Total)	<b>86.9%</b>	90.3%	-3.4 pts
Core EBITDA pre-SBP <sup>[1]</sup> (£m)	<b>31.8</b>	23.9	+33.1%
Core EBITDA pre-SBP <sup>1</sup> margin (%)	<b>37.0%</b>	34.6%	+2.4 pts
Earnings per Share (p)	<b>23.2p</b>	14.9p	+8.3p
Dividend per Share (p)	<b>13.8p</b>	1.7p	+12.1p

**OPERATIONAL HIGHLIGHTS**

The significant FY22 AUM and revenue growth delivered across all three of Foresight's business divisions reflects the excellent progress made by the Group towards achieving our strategic objectives.

**Infrastructure**

- Infrastructure AUM and revenue increased to £6.3 billion and £50.8 million respectively (FY21: £5.4 billion and £43.4 million)
- Significant and diverse fundraising achieved, including further closes of the Foresight Energy Infrastructure Partners fund which reached a total of €851.4 million (70% ahead of target) and the successful listing of our dedicated UK forestry fund, Foresight Sustainable Forestry Company ("FSFC")
- Investment into core asset classes, including forestry and fibre networks, while expanding into new and adjacent assets such as geothermal energy, pumped hydro, interconnectors and hydrogen. Largely achieved through further investment in development platforms which involve moderate initial deployments with substantial opportunities for further future deployments
- FY22 deployment figures reflect the investment in development platforms, with 41 transactions at a total value of £484 million coupled with substantial future deployment rights of £427 million, giving a total of £911 million (FY21: 46 transactions, £595 million deployed, future deployment rights of £47 million)

**Private Equity**

- Private equity AUM and revenue increased to £0.9 billion and £23.9 million respectively (FY21: £0.7 billion and £18.2 million)
- £216 million raised across regional private equity strategies
- £81 million deployed across 53 equity transactions (FY21: £59 million deployed across 41 equity transactions)
- Strong performance by the Group's first North West fund (FRIF) exceeded expectations, generating performance fees in FY22 and already delivering a gross cash return of 1.8x total fund cost after three realisations with 14 portfolio companies remaining

**Foresight Capital Management ("FCM")**

- FCM AUM and revenue increased to £1.6 billion and £11.4 million respectively (FY21: £1.1 billion and £7.5 million)
- Net inflows and performance of £455 million in the year ended 31 March 2022. This includes £72 million of net inflows and performance in Q4 FY22, a strong result given the challenging market backdrop
- Expansion of the OEIC offering in Q4 FY22 with the launch of the award-winning FP Foresight Sustainable Future Themes Fund

## CURRENT TRADING AND OUTLOOK

The Group delivered a resilient trading performance in the three months to 30 June 2022, achieving AUM growth in line with our annualised target despite challenges in listed market valuations. This reflects the strength of Foresight's diversified approach with both real assets and unquoted investments performing strongly.

- AUM increased to £9.4 billion<sup>[2]</sup>, up 20% on the three months to 30 June 2021 (£7.8 billion)
- FUM increased to £7.2 billion<sup>2</sup>, up 27% on the three months to 30 June 2021 (£5.7 billion)
- Foresight's private equity AUM increased to over £1.2 billion
  - First close reached for the AIB Foresight Impact Fund launched, our private equity team's first expansion outside the UK, with a local office in Dublin due to open shortly
  - First close reached for two additional UK regional funds, Foresight West Yorkshire SME Investment Fund and Foresight Regional Investment IV, which will focus on the North East and Yorkshire
  - Completed our first strategic acquisition post-IPO, with the acquisition of the technology ventures division of Downing LLP including the management of Downing's Venture Capital Trusts and its Enterprise Investment Scheme to create a leading ventures proposition
- Having fully deployed the £130 million raised in its IPO, FSFC successfully raised a further £45 million<sup>[3]</sup> in June 2022 which will be used to acquire further properties within its imminent pipeline of forestry and afforestation assets

### Bernard Fairman, Executive Chairman of Foresight Group Holdings Limited, commented:

"I am delighted to report that Foresight's first full year as a public company was highly successful and saw us deliver on the promises we made when we listed in February 2021. Our financial performance was ahead of our expectations set out at the time of the IPO and we made significant progress towards achieving our strategic priorities to grow, diversify and expand the business.

Our expertise and track record enable us to access the increasing number of high-quality investment opportunities in rapidly growing markets across both public and private vehicles. Although the decarbonisation of energy generation and the shift to a more sustainable society is accelerating, these changes continue to present multi-year opportunities for us. We are confident that the outlook for Foresight in the coming year and beyond continues to be very positive."

### Analyst Presentation

A pre-recorded presentation will be available to view on the Company's website (<https://www.fsg-investors.com>) on 12 July 2022.

This presentation will be played at the start of a webcast from 9.00 a.m. (UK time) on 12 July 2022 and be followed by live Q&A for analysts hosted by Bernard Fairman (Executive Chairman) and Gary Fraser (CFO and COO).

Those wishing to join should register via the following link:

[Register here](#)

For further information please contact:

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### About Foresight Group Holdings Limited

Foresight Group was founded in 1984 and is a leading listed infrastructure and private equity investment manager. With a long-established focus on ESG and sustainability-led strategies, it aims to provide attractive returns to its institutional and private investors from hard-to-access private markets. Foresight manages over 330 infrastructure assets with a focus on solar and onshore wind assets, bioenergy and waste, as well as renewable energy enabling projects, energy efficiency management solutions, social and core infrastructure projects and sustainable forestry assets. Its private equity team manages ten regionally focused investment funds across the UK and an SME impact fund supporting Irish SMEs. This team reviews over 2,200 business plans each year and currently supports more than 200 investments in SMEs. Foresight Capital Management manages four strategies across six investment vehicles with an AUM of over £1.6 billion.

Foresight operates from 12 offices across six countries in Europe and Australia with AUM of c. £9.4 billion as at 30 June 2022<sup>[4]</sup>. Foresight Group Holdings Limited listed on the Main Market of the London Stock Exchange in February 2021.  
<https://www.fsg-investors.com/>

### Disclaimer

#### Inside information

This announcement contains information, as that term is defined in the UK version of the Market Abuse Regulation (Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014), which is incorporated into English law by virtue of the European Union (Withdrawal) Act 2018

### Forward-looking statements

This statement, prepared by Foresight Group Holdings Limited (the "Company"), may contain forward-looking statements about the Company and its subsidiaries (the "Group"). Such forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "projects", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other various or comparable terminology. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which are beyond the Company's control and are based on the Company's beliefs and expectations about future events as of the date the statements are made. If the assumptions on which the Group bases its forward-looking statements change, actual results may differ from those expressed in such statements. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including those set out under "Principal Risks" in the Company's annual report for the financial year ended 31 March 2022. The annual report can be found on the Company's website ([www.fsg-investors.com](http://www.fsg-investors.com)). Forward-looking statements speak only as of the date they are made. Except as required by applicable law and regulation, the Company undertakes no obligation to update these forward-looking statements. Nothing in this statement should be construed as a profit forecast.

## **EXECUTIVE CHAIRMAN'S STATEMENT**

### **Introduction**

It is rarely the case that any business benefits from all its divisions performing strongly at the same time, with an accommodative policy background, but that is how we are positioned right now. The diversity of Foresight's offering, with over 35 retail and institutional solutions, also provides a high degree of resilience against changing market conditions and positions us well for continued success.

This was our first full year as a public company and I am delighted to report that it was highly successful, as we delivered on the promises we made when we listed in February 2021. Our financial performance was ahead of our expectations, reflecting the quality of our business, and we achieved strong growth in AUM.

We also made excellent progress with implementing our strategic objectives as we launched new funds, further diversified our investor base, successfully deployed significant amounts of capital into both infrastructure and private equity and expanded into new asset classes. Following the year end we also completed our first strategic acquisition post-IPO as described in Post year end events below.

To support our growth, it is important to align our people strategies with our strategic objectives. This year we have strengthened and expanded our executive leadership team by adding Ricardo Piñeiro (Co-Head of Infrastructure), Matt Smith and James Livingston (Co-Heads of Private Equity) (subject to FCA approval).

These promotions reflect the key contributions and impact each of these individuals have made to our success to date and the depth of management strength we have built at Foresight over the past 38 years. Their contribution to the executive leadership team will enrich our business and shape the future of Foresight.

The Group is a key player in two markets that are growing rapidly: worldwide renewable energy infrastructure and UK-based regional private equity. Renewable energy infrastructure is being driven by favourable economics, as well as the heightened focus on energy security, following Russia's invasion of Ukraine.

This benefits both our infrastructure funds and our sustainability-orientated investment products within the Foresight Capital Management division.

In Private Equity, the economic impact of the pandemic has further increased the need for capital to flow to SMEs in the UK regions, and our work here aligns with the government's agenda to reduce regional inequalities and create new jobs. These macro trends will present opportunities for Foresight for many years to come.

### **Operational and financial highlights**

The Group generated significant organic growth across our international footprint during the year, resulting in an improved competitive position. The substantial AUM growth we delivered during the year, at £1.6 billion, reflect our position as a player of increasing scale that is well positioned to take advantage of growing markets.

AUM rose by c.23% to £8.8 billion (31 March 2021: £7.2 billion), with FUM up 30% to £6.7 billion (31 March 2021: £5.1 billion).

Revenues increased by 25% to £86.1 million (31 March 2021: £69.1 million), largely driven by higher management fees as a result of the growth in FUM. Recurring revenues were 86.9% of the total, within our expected range of 85-90%. Total revenues include performance fees, principally from one of our private equity funds (Foresight Regional Investment Fund) which exceeded its performance hurdles and our expectations.

Core EBITDA pre share-based payments grew 33% to £31.8 million (31 March 2021: £23.9 million), reflecting the revenue increase and the operational gearing inherent in the business. This resulted in an associated margin of 37% (31 March 2021: 34.6%).

More information on our financial and operational performance can be found in the Financial Review and Business Review sections of our FY22 Annual Report.

### **Dividend**

The Board targets a total dividend payout of 60% of profit after tax, paying approximately one-third of the total dividend for the year as an interim dividend and approximately two-thirds as a final dividend. In line with this policy, we have declared a final dividend of 9.8 pence per share. Combined with the interim dividend of 4.0 pence per share, this gives a total in respect of the year of 13.8 pence per share. The final dividend will be paid on 14 October 2022 based on an ex-dividend date of 18 August 2022, with a record date of 19 August 2022. Moving forward, the Board's intention is that the interim dividend will represent 30% of the prior year's total dividend.

### **People and culture**

Foresight is a people business and we continue to build on our people strategies to attract, retain, develop and engage with the talented and ambitious people we employ. As we grow the business, we look to give people increased opportunity to

make a sustainable impact, to achieve collective success working for one of the market leaders and create relationships based on integrity. This year, we have invested significant time in developing our employee value proposition, which is covered in more detail on page 16 of our FY22 Annual Report within the investment case.

As the pandemic abated and allowed us to return to our offices, we were proud to achieve our highest-ever employee engagement score, at 83%. This reflects our focus on creating a sustainable culture, where everyone who joins us is given the opportunity to thrive.

### **Sustainability**

Our belief is that sustainability and economics are interlinked which means that first and foremost, the projects and companies we invest in must generate attractive returns for our investors. Only by achieving these returns will we be able to raise further capital and continue to deliver important benefits to society. At the same time, we believe that sustainable businesses are better businesses and will deliver superior returns, particularly over the long term. It is this combination of economics and sustainability that underpins the culture we are so proud of at Foresight.

Our Infrastructure investments are playing a key role in the transition to a low-carbon power system, while in Private Equity we have a rigorous approach to helping investee companies manage their approach to sustainability and ESG. We are also addressing our own environmental performance, having offset our scope 1, 2 and 3 emissions<sup>1</sup> this year and initiated a plan to reach net zero by 2050.

In addition, we agreed an innovative collaboration with the Eden Project in June 2022, which will start with the creation of a nature recovery approach for Foresight. This will define how businesses such as ours can respond to nature recovery, demonstrate tangible positive outcomes for nature through our portfolio of assets and engage with communities and stakeholders to create action.

Further details on this exciting new partnership for the Group can be found in our Sustainability section of the FY22 Annual Report on pages 48 to 81, which also includes information on our continued support for the UN Global Compact.

### **Post year end events**

Following the year end we had further significant success in our private equity fundraising activity with the launch of two new UK regional funds and our first non-UK fund in partnership with AIB in Ireland.

We were also able to announce our first strategic acquisition post-IPO with the acquisition of the investment mandates of Downing's ventures businesses. These provide an excellent strategic fit for Foresight, complementing our existing portfolio and adding scale. This transaction represents a significant strategic step and, in conjunction with the new funds, takes our private equity AUM to over £1.2 billion.

### **Outlook**

We have excellent positions and proven expertise in sustainable infrastructure and UK regional private equity. The UK Government's levelling up agenda, supporting business growth in the regions and the growing demand for sustainable investments and OEIC products are just two examples of the long-term structural trends in our core markets that combine to create a rapidly growing opportunity for Foresight, as evidenced by the recent expansion in our private equity footprint.

In addition, we believe that the energy transition will affect many sectors in addition to energy itself, including industry and transport. We also expect increased appreciation of the importance of natural capital, from more sustainable farming practices to the critical role of forests, soil and oceans in tackling climate change and promoting biodiversity. We will be launching new funds to address these incredibly important markets soon.

While the decarbonisation of energy generation and the shift to a more sustainable society are accelerating, these changes cannot happen instantly and they present multi-year opportunities across our international footprint, which we remain committed to expanding. We are therefore confident that the outlook for the Group in the coming year and beyond continues to be very positive.

1. Excluding category 15, emissions from investments.

## **BUSINESS REVIEW**

Foresight's investment strategies are designed to generate long-term investment returns that have a positive impact on the world and create a sustainable legacy for future generations.

### **INFRASTRUCTURE**

#### **Market opportunity**

The infrastructure market is characterised by powerful long-term structural trends, in particular the transition to a low-carbon energy system. We are also seeing increasing emphasis on sustainable agriculture, aquaculture and natural capital, including the role of forests, soil and oceans in sequestering carbon and maintaining biodiversity.

- Strong global decarbonisation and green recovery agendas
- Energy security is a much greater priority for many governments, following Russia's invasion of Ukraine
- Sustainability-led investment is increasing across key markets
- Investors increasingly attracted to uncorrelated returns offered by sustainable infrastructure

#### **Overview**

As one of Europe's most established real assets investors, we provide a complete end-to-end solution for retail and institutional investors, from investment origination and execution, including sourcing and structuring the transaction, to the ongoing and active technical asset management of operating assets.

An important part of our approach is utilising our international presence to access the best available markets at any given time and originate new deals through established networks. Due to the Infrastructure Team's extensive experience and track record, Foresight is able to deploy and manage capital across a wide range of infrastructure sectors at various stages of an asset's life, from development, construction and operational. This creates further investment opportunities and

generates strong returns on investment.

The asset management process focuses on operational performance, asset optimisation, commercial management and useful life enhancement, with the objective of generating sustainable long-term asset operations and associated economic benefits.

As at 31 March 2022, Foresight Infrastructure had AUM of £6.3 billion. The portfolio comprised 337 infrastructure assets across 15 asset classes, with a total installed capacity of 3.1GW. This included £4.0 billion of renewable generating assets in the UK, Europe and Australia, with 2.6GW of capacity, as well as 572MW of flexible generation and 11,385 hectares of forestry assets.

### **Sustainability at the heart of the investment process**

To ensure that all Infrastructure investments meet our high standards of sustainability and ESG-related performance, we evaluate them using our Sustainability Evaluation Tool ("SET"). Our SET provides an objective view of sustainability credentials and performance through the use of recognised quantitative KPIs, guiding our team to the areas that require the most attention. The output from our SET forms an integral part of the investment approval process at Foresight.

We score investments against key assessment parameters, across five areas:

- Sustainable development contribution: contribution towards decarbonisation
- Environmental footprint: localised environmental impacts
- Social engagement: role in the local communities
- Governance: compliance with laws and regulations
- Third-party interactions: supply chain sustainability

All KPIs are weighted based on internal prioritisation and materiality assessments and scored from one to five. While we do not have a minimum score against each assessment parameter, we aim for all our assets to score at least an average of three out of five after mitigation and be consistent with the sustainability and ESG standards across the Foresight portfolio.

Once we have acquired an asset, our asset management team monitors performance and continually investigates ways to improve the asset's sustainability. During the year, we created a new module for sustainability KPIs within our management system. This allows us to centralise data on key environmental and social metrics and analyse our performance.

### **Capital deployment and fundraising**

Foresight Infrastructure performed very well during the year. The team continues to position itself as a sustainability-led partner for projects in the low-carbon energy generation and enabling infrastructure, natural capital and social and core infrastructure sectors.

We invested across a wide range of funds and across multiple sectors and geographies. We invested further into our core asset classes, including solar, wind and forestry, continued our rollout of compressed natural gas fuelling stations and grew our footprint in biomass, which enables 24/7 energy generation. We also invested further in fibre networks in underserved communities, which will help people gain access to services and support economic levelling up.

The Infrastructure Team also expanded its investments into new asset classes, such as geothermal energy, pumped hydro, interconnectors and hydrogen, which are described in case studies in the FY22 Annual Report on pages 29, 31 and 33. These transactions have enabled us to develop platforms requiring development capital, while giving us access to large, long-term capital projects. As a result, we expect these asset classes to become part of our core business, as we add scale through diversification.

In total, we completed 41 transactions during the year, committing £484 million of capital.

The transactions also incorporate substantial future deployment rights totalling £427 million, to give a total potential investment secured in the year of £911 million. This is a significant increase on the total for FY21 of £642 million, which comprised £595 million of deployment and £47 million of future deployment rights, across 46 transactions.

Fundraising was strong during the year. Foresight Energy Infrastructure Partners ("FEIP") completed its final close on 14 September 2021, securing total commitments of €851.4 million, 70% over the original €500 million target. Including co-investments to date of €170 million, this represents a total capital pool in excess of €1 billion for Foresight's energy transition strategy. Commitments were made by over 35 leading institutional investors from the UK, Europe and North America.

In November 2021, Foresight Sustainable Forestry Company Plc ("FSFC") successfully listed on the London Stock Exchange, raising gross proceeds of £130 million. This is the Group's first investment vehicle dedicated to forestry and offers a different economic profile to most listed funds, based on long-term capital growth and yield.

We also completed fundraises across a number of our existing funds, including strong additional fund flows from retail investors, who tend to generate relatively consistent inflows for us throughout the financial year.

During the year we had one mandate transfer to another investment manager, representing less than 3% of Foresight's AUM.

### **Infrastructure market outlook**

#### ***The sustainability transition***

The overall transition to sustainable energy and infrastructure can be categorised into three distinct phases, which frame the wide range of opportunities resulting from it. These phases are shown in the table below. We provide our institutional and retail investors with access to investment opportunities that address these three phases, as well as the broader core and social infrastructure markets. As we leverage our expertise and grow the scale of our investments in phases 2 and 3, they will increasingly become part of our core asset classes, continuing our growth.

<b>Phase 1:</b>	<b>Phase 2:</b>	<b>Phase 3:</b>
<b>Initial power transition</b>	<b>Systemic power transition</b>	<b>Wider sustainable transition</b>

Phase 1 was characterised almost entirely by renewables being added to power grids, with no particular need to upgrade systems to accommodate them. During this phase, renewables became a mature and highly popular asset class for institutional investors. Phase 1 continues to present significant investment opportunities for us over the coming years.

As power systems in Europe, North America, China and elsewhere increasingly decarbonise, there is more focus on taking a systemic view of electricity production. This particularly relates to energy storage and grid flexibility, and new power transmission and distribution infrastructure. This informs the strategy of funds such as FEIP.

In addition to energy, we need to address the c.70% of emissions from other segments of the global economy. Financing decarbonisation of these sectors is likely to be more complex than renewables but represents a large opportunity for investors.

Sectors of opportunity:	Sectors of opportunity:	Sectors of opportunity:
<ul style="list-style-type: none"> <li>· Solar</li> <li>· Onshore and offshore wind</li> <li>· Bioenergy</li> <li>· Hydro</li> </ul>	<ul style="list-style-type: none"> <li>· Battery storage</li> <li>· Offshore wind transmission links</li> <li>· Interconnector cables</li> <li>· Geothermal energy</li> <li>· Pumped hydro</li> <li>· Electric vehicle charging infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>· Controlled environment food production (e.g. high-tech glasshouses, vertical farms or onshore fish farms)</li> <li>· Clean and advanced transport (e.g. sustainable biofuels and electric vehicles)</li> <li>· Industrial decarbonisation</li> <li>· Hydrogen</li> </ul>

### Market developments in FY22

During the period, there were a number of government and other announcements that supported Foresight Infrastructure's aim to decarbonise the energy system. These are summarised below:

- In April 2021, the UK Government announced a more ambitious climate change target, to reduce emissions by 78% by 2035 compared to 1990 levels. This will take the UK more than three-quarters of the way to reaching net zero by 2050. In the Balanced Net Zero Pathway set out in the Carbon Budget, in-year capital investment increases significantly during the 2020s and early 2030s, from around £10 billion in 2020 to around £50 billion by 2030.
- In July 2021, the European Commission unveiled its plan to meet its target of reducing emissions by 55% by 2030, as a first step towards carbon neutrality in 2050. The Commission proposed to increase the binding target for renewable energy in the EU's energy mix to 40%. To fund this, it is estimated that annual investment in the European energy system will need to increase by around €350 billion in the decade to 2030.
- In November 2021, government officials from around the world met at COP26 in Glasgow to discuss plans for tackling the climate crisis. This included an agreement to end and reverse deforestation by 2030, signed by countries covering 85% of the world's forests. FSF intends to invest up to 10,000 hectares into afforestation projects in its first year, contributing c.1/3rd of the annual target of the UK Government.

More recently, Russia's invasion of Ukraine has caused a significant increase in governments' focus on energy security, particularly in Europe, where a number of countries are reliant on Russian fossil fuels. This has given even greater momentum to policy changes driving the transition to clean energy.

In April 2022, the UK Government published its energy security strategy. In addition to measures to improve energy efficiency and support investment in nuclear power and network infrastructure, this included, among other things:

- Increasing deployment of offshore wind by 25%, to deliver up to 50GW by 2030
- Targeting a five-fold increase in solar capacity by 2035
- Setting an ambition for 10GW of hydrogen production by 2030

In May 2022, the European Commission presented its REPowerEU plan, "to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition". Among a wide range of measures, this included:

- An EU Solar Strategy, to double solar photovoltaic capacity by 2025 and install 600GW by 2030
- Measures to integrate geothermal and solar thermal energy in modernised district and communal heating systems
- Tackling the slow and complex issue of permits for major renewable projects
- Targeting 10 million tonnes of domestic renewable hydrogen production by 2030, with additional funding of €200 million for research

Delivering the objectives of REPowerEU requires additional investment of €210 billion by 2027.

Elsewhere, the Australian general election in May 2022 is likely to lead to a material change in the country's energy policy. The victorious Labor Party's Powering Australia plan is intended to stimulate AUS\$76 billion of investment to provide cheaper renewable energy. The plan targets an increase in the share of renewable electricity to 83% by 2030.

The combination of the requirement to decarbonise the power system, increase energy security and shift to a sustainable society more generally means that Foresight Infrastructure's offering has become even more valuable in the last year, across all the sectors that we invest in. These changes will require growing amounts of private capital to deliver public infrastructure projects and the outlook for Foresight Infrastructure is therefore highly positive.

## PRIVATE EQUITY

### Market opportunity

Foresight Private Equity has a UK regional focus, which we believe is a key strength and differentiator. We target investment in sectors with favourable long-term trends and structural growth drivers. Investments cover a range of maturity profiles, from early stage to more mature small companies. Annual revenues at portfolio companies are typically in the £2 million to

£20 million range, although venture and seed investments can be into high tech, pre-revenue companies, which include university spin-outs.

- Our analysis shows that more than 80% of all UK SMEs are based outside London and the South East
- Foresight's regional focus aligns with the UK Government's agenda to invest in and grow regional economies outside London and the South East
- Foresight believes transactions requiring between £1 million and £5 million are the least competitive and most attractive in the UK private equity market, from a value creation perspective
- The funding gap for SMEs has further widened in the aftermath of COVID-19
- Opportunities are increasing in the specialist lending market, as SMEs look for alternatives to the high street banks for borrowing

### Overview

Foresight Private Equity manages investments in 131 UK SMEs, across a range of sectors. AUM at 31 March 2022 stood at £930 million, up 30% from £714 million at 31 March 2021.

We use a broad mix of product types to facilitate fundraising from both institutional and retail investors, with 11 different investment vehicles including Venture Capital Trusts, regional institutional funds, Enterprise Investment Schemes and Inheritance Tax Solutions.

ESG considerations are core to Foresight's investment management approach. Our Private Equity Team makes sustainable growth investments into SMEs that have the potential to create broad, long-term ESG benefits through their operations and continuous improvement.

We understand that many SMEs struggle to adopt ESG best practices and we work in partnership with our portfolio companies to put ESG principles at the heart of their decision making. This improves performance, differentiates them from their competitors and drives real value at the time of exit.

The Private Equity Team's approach to ESG is under continuous review and development, with a view to making regular improvements reflecting market best practice. The Private Equity Team reviews investments across four Sustainable Development Goal aligned Themes, to understand where each investment may have the greatest impact:

- Health
- Research and Innovation
- Quality employment at scale
- Local infrastructure and the environment

The investment team then use five ESG principles to evaluate, monitor and encourage portfolio companies to make improvements:

1. Awareness: ESG/sustainability issues on the agenda at board meetings
2. Environmental: Environmental policies and track record
3. Social engagement: Community and stakeholder engagement
4. Governance: Policies and risk management
5. Third-party interactions: Supply chain transparency, including modern slavery

Foresight Private Equity received ESG Champion of the Year at the Growth Investor Awards 2021, reflecting its ongoing success with driving ESG performance.

### Performance

The Private Equity Team had another active year, with SMEs more able to focus on their corporate strategies as the uncertainties created by COVID-19 eased. In total, the team deployed £81 million across 53 equity transactions (FY21: £59 million deployed across 39 businesses, through 41 equity transactions). Foresight Private Equity also significantly increased its provision of capital to specialist lenders to SMEs, investing £47 million in the year, up from £13 million in FY21.

The funds deployed come from 13 vehicles of which 11 continue to make new investments and cover a wide variety of sectors and investment types. All our funds are making good progress with deployment, investing capital at the rate we expected, and our strong exit returns track record was further enhanced. This supports both our earnings and our ability to raise further money in the future.

During the year, the Private Equity Team completed successful realisations from both retail and institutional funds. Notable examples include:

- Mologic, a health diagnostics company providing contract research services for clients and developing its own range of proprietary point-of-care diagnostics products. The company was sold to Global Access Health, a not-for-profit company financed by the Soros Economic Development Fund, returning 3.1x to Foresight funds, inclusive of expected deferred consideration.
- Poppy & Jacks, a nursery chain, was sold to national chain Kids Planet Day Nurseries, returning 2.5x the initial investment.
- DA Languages, a Manchester-based business providing translation and interpretation services.

Following the DA Languages disposal, and supported by the two previous strong exits, the Foresight Regional Investment Fund LP ("FRIF") has already delivered a gross cash return of 1.8x total fund cost, with 14 portfolio companies remaining. FRIF is based in the North West and was the first in a series of regional investment funds for Foresight, with different geographic remits across the UK (see Fundraising).

During the year, portfolio companies have had to continue to adapt to challenges stemming from COVID-19 and the Brexit transition, including disruptions to supply chains which are leading to longer lead times for certain goods and inflationary pressures. At the same time, so far portfolio companies are generally proving able to maintain their gross margins through price increases, while some leisure and industrial companies are currently benefiting from the substantial pent-up demand caused by the COVID-19 shutdowns.

Our analysis of the portfolio has shown very limited direct impact of the Russia-Ukraine war on our portfolio companies. However, all businesses will face the indirect impact of increasing inflation, including energy costs, over the coming months.

As a result of these economic conditions, we have encouraged companies to closely monitor cost pressures in the supply chain and to implement long-term pricing strategies, ensuring they have plans to manage a variety of future inflation scenarios.

### **Fundraising**

In the retail funds market, Foresight VCT plc and Foresight Enterprise VCT plc launched offers for subscription during the year. At the date of this report, these offers had raised approximately £24 million, with the Foresight Enterprise VCT offer for subscription remaining open.

In May 2021, Foresight held the first close of its latest regional private equity fund, the North West-focused Foresight Regional Investment Fund III LP. The Fund raised an initial £66 million from institutional investors, exceeding the size of the previous Foresight fund focused on this region, and increased to £83 million with a second close post year end. The Greater Manchester Pension Fund is the cornerstone investor, with support from Clwyd and Merseyside Pension Funds. Like its predecessor, the Fund is targeting investments in established SMEs valued at up to £30 million in North West England, North Wales and beyond. This is the third fund in the series of regional investment funds, following the initial North West fund and a second fund focused on the East of England.

### **Post period end**

Since the end of the financial year, we have announced our appointment by Allied Irish Banks ("AIB") to manage a new equity fund which will support SMEs across Ireland. AIB will be a cornerstone investor in the fund, which aims to stimulate job creation and deliver a more sustainable future. The fund will typically provide equity investments of €2 million to €5 million and should close imminently, subject to customary regulatory approvals.

AIB has signed an initial commitment of €30 million to the fund, which will target a total raise of €75 million over time. Foresight will shortly open an office in Dublin to support the delivery of the fund and is actively seeking investment opportunities. This is our first expansion into Ireland and the first fund outside the UK for the Private Equity Team. The fund is positioned to benefit from Foresight's breadth of experience across both private equity and infrastructure, leveraging their specialisms to deliver attractive risk-adjusted returns to its investors.

We had further significant success in our fundraising activity with the launch of two new UK regional funds covering the North East, Yorkshire and West Yorkshire regions. These strategically important funds will support the establishment of new offices in Leeds and Newcastle.

We were also able to announce the acquisition of the investment mandates of Downing's ventures businesses, which provide an excellent strategic fit for our business, complementing our existing ventures portfolio and adding scale. The transaction represents a significant strategic step and, in conjunction with the new funds, takes our private equity AUM to over £1.2 billion.

### **Private equity market outlook**

The UK remains an excellent place to start, scale and sell a business, with broad pools of talent and an entrepreneurial culture. Our analysis shows that more than 80% of the UK's SMEs are outside London and the South East, presenting a significant base of potential investments for us. The markets we target have varying levels of competition and we continue to be a leader in the provision of capital in those markets, particularly for sub-£5 million investments.

The government remains supportive of driving investment in businesses throughout the UK regions, through the British Business Bank among other mechanisms. The Chancellor of the Exchequer has also encouraged local government pension schemes to invest more locally, although it remains to be seen if this will lead to greater activity.

The equity gap we fill with our investments remains firmly in place and has only been increased by COVID-19. Forward-thinking companies that used government support during the pandemic, which was primarily in the form of debt, are now looking to raise equity to strengthen their balance sheets ahead of expansion. New investments will be well positioned to benefit from the growth phase of the next economic cycle. SMEs are also looking for alternatives to the high street banks for borrowing, increasing the potential for us in the specialist lending market.

We also see many corporates and large private equity investors looking to deploy capital. This means the M&A market for SMEs remains open and we have a promising pipeline of potential exits.

## **FORESIGHT CAPITAL MANAGEMENT**

### **Market opportunity**

There is growing demand, both in the UK and internationally, for retail and institutional investors to be able to access sustainability-oriented investment products that hold listed securities. FCM has a differentiated approach to this market, being able to draw on the Group's experience in investing in private markets through Foresight's Infrastructure and Private Equity divisions, and apply those skills and knowledge to investing in public markets. This gives FCM capabilities that are hard to replicate.

- Raised net inflows into all our strategies, pointing to strong demand for our open ended funds
- International investors also increasingly demanding access to sustainable investment strategies
- Opportunity for FCM to launch further investment vehicles to provide access to its existing strategies
- FCM's platform is scalable and has significant capacity for further growth in AUM
- Potential to target a wider range of investors, in addition to the current focus on IFAs and wealth managers

### **Overview**

FCM has a team of nine investment professionals, who follow an active, hands-on investment process. The team is highly focused on the underlying assets and regularly visits companies around the world, reflecting its global investment remit. As a sustainability-led investor, FCM has a clear view of the speeds at which different sectors in different geographies are addressing sustainability risks and opportunities. The investment approach is bottom-up and conviction-based, allowing FCM to invest in the best opportunities, wherever it finds them.

FCM primarily distributes its products through intermediaries, principally independent financial advisers ("IFAs"), wealth managers and private banks. The division works to develop strong relationships with these intermediaries, aiding capital retention and making these assets less volatile than is often seen with direct-to-consumer distribution.

At 31 March 2022, FCM had £1.6 billion of AUM, up 43% during the year (31 March 2021: £1.1 billion). This reflected robust inflows during the year and the benefit of investment performance.

FCM has dedicated internal resource focused on sustainability due diligence and analysis. Several of FCM's strategies are aligned with a bespoke sustainable investment policy, which alongside active engagement with investee management helps to ensure we vote in a manner that is consistent with widely accepted ESG practices. If an investment fails to meet our sustainable investment criteria and that company chooses not to engage, we will consider divestment.

### Investment strategies and funds

FCM offers four investment strategies, which clients can access through five UK and one Luxembourg domiciled fund:

Strategy	Funds	Investment focus
<b>Foresight UK Infrastructure</b>	FP Foresight UK Infrastructure Income Fund ("FIIF")	Harnesses Foresight's infrastructure investment expertise and taps into the demand for low-volatility, predictable inflation-linked income. Launched in 2017, the strategy has grown to total net assets of £780.9 million at 31 March 2022. The portfolio comprises listed companies active across renewable energy, core infrastructure and real estate, with a UK focus.
<b>Foresight Global Infrastructure</b>	FP Foresight Global Real Infrastructure Fund ("GRIF") VAM Global Infrastructure Fund ("VAM") Foresight Global Real Infrastructure (Lux) Fund ("Foresight SICAV")	Invests in the publicly traded shares of companies located in developed economies, which own or operate real infrastructure or renewable energy assets anywhere in the world. With a growth-focused investment objective, the strategy was launched in June 2019 and has grown its total net assets to £679.3 million at 31 March 2022.
<b>Foresight Sustainable Real Estate</b>	FP Foresight Sustainable Real Estate Securities Fund ("REF")	This strategy was launched in June 2020 to provide investors with exposure to a highly liquid and globally diversified portfolio of Real Estate Investment Trusts. Given the lack of OEICs in the UK that are addressing both sustainability and real estate, REF is a highly differentiated strategy which has delivered both strong returns and low-risk characteristics since launch. As at 31 March 2022, the strategy's total net assets were £144.5 million.
<b>Foresight Sustainable Future Themes</b>	FP Foresight Sustainable Future Themes Fund	This strategy was launched in March 2022. More information can be found in the case study on page 45 of the FY22 Annual Report.

### Performance

This was a transformational year for FCM. In addition to achieving a material increase in AUM, the division built a platform for future growth, with the launch of a new investment strategy and new funds, the diversification of its sources of capital through the sub-advisory mandate with VAM (see below) and investment in its team.

Against a backdrop of challenging markets, in which equity funds as an asset class saw net outflows, FCM achieved total net inflows and performance of £455 million, with net inflows across each of its funds. Retail fundraising delivered net inflows of £455 million and in addition £25 million was raised into VAM by its distribution team.

At the start of the year, FCM had three established UK OEICs - FIIF, GRIF and REF. All three remain on track to deliver their investment objectives, with positive total returns during the year and since inception.

Fund	Inception date	12-month TSR	TSR since inception
FIIF	4 December 2017	10.65%	41.38%
GRIF	3 June 2019	7.51%	47.14%
REF	15 June 2020	19.54%	25.67%

Investment performance during the year added £94 million to FCM's AUM, resulting in a total increase in AUM across the year of £455 million.

### New fund launches

In June 2021, Foresight announced the launch of the VAM Global Infrastructure Fund, a Luxembourg UCITS V Fund, through a new partnership with VAM Funds, a Luxembourg-based fund management company. FCM has been appointed the fund's investment manager and the fund is being distributed in Europe, South Africa, Singapore and the Middle East, through VAM Funds' established global distribution platform. The fund gives investors in these geographies access to FCM's Global Infrastructure strategy. The partnership has already delivered positive net inflows of £24.7 million since launch. Investors in VAM have included clients in South Africa and the Middle East, where Foresight has not previously raised retail capital.

In November 2021, FCM launched a new Luxembourg-domiciled SICAV with UK tax reporting status. This will initially provide investors with access to the Global Infrastructure investment strategy. The medium-term growth strategy includes adding further strategies to the SICAV, such as Sustainable Real Estate Securities. The SICAV has generated inflows from international investors, following our initial focus on offshore jurisdictions such as the Channel Islands and the Isle of Man, and we are planning to target Europe and other geographies during FY23.

In March 2022, FCM launched a new investment strategy, Sustainable Future Themes, and a new UK OEIC, the FP Foresight Sustainable Future Themes Fund.

### FCM expands into sub-advisory market

In June 2021, following a competitive selection process, FCM was appointed as the Investment Adviser to the VAM Global Infrastructure Fund ("the VAM Fund"), a Luxembourg SICAV managed by global fund management group VAM Funds. The VAM Fund reflects FCM's Global Real Infrastructure strategy and receives the same investment resource and portfolio management resource as Foresight's UK-domiciled vehicle. The VAM Fund provides IFAs, wealth managers and other investors in global markets with the ability to allocate to a differentiated portfolio of real asset owning infrastructure, renewables and real estate companies. Multi-decade investment themes driving the energy transition, societal resilience and infrastructure renewal are all addressed through the VAM Fund, and strong early fundraising suggests appetite from investors.

VAM Funds is a Luxembourg-based fund manager with global distribution capabilities that have extended FCM's strategies into markets such as South Africa, Europe and Asia. As at 31 March 2022, the VAM Fund had grown to net assets of £33 million with strong potential for further growth as VAM Funds continue to expand their own distribution capability. Sub-advisory represents an efficient and scalable channel for FCM to further grow assets, particularly where distribution markets are unlocked in geographies where Foresight Group has not been historically active.

### FCM market outlook

The outlook for FCM is highly positive. There is growing demand for OEICs in the UK and the launch of VAM and the Foresight SICAV during the year have opened up new international sources of institutional and retail investment. The business is highly scalable, with the Global Infrastructure, Sustainable Real Estate and Sustainable Future Themes strategies each having the potential to reach in excess of £1 billion of AUM. FCM has invested in its business during the year to ensure it has the capacity to successfully manage its growth, which it expects to lead to rising profit margins, reflecting the operational gearing in its business model.

FCM also has scope to broaden its distribution. Having to date focused on IFAs and wealth managers, we see good potential for distributing our funds through private banks and to family offices, as well as establishing a greater presence in direct-to-consumer sales, as the Foresight brand becomes increasingly recognised.

## FINANCIAL REVIEW

Building on the Group's enhanced profile following our IPO in February 2021, the business increased AUM, revenue and Core EBITDA year-on-year, in line with our expectations.

### Key financial metrics

	<b>31 March</b>	31 March
	<b>2022</b>	2021
Year-end AUM (£m)	<b>8,839</b>	7,193
Year-end FUM (£m)	<b>6,675</b>	5,132
Average AUM (£m)	<b>8,108</b>	6,547
Average FUM (£m)	<b>6,015</b>	4,691
Total revenue (£000)	<b>86,071</b>	69,098
Recurring revenue (£000)	<b>74,825</b>	62,379
Recurring revenue/total revenue (%)	<b>86.9%</b>	90.3%
Core EBITDA pre share-based payments (£000)	<b>31,825</b>	23,910
Core EBITDA pre share-based payments margin (%)	<b>37.0%</b>	34.6%

### Highlights during the year

- May 2021 - Achieved first close on Foresight Regional Fund III at £66 million
- September 2021 - Reached final close on FEIP at €851.4 million, exceeding target by 70%
- November 2021 - Successful IPO of Foresight Sustainable Forestry Company
- December 2021 - Performance fee generated following successful first three exits from FRIF
- March 2022 - £0.6 billion of net retail inflows achieved, in line with prior year

### Summary

The year ended 31 March 2022 was another successful period for the Group. We achieved the AUM and recurring revenue targets we outlined at IPO; continued our progression towards our medium-term Core EBITDA pre share-based payment ("SBP") margin target; and, subject to Shareholder approval at the forthcoming AGM, will continue with the 60% dividend payout ratio established in last year's Annual Report.

Revenue for the year was £86.1 million (31 March 2021: £69.1 million) with total comprehensive income of £24.9 million (31 March 2021: £14.9 million), an increase of 68%. Further details on the key areas that have driven this financial performance are outlined below.

### Assets Under Management/Funds Under Management ("AUM/FUM")

AUM again grew significantly, from £7.2 billion at the start of the year to £8.8 billion at 31 March 2022, an increase of c.23% in the middle of our ambitious 20%-25% target range. We achieved this substantially through organic growth driven by net retail inflows of £0.6 billion, net institutional inflows of £0.3 billion and favourable fund performance of £0.7 billion.

### Net inflows

Our Retail Sales Team, which distributes our VCT, EIS, Business Relief and OEIC products, had another successful year of fundraising, with total net inflows of £0.6 billion, of which £0.4 billion related to our OEIC products. Net inflows from our OEIC products were impacted in the final quarter of the year by wider macroeconomic factors resulting from the conflict in Ukraine, but our tax-based products mitigated this by performing strongly in the run-up to the tax year end, again demonstrating the advantage of managing a diverse pool of funds.

On the institutional side, we benefited from closes from our FEIP and FRIF III institutional funds in H1, as highlighted in our Half-year Report, as well as the IPO of our new Forestry fund in October 2021 (£0.1 billion) and the acquisition of the other 50% of our JV in Italy (£0.1 billion). This was offset by a non-strategic mandate moving to a different fund manager towards

the end of the year (£0.2 billion).

Post year end, we announced the launch of the AIB Foresight Impact Fund, broadening our regional Private Equity strategy into a new geography, Ireland. This fund will provide equity investments of between €2 million and €5 million, supporting Irish businesses to contribute to a more sustainable, low carbon future. We also announced the first close of two further UK regional funds in the North East and Yorkshire regions, totalling £58 million.

### Summary Statement of Comprehensive Income

	<b>31 March</b>	31 March
	<b>2022</b>	2021
	<b>£000</b>	£000
<b>Revenue</b>	<b>86,071</b>	69,098
Cost of sales	<b>(5,106)</b>	(4,639)
<b>Gross profit</b>	<b>80,965</b>	64,459
Administrative expenses	<b>(54,398)</b>	(48,883)
Other operating income	<b>250</b>	394
<b>Operating profit</b>	<b>26,817</b>	15,970
Finance income and expense	<b>(651)</b>	(707)
Fair value gains on investments	<b>638</b>	192
Share of post-tax profits of equity accounted joint venture	<b>53</b>	26
Gain on business combination	<b>1,012</b>	174
<b>Profit on ordinary activities before taxation</b>	<b>27,869</b>	15,655
Tax on profit on ordinary activities	<b>(2,793)</b>	(481)
<b>Profit</b>	<b>25,076</b>	15,174
<b>Other comprehensive income</b>		
Translation differences on foreign subsidiaries	<b>(138)</b>	(293)
<b>Total comprehensive income</b>	<b>24,938</b>	14,881
<b>Core EBITDA calculation</b>		
Total comprehensive income	<b>24,938</b>	14,881
<b>Adjustments:</b>		
Non-operational staff costs	<b>728</b>	3,186
Non-operational legal costs	<b>-</b>	2,744
Profit on disposal of tangible fixed assets and gain on business combination	<b>(979)</b>	(344)
Other operating income	<b>(250)</b>	(394)
Finance income and expense	<b>651</b>	707
Tax on profit on ordinary activities	<b>2,793</b>	481
Depreciation and amortisation	<b>3,485</b>	2,649
<b>Core EBITDA</b>	<b>31,366</b>	23,910
Share-based payments	<b>459</b>	-
<b>Core EBITDA pre share-based payments<sup>1</sup></b>	<b>31,825</b>	23,910

1. In line with previous periods, and for comparability, we continue to quote Core EBITDA pre-SBP to assess the financial performance of the business. This measure was introduced as our key performance measure because the Group believes this reflects the trading performance of the underlying business, without distortion from the uncontrollable nature of the share-based payments charge. This measure is a non-IFRS measure because it excludes amounts that are included in the most directly comparable measure calculated and presented in accordance with IFRS. The specific items excluded are non-underlying items, which are defined as non-trading or one-off items where the quantum, nature or volatility of such items are considered by the Directors to otherwise distort the Group's underlying performance. While the Group appreciates that APMs are not considered to be a substitute for or superior to IFRS measures, we believe the selected use of these provides stakeholders with additional information which will assist their understanding of the business.

Segmental Core EBITDA pre share-based payments is set out below:

	<b>31 March</b>	31 March
	<b>2022</b>	2021
	<b>£000</b>	£000
Infrastructure	<b>17,805</b>	15,854
Private Equity	<b>11,376</b>	6,940
Foresight Capital Management	<b>2,644</b>	1,116
	<b>31,825</b>	23,910

	<b>31 March</b>	31 March
	<b>2022</b>	2021
	<b>£000</b>	£000
<b>Revenue</b>		
Management fees	<b>70,906</b>	50,245
Secretarial fees	<b>1,413</b>	9,828
Directors' fees	<b>2,506</b>	2,306
<b>Recurring fees</b>	<b>74,825</b>	62,379
Marketing fees	<b>5,046</b>	2,841
Arrangement fees	<b>2,964</b>	3,858
Performance and other fees	<b>3,236</b>	20
<b>Total</b>	<b>86,071</b>	69,098

Total revenue increased by 25% year-on-year to £86.1 million (31 March 2021: £69.1 million) with recurring revenue increasing by 20% to £74.8 million (31 March 2021: £62.4 million). The Group has continued to focus on recurring revenue and remained within our 85%-95% target range, despite recognising some one-off performance fee income, which is covered in more detail below. The year finished with 86.9% of our revenue being classified as recurring.

As a result of FUM growth, the largest increase year-on-year was again from management fees. The growth in Foresight Capital Management ("FCM") FUM to £1.6 billion at year end (31 March 2021: £1.1 billion) generated an additional c.£4 million of gross revenue. NAV growth across our ITS, VCT, EIS and infrastructure investment trusts resulted in c.£11 million of additional management fees. The increase in ITS management fees was partly offset by lower secretarial fees as a result of the fee for that fund being restructured towards the end of FY21, as disclosed in last year's Annual Report. The further

closes on our FEIP fund resulted in catch-up management fees of c.£1.7 million, while the annualised impact of the PiP acquisition in August 2020 contributed c.£1.1 million to the increase.

Marketing fees are the initial fees recognised as a percentage of funds raised on our tax-based retail products. The increase year-on-year reflects a return to business-as-usual for meetings between our Retail Sales Team, financial intermediaries and their clients.

Other fees in FY22 principally consisted of a performance fee generated from our first North West regional fund, following a successful exit from that portfolio during H2. As our Private Equity regional strategy begins to mature, we expect to generate further performance fees from successful exits in the medium term, whilst still maintaining our 85%-90% recurring revenue target.

#### **Cost of sales**

Cost of sales comprises insurance costs associated with our Accelerated ITS product and authorised corporate director costs payable to a third party in relation to our OEIC products. The increase reflects the continuing growth in FCM.

#### **Administrative expenses**

	<b>31 March</b>	31 March
	<b>2022</b>	2021
	<b>£000</b>	£000
Staff costs	<b>35,395</b>	33,751
Depreciation and amortisation	<b>3,485</b>	2,648
Legal & professional	<b>6,067</b>	5,984
Other administration costs	<b>9,451</b>	6,5001
	<b>54,398</b>	48,883

1. Adjusted for gain on business combination from PiP acquisition (now disclosed on a separate line in the primary statements).

Year-on-year, the overall cost base increased by c.11%. Our largest expense, staff costs, increased by c.£1.6 million, due to the annual pay review process, the implementation of the staff PSP scheme and an increase in FTE of 26.1. This increase in FTE was predominantly in the high-growth areas across the business: FCM as our net inflows continue to increase and we launch new funds; Infrastructure in line with our increase in AUM and the number of assets in the portfolio; and Retail Sales, where we have expanded the team to drive further inflows.

Legal & professional costs were in line with the prior year. While the comparative figure included c.£2.3 m of one-off IPO costs, this year included one-off costs of c.£2 million associated with developing and launching new funds, such as our listed Forestry fund which launched in November and the further closes on FEIP.

The largest increase year-on-year was in Other administration costs, which rose by c.£2.9 million primarily due to an increased irrecoverable VAT charge. As with most financial services businesses, we cannot recover all the VAT on our purchases because some of our revenue streams are VAT exempt. The management fees from FCM's OEIC funds are VAT exempt and their continued strong growth has driven the increase in the irrecoverable VAT charge. Also within Other administration costs, travel and entertainment costs rose by c.£0.5 million as the UK COVID-19 restrictions were relaxed, enabling our staff to return to face-to-face meetings with investors and portfolio companies.

#### **Core EBITDA pre share-based payments**

The Group uses Core EBITDA pre share-based payments as one of its key performance metrics, as it views this as the profitability number that is most comparable to the Group's recurring revenue model (i.e. a cash profit number after taking out any one-offs, both positive and negative).

Core EBITDA pre share-based payments increased 33% year-on-year to £31.8 million (31 March 2021: £23.9 million), with the margin percentage improving to 37.0% (31 March 2021: 34.6%) as we continue our progression towards our medium-term target of 43%. The margin percentage for the full year was slightly lower than the 38.3% reported at the half year, due to the timing of the FEIP catch-up fees recognised in H1, one-off costs incurred on the launch of our new Forestry investment trust and preparation of new fund launches in H2, and a full six months of salary costs in H2 for staff who joined us in H1.

The Group has determined that the following are non-underlying items for the purposes of calculating Core EBITDA pre share-based payments:

#### *Non-operational staff costs*

The non-operational staff costs in the year relate to retention payments made to key members of staff and a severance package for a leaver.

The equivalent cost in the prior year related to pre-IPO profit share for FY20. These distributions made to members were classified as remuneration expenses under IFRS but were considered to be equity transactions for the purposes of calculating Core EBITDA.

#### *Non-operational legal costs*

There were no costs of this nature in the year ended 31 March 2022. The prior year figure included c.£2.3 million of IPO costs, c.£0.2 million of redundancy costs and c.£0.2 million of legal transaction costs.

#### *Profit on disposal of tangible fixed assets and gain on business combination*

The Group had a 50% holding in FV Solar Lab SRL before it acquired the remaining 50% in January 2022. The Group fair valued the assets and liabilities of FV Solar Lab SRL on the date of acquisition using the acquisition method, which gave rise to a bargain purchase. This resulted in a credit being recognised in the Statement of Comprehensive Income. In the prior year, there was an equivalent gain on bargain purchase from the acquisition of PiP Manager Ltd.

#### *Other operating income*

In the year ended 31 March 2022, the other operating income arose from the final fee received in relation to the development of a reserve power plant in Shirebrook, Derbyshire, on behalf of the Foresight ITS product. This is considered non-core as it was a non-recurring transaction outside the normal course of business.

In the prior year, £46k related to grant income from the Coronavirus Job Retention Scheme, with the remainder relating to

the first part of the development fee received from the Shirebrook project described above.

### **Interest, tax, depreciation and amortisation**

The major variance in these line items year-on-year relates to tax. As noted in last year's Annual Report, historically, taxation on the Group's profits was generally the personal liability of the members of Foresight Group LLP, which generates the majority of the Group's profits. Following the IPO, more of the Group's profits are subject to corporation tax, as demonstrated by the charge recognised in the period.

### **Share-based payments**

The share-based payments charge in FY22 relates to the SIP and PSP schemes implemented in the period. Please read more about our SIP and PSP schemes in the remuneration report of our FY22 Annual Report on pages 126 to 136.

### **Summary Statement of Financial Position**

	<b>31 March</b>	31 March
	<b>2022</b>	2021
	<b>£000</b>	£000
<b>Assets</b>		
Property, plant and equipment	<b>2,656</b>	3,012
Right-of-use assets	<b>8,260</b>	9,120
Intangible assets	<b>4,431</b>	3,012
Investments	<b>2,781</b>	2,326
Deferred tax asset	<b>615</b>	977
Contract costs	<b>4,555</b>	837
Trade and other receivables	<b>21,207</b>	19,881
Cash and cash equivalents	<b>54,289</b>	39,431
Net assets of disposal group classified as held for sale	<b>64</b>	64
<b>Total assets</b>	<b>98,858</b>	78,660
<b>Liabilities</b>		
Trade and other payables	<b>(24,042)</b>	(20,939)
Loans and borrowings	<b>(3,690)</b>	(4,324)
Lease liabilities	<b>(10,408)</b>	(12,019)
Deferred tax liability	<b>(1,198)</b>	(1,581)
Provisions	<b>(933)</b>	-
<b>Total liabilities</b>	<b>(40,271)</b>	(38,863)
<b>Net assets</b>	<b>58,587</b>	39,797

Key balance sheet items and their year-on-year movements are summarised below:

### **Intangible assets**

This comprises capitalised software development costs and other intangibles recognised in relation to the management contract acquired as part of the PiP acquisition in August 2020 and the acquisition of the remainder of our JV with FV Solar Lab SRL in January 2022.

### **Investments**

This contains the Group's co-investment positions across our LP funds, plus investments in joint ventures. The movement in the year has been driven by deployment across our LP funds and is broken down as follows:

	<b>31 March</b>	31 March
	<b>2022</b>	2021
	<b>£000</b>	£000
Investment in securities		
Foresight Energy Infrastructure Partners	<b>571</b>	423
Foresight VCT portfolio companies	<b>458</b>	296
Foresight Nottingham Fund	<b>435</b>	264
Italian Green Bond Fund	<b>421</b>	355
Foresight Regional Investment Fund	<b>292</b>	344
Midlands Engine Investment Fund	<b>274</b>	223
Foresight Regional Investment Fund II	<b>118</b>	76
Northern Ireland Opportunities Fund	<b>85</b>	23
Foresight Regional Investment Fund III	<b>33</b>	-
Northern Ireland Opportunities Fund II	<b>30</b>	-
Other	<b>64</b>	71
<b>Investment in joint ventures</b>		
FV Solar Lab JV	-	251
<b>Total investments</b>	<b>2,781</b>	2,326

### **Contract costs**

The increase of £3.7 million is due to the incremental placement agency fees on the further closes of FEIP in the year (as explained further in note 18 to these accounts).

### **Cash and cash equivalents**

The cash balance has increased due to positive cash generation from a strong trading performance. Operating cash flows generated cash of c.£29.1 million offset by tax payments of c.£3.4 million, interest on lease liabilities of £0.6 million, investing activities of c.£0.8 million and financing activities of c.£9.4 million.

Investing activities included further co-invest payments of c.£0.7 million although this was offset by proceeds of c.£0.7 million. There was an outflow of c.£0.5 million in relation to the acquisition of assets and the net cash outflow on the acquisition of FV Solar Lab SRL was c.£0.3 million.

Financing activities included c.£6.2 million of dividend payments, c.£2.1 million of lease repayments, c.£0.6 million of loan repayments and purchase of own shares of c.£0.5 million.

### Loans and borrowings

This balance relates to founder loans taken on as part of the consideration for the PiP acquisition in August 2020. The movement in the year is due to the first annual payment made under that agreement.

### Lease liabilities

This relates to the liabilities arising from IFRS 16 lease accounting. The year-on-year decrease is a result of lease repayments offset by an increase in liability in relation to our new office in Luxembourg.

### Dividends

As noted in last year's Annual Report, the Board decided to increase and maintain the dividend payout ratio at 60% (versus the target of 50% moving to 60%, as outlined at IPO).

An interim dividend of 4.0 pence per share was paid on 25 March 2022, with an ex-dividend date of 10 March 2022 and a record date of 11 March 2022.

As noted in the Executive Chairman's statement, the Board has recommended a final dividend payment of 9.8 pence per share for approval by Shareholders at the upcoming AGM. If approved, the dividend will be paid on 14 October 2022, based on an ex-dividend date of 18 August 2022, with a record date of 19 August 2022.

Going forward, we intend to link interim dividends to the prior-year profits, paying out 30% of the total dividend from the prior year. These interim dividends will be paid in January each year. The balance of the 60% target will then be recommended to Shareholders each year at the AGM as a final dividend.

### Going concern

The financial statements have been prepared on a going concern basis. In adopting this basis, the Directors have reviewed the financial processes and controls embedded across the business and examined the three-year plan. They have considered the business activities as set out on pages 24 to 47 of the FY22 Annual Report, and the principal risks and uncertainties also disclosed in the FY22 Annual Report on pages 102 to 105, and concluded that the adoption of a going concern basis, covering a period of at least 12 months from the date of this report, is appropriate.

### Outlook

The Group is well positioned to continue with further AUM, revenue and profit growth, as we progress towards our medium-term Core EBITDA pre-SBP margin target of 43%. Our strong balance sheet puts us in a good position to be able to capitalise on any future M&A opportunities that may arise, to supplement our recent strong organic growth.

## FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2022

		<b>31 March 2022</b>	31 March 2021 as restated
	Note	<b>£000</b>	£000
<b>Revenue</b>	4	<b>86,071</b>	69,098
Cost of sales		<b>(5,106)</b>	(4,639)
<b>Gross profit</b>		<b>80,965</b>	64,459
Administrative expenses	6	<b>(54,398)</b>	(48,883)
Other operating income	10	<b>250</b>	394
<b>Operating profit</b>		<b>26,817</b>	15,970
Finance income	11	<b>2</b>	3
Finance expense	11	<b>(653)</b>	(710)
Fair value gains on investments	16	<b>638</b>	192
Share of post-tax profits of equity accounted joint venture	17	<b>53</b>	26
Gain on business combination	31	<b>1,012</b>	174
<b>Profit on ordinary activities before taxation</b>		<b>27,869</b>	15,655
Tax on profit on ordinary activities	12	<b>(2,793)</b>	(481)
<b>Profit for the period attributable to Ordinary Shareholders</b>		<b>25,076</b>	15,174
<b>Other comprehensive income</b>			
<i>Items that will or may be reclassified to profit or loss:</i>			
Translation differences on foreign subsidiaries		<b>(138)</b>	(293)
<b>Total comprehensive income for the period</b>		<b>24,938</b>	14,881
<b>Earnings per share attributable to Ordinary Shareholders</b>			
<b>Profit or loss</b>			
Basic (£)	13	<b>0.23</b>	0.15
Diluted (£)	13	<b>0.23</b>	0.15

The notes to the financial statements form part of this financial information.

Details of the restatement are provided in note 36.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2022

		<b>31 March 2022</b>	31 March 2021 as restated
	Note	<b>£000</b>	£000
<b>Non-current assets</b>			
Property, plant and equipment	14	<b>2,656</b>	3,012
Right-of-use assets	23	<b>8,260</b>	9,120

Intangible assets	15	4,431	3,012
Investments at FVTPL	16	2,781	2,075
Investments in equity accounted joint ventures	17	-	251
Deferred tax asset	25	615	977
Contract costs	18	3,976	712
Trade and other receivables	19	3,260	3,411
		<b>25,979</b>	22,570
<b>Current assets</b>			
Contract costs	18	579	125
Trade and other receivables	19	17,947	16,470
Cash and cash equivalents	20	54,289	39,431
		<b>72,815</b>	56,026
Assets and liabilities of disposal group classified as held for sale	32	64	64
<b>Current liabilities</b>			
Trade and other payables	21	(23,978)	(20,644)
Loans and borrowings	22	(660)	(688)
Lease liabilities	23	(2,302)	(2,157)
		<b>(26,940)</b>	(23,489)
<b>Net current assets</b>		<b>45,939</b>	32,601
<b>Non-current liabilities</b>			
Trade and other payables	21	(64)	(295)
Loans and borrowings	22	(3,030)	(3,636)
Lease liabilities	23	(8,106)	(9,862)
Provisions	24	(933)	-
Deferred tax liability	25	(1,198)	(1,581)
		<b>(13,331)</b>	(15,374)
<b>Net assets</b>		<b>58,587</b>	39,797
<b>Equity</b>			
Share capital	27	-	-
Share premium	27	32,040	32,040
Own share reserve	27	(454)	-
Share-based payment reserve	27	481	-
Group reorganisation reserve	27	30	30
Retained earnings	27	26,490	7,727
<b>Total equity</b>		<b>58,587</b>	39,797

The financial statements were approved and authorised for issue by the Board of Directors on 11 July 2022 and were signed on its behalf by:

**Gary Fraser**      **Geoffrey Gavey**  
Chief Financial      Director  
Officer

The notes to the financial statements form part of this financial information.

Details of the restatements are provided in note 36.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

	Share capital	Share premium	Own share reserve	Share-based payment reserve	Group re-organisation reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2021</b>	-	32,040	-	-	30	7,727	39,797
Profit for the period	-	-	-	-	-	25,076	25,076
Other comprehensive income	-	-	-	-	-	(138)	(138)
<b>Total comprehensive income</b>	-	-	-	-	-	24,938	24,938
<b>Contributions by and distributions to owners</b>							
Dividends	-	-	-	-	-	(6,175)	(6,175)
Purchase of own shares	-	-	(454)	-	-	-	(454)
Share-based payments	-	-	-	459	-	-	459
Deferred tax	-	-	-	22	-	-	22
<b>At 31 March 2022</b>	-	32,040	(454)	481	30	26,490	58,587

	Share capital	Share premium	Own share reserve	Share-based payment reserve	Group re-organisation reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2020</b>	1	-	-	101	30	15,701	15,833
Profit for the period	-	-	-	-	-	15,174	15,174
Other comprehensive income	-	-	-	-	-	-	-

income						(293)	(293)
<b>Total comprehensive income</b>	-	-	-	-	-	14,881	14,881
<b>Contributions by and distributions to owners</b>							
Premium on issue of shares	-	35,000	-	-	-	-	35,000
Share issue costs	-	(2,960)	-	-	-	-	(2,960)
Dividends and distributions to equity members	-	-	-	-	-	(18,229)	(18,229)
Share-based payments	-	-	-	35	-	-	35
Share buyback (cancellation)	-	-	-	-	-	(10)	(10)
Transfer of share-based payments to retained earnings on vesting of Foresight Plans	-	-	-	(26)	-	26	-
Transfer of share-based payments to retained earnings on cessation of Foresight Plan	-	-	-	(110)	-	110	-
Premium on redemption of Preference Shares	-	-	-	-	-	(4,752)	(4,752)
Redemption of Preference Shares	(1)	-	-	-	-	-	(1)
<b>At 31 March 2021</b>	-	32,040	-	-	30	7,727	39,797

The notes to the financial statements form part of this financial information.

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2022

	Note	31 March 2022 £000	31 March 2021 as restated £000
Cash generated from operations		29,130	17,268
Tax paid		(3,399)	(174)
Other interest paid	11	(4)	(7)
Loan interest paid		(97)	-
Interest on lease liabilities		(564)	(621)
<b>Net cash from operating activities</b>		<b>25,066</b>	<b>16,466</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	14	(398)	(141)
Acquisition of intangible assets	15	(171)	(48)
Acquisition of investments at FVTPL	16	(712)	(881)
Sale of investments at FVTPL		752	230
Proceeds on disposal of fixed assets		3	450
Interest received	11	2	3
Proceeds on disposal of Group entities		-	819
Acquisition of subsidiaries	31	(339)	2,348
<b>Net cash from investing activities</b>		<b>(863)</b>	<b>2,780</b>
<b>Cash flows from financing activities</b>			
Dividends and distributions to equity members	28	(6,175)	(18,229)
Share buyback	28	-	(10)
Shareholder loan repaid		-	(750)
FGLLP members' capital contributions		61	1,455
Redemption and premium on redemption of Preference Shares	28	-	(4,753)
Purchase of own shares	27	(454)	-
Repayment of lease liabilities (principal)		(2,155)	(2,570)
Repayment of loan liabilities (principal)		(622)	-
Gross proceeds of IPO share issue	27	-	35,000
Costs of IPO share issue	27	-	(2,960)
<b>Net cash from financing activities</b>		<b>(9,345)</b>	<b>7,183</b>
<b>Net increase in cash and cash equivalents</b>		<b>14,858</b>	<b>26,429</b>
Cash and cash equivalents at beginning of period		39,431	13,002
Cash and cash equivalents at end of period		54,289	39,431
<b>Reconciliation of profit before tax to cash generated from operations</b>			
Profit before taxation		27,869	15,655
Gain on business combination		(1,012)	(174)
Profit from share in joint venture		(53)	(26)
Fair value gains on investments		(638)	(192)
Finance costs	11	653	710
Finance income	11	(2)	(3)
Share-based payment	8	459	35
Depreciation and amortisation		3,485	2,648
Loss/(profit) on disposal of tangible and intangible fixed assets		33	(170)
Gain on disposal of investments at FVTPL		(108)	-

Provision for doubtful contract costs	(3,758)	(295)
Increase in trade and other receivables	(222)	(4,526)
Increase in trade and other payables	2,547	3,587
<b>Total</b>	<b>29,130</b>	<b>17,268</b>

The notes to the financial statements form part of this financial information.

Details of the restatements are provided in note 36.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

### 1. Corporate information

Foresight Group Holdings Limited (the "Company") is a public limited company incorporated and domiciled in Guernsey and whose shares are publicly traded on the Main Market of the London Stock Exchange. The registered office is located at Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 2HT. The consolidated financial statements (the "Group financial statements") comprise the financial statements of the Company and its subsidiaries. Details of subsidiaries are disclosed in note 16.

The Group is principally involved in the provision of the management of infrastructure assets, private equity investments and OEICs on behalf of both institutional and retail investors using ESG-oriented strategies.

#### Going concern

These financial statements have been prepared on the going concern basis.

The Directors of the Group have considered the resilience of the Group, taking into account its current financial position and the principal and emerging risks facing the business, including the impact of COVID-19 on global markets and potential implications for the Group's financial performance. The Board reviewed the Group's cash flow forecasts and trading budgets for a period of at least 12 months from the date of approval of these accounts, and concluded that, taking into account plausible downside scenarios that could reasonably be anticipated, the Group will have sufficient funds to pay its liabilities as they fall due for that period. Taking into consideration the impact of COVID-19 on the wider economic environment, the forecasts have been stress tested to ensure that a robust assessment of the Group's working capital and cash requirements has been performed. The stress test scenarios adopted involved severe but plausible downside scenarios with respect to the Group's trading performance. Downside scenarios included a material reduction in revenues through lower fundraising and deployment and lower valuations. Worst case scenarios included the loss of key management contracts and a terrorist attack on the Shard. Any mitigating actions available to protect working capital and strengthen the balance sheet, including deferring non-essential capital expenditure and increased cost control, were also taken into account.

In considering the above, the Directors have formed the view that the Group will generate sufficient cash to meet its ongoing liabilities as they fall due for at least the next 12 months; accordingly, the going concern basis of preparation has been adopted.

### 2a. Basis of preparation

The Group financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The Company has taken advantage of the exemption in section 244 of the Companies (Guernsey) Law, 2008 (as amended) not to present its own individual financial statements or related notes.

The Group did not implement the requirements of any other standards or interpretations that were in issue; these were not required to be adopted by the Group for the year ended 31 March 2022. No other standards or interpretations have been issued that are expected to have a material impact on the Group's financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for investments that have been measured at fair value.

The financial information is presented in sterling, which is the Company's functional currency. All information is given to the nearest thousand (except where specified otherwise).

### 2b. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### **3. Accounting policies**

This section sets out the accounting policies of the Group that relate to the financial statements. Where an accounting policy is specific to one note, the policy is described in the note to which it relates. The accounting policies have been applied consistently to all periods presented within the financial information.

This section also details new accounting standards that have been endorsed in the period and have either become effective for the financial period beginning on 1 April 2021 or will become effective in later periods.

#### ***New standards, interpretations and amendments adopted from 1 April 2021***

There were no new standards adopted during the year.

#### ***New standards not yet implemented***

There were no standards or interpretations that were in issue and required to be adopted by the Group as at the date of authorisation of these consolidated financial statements. No standards or interpretations have been issued that are expected to have a material impact on the Group's financial statements.

#### ***A. Foreign exchange***

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Statement of Financial Position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

The assets and liabilities of Group entities that have a functional currency different from the presentational currency are translated at the closing rate at the balance sheet date, with transactions translated at average monthly exchange rates. Resulting exchange differences are recognised as a separate component of other comprehensive income and are recycled to the income statement on disposal or liquidation of the relevant branch or subsidiary.

#### ***B. Use of judgements and estimates***

The preparation of the financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the Statement of Financial Position date, amounts reported for revenues and expenses during the year, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

Where the estimate or judgement is specific to one note, the judgement is described in the note to which it relates.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing material adjustment to the carrying amount of assets and liabilities are as follows:

*Share-based payments - see note 8*

*Recognition and measurement of intangible assets - see notes 15 and 31*

*Valuation of investments - see note 16(a)*

#### Key judgements

These are as follows:

#### *Consolidation of VCF Partners*

VCF Partners was a general partnership of which Gary Fraser and David Hughes were the sole members and was used to hold certain of Foresight Group's leasehold interests. Soon after the IPO, these leasehold interests, together with the other assets and liabilities of VCF Partners, were transferred to VCF II LLP.

Despite it being a general partnership and not a subsidiary, VCF Partners was considered to meet the requirements for consolidation, on the basis that VCF Partners was judged to be effectively controlled by the Company and is therefore included in the consolidated financial statements. Following the transfer of assets and liabilities to VCF II LLP, VCF Partners has now been closed.

*Impairment of intangible assets - see note 15*

*Contract costs - see note 18*

*Deferred tax assets - see note 25*

*IPO costs - see note 27*

### **4. Revenue**

**Accounting policy:**

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group's revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue represents the fair value of the consideration receivable in respect of services provided during the period, exclusive of value added taxes.

A contract with a customer is recognised when a contract is legally enforceable by the Group; this will be prior to the commencement of work for a customer and therefore before any revenue is recognised by the Group. Performance obligations are identified on a contract-by-contract basis; where contracts are entered into at the same time with the same customer at differing rates, these may be considered a single contract for the purposes of revenue recognition.

The Group does not provide extended payment terms on its services and therefore no significant financing components are identified by the Group. Revenue is only recognised on contingent matters from the point at which it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The principal components of revenue comprise management fees, secretarial fees, Directors' fees, marketing fees, arrangement fees and performance incentive fees.

Management fees and most secretarial fees are generally based on a percentage of fund Net Asset Value ("NAV") or committed capital as defined in the funds' Prospectus and/or offering documents, with some secretarial fees being based on an agreed fixed rate. Directors' fees are based on a specified fixed fee agreed with the customer.

Management, secretarial and Directors' fees are recognised over time to the extent that it is probable that there will be economic benefit and income can be reliably measured. This revenue is recognised over time on the basis that the customer simultaneously receives and consumes the economic benefits of the provided asset as the Group performs its obligations.

Marketing fees are based on a rate agreed with the customer and recognised at the point in time when the related funds have been allotted.

Arrangement fees are based on a set rate agreed with the customer and recognised at the point in time when the related service obligations have been achieved.

Performance incentive fees are based on the returns achieved over a predetermined threshold as defined in the funds' Prospectus or offering documents and are recognised only at the point in time when management have certainty as to the receipt of such revenue, such that it is highly probable that a significant reversal in the amount of revenue recognised will not occur.

Other income is based on the contract agreed before services are provided and is recognised in line with the delivery of the services provided.

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
Management fees	<b>70,906</b>	50,245
Secretarial fees	<b>1,413</b>	9,828
Directors' fees	<b>2,506</b>	2,306
<b>Recurring fees</b>	<b>74,825</b>	62,379
Marketing fees	<b>5,046</b>	2,841
Arrangement fees	<b>2,964</b>	3,858
Performance incentive fees	<b>3,232</b>	-
Other income	<b>4</b>	20
	<b>86,071</b>	69,098

The timing of revenue is as follows:

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
Timing of transfer of goods and services:		
Point in time	<b>11,246</b>	6,719
Over time	<b>74,825</b>	62,379
	<b>86,071</b>	69,098

Contract balances are as follows:

	<b>31 March 2022</b>	31 March 2021
	<b>Contract liabilities £000</b>	Contract liabilities £000
At beginning of period	<b>(541)</b>	(73)
Amounts included in contract liabilities that were recognised as revenue during the period	<b>541</b>	73
Cash received in advance of performance and not recognised as revenue during the period	<b>(134)</b>	(541)

At end of period (1,341) (1,541)

The timing of revenue recognition, billings and cash collections results in either trade receivables, accrued income or deferred income in the Statement of Financial Position. For recurring fees, amounts are billed either in advance or in arrears pursuant to a management or advisory agreement. The contract liabilities above reflect the deferred income in trade and other payables.

## 5. Business segments

### Accounting policy:

Segment information is provided based on the operating segments which are reviewed by the Executive Committee ("Exco"), which is considered to be the Chief Operating Decision Maker. These operating segments, which comprise Infrastructure, Private Equity and Foresight Capital Management ("FCM") are aggregated if they meet certain criteria. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. No disclosure is made for net assets/liabilities as these are not reported by segment to Exco.

Management monitors the performance and strategic priorities of the business from a business unit ("BU") perspective, and in this regard has identified the following three key "reportable segments": Infrastructure, Private Equity and FCM.

FCM had previously been included within Infrastructure but, as reported in the Business Review in the Annual Report for the year ended 31 March 2021, from FY22 onwards it is to be treated as a separate business unit. Accordingly, segmental revenue has been re-presented for the year ended 31 March 2021.

FCM commenced in 2017 and had FUM of £1.1 billion at 31 March 2021 which had grown further to £1.6 billion at 31 March 2022.

The Group's senior management assesses the performance of the operating segments based on revenue.

Revenue is measured in a manner consistent with that in the income statement. Segmental revenue is set out below:

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
Infrastructure	<b>50,753</b>	43,392
Private Equity	<b>23,874</b>	18,225
Foresight Capital Management	<b>11,444</b>	7,481
	<b>86,071</b>	69,098

Revenue by region is summarised below:

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
United Kingdom	<b>78,562</b>	65,999
Italy	<b>778</b>	1,177
Luxembourg	<b>5,312</b>	676
Spain	<b>568</b>	533
Australia	<b>851</b>	713
	<b>86,071</b>	69,098

In accordance with IFRS 8 paragraph 34, the Group has a single customer with revenues which amount to 10% or more of Group revenue. Total revenues from this customer in FY22 were £23,555,000, of which £19,147,000 was attributable to Infrastructure, £3,225,000 to Private Equity and £1,183,000 to FCM.

Non-current assets (excluding deferred tax assets, contract costs and trade and other receivables) by region are summarised below:

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
UK	<b>14,016</b>	15,397
Italy	<b>2,021</b>	808
Luxembourg	<b>1,521</b>	778
Spain	<b>566</b>	486
Australia	<b>4</b>	1
	<b>18,128</b>	17,470

The Statement of Financial Position is reported to the Board on a single segment basis. No further segmental information is provided as this would not aid strategic and financial management decisions.

## 6. Administrative expenses

### Accounting policy:

The Group's administrative expenses are recognised as the services are received by the Group. Staff costs are the largest component of the Group's operating costs and include salaries and wages, together with the cost of other benefits provided to staff such as pensions and bonuses.

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
Staff costs	<b>35,395</b>	33,751
Depreciation and amortisation	<b>3,485</b>	2,648
Legal and professional	<b>6,067</b>	5,984

Other administration costs	<b>9,451</b>	6,500
	<b>54,398</b>	48,883

Details of the restatement are provided in note 36.

Other administrative costs mainly relate to irrecoverable VAT, computer maintenance, conferences, minor capital purchases written off, bank charges and sundries.

Specific administrative expenses are as follows:

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
Auditor's remuneration	<b>587</b>	419
Net foreign exchange gains	<b>(222)</b>	(251)
Low-value and short-term lease expenses	<b>117</b>	241
Bad debt write-offs	<b>138</b>	112
Loss/(profit) on disposal of fixed assets	<b>33</b>	(170)

Auditor's remuneration is further disclosed as follows:

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
<b>Audit services</b>		
Statutory audit - Company	<b>77</b>	124
- Subsidiaries	<b>238</b>	109
<b>Total audit services</b>	<b>315</b>	233
<b>Non-audit services</b>		
Regulatory assurance services	<b>34</b>	13
Other assurance services	<b>133</b>	196
Other services	<b>105</b>	35
<b>Total non-audit services</b>	<b>272</b>	244
<b>Total audit and non-audit services</b>	<b>587</b>	477

In FY21, total auditor's remuneration was £477,000 of which £419,000 was expensed in the Statement of Comprehensive Income and £57,500 was taken to share premium. This was due to the attribution of IPO costs between the issuing and listing of shares (see note 27) as £115,000 of auditor's remuneration related to interim audit services specifically for the IPO.

Non-audit services included the following:

- **Regulatory assurance services:** These services are for CASS assurance audits for Foresight Group LLP and PiP Manager Limited
- **Other assurance services:** These services are for the ISAE 3402 assurance report on the internal controls of Foresight Group LLP, in FY22 the interim review of the Half-year Report and in FY21 the interim non-statutory audit work in relation to the IPO
- **Other services:** These services are in respect of an offer for new shares in Foresight VCT plc, Foresight Enterprise VCT plc and Foresight Solar & Technology VCT plc (FY22 and FY21)

## 7. Staff costs and Directors' remuneration

The average number of employees was:

	<b>31 March 2022</b>	31 March 2021
	<b>Number</b>	Number
Operations	<b>135</b>	135
Sales and Marketing	<b>46</b>	40
Administration	<b>70</b>	58
	<b>251</b>	233

Their aggregate remuneration comprised:

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
Wages and salaries	<b>29,556</b>	26,666
Social security costs	<b>2,744</b>	2,380
Pension costs	<b>608</b>	601
Other staff costs	<b>2,028</b>	1,323
	<b>34,936</b>	30,970
Distributions	-	2,746
Share-based payments (see note 8)	<b>459</b>	35
<b>Total staff costs</b>	<b>35,395</b>	33,751

Details regarding the total remuneration paid to Directors is disclosed in the Remuneration Committee Report (see pages 126 to 136 of the FY22 Annual Report).

## 8. Share-based payments

### **Accounting policy:**

The Group engages in share-based payment transactions in respect of services receivable from certain employees by granting the right to either shares or options over shares, subject to certain vesting conditions and exercise prices.

These have been accounted for as equity-settled share-based payments.

The fair value of the awards granted in the form of shares or share options is recognised as an expense over the appropriate performance and vesting period. The corresponding credit is recognised in retained earnings within total equity. The fair value of the awards is calculated using an option pricing model, the principal inputs being the market value on the date of award and an adjustment for expected and actual levels of vesting which includes estimating the number of eligible employees leaving the Group and the number of employees satisfying the relevant performance conditions. Shares and options vest on the occurrence of a specified event under the rules of the relevant plan.

**Estimation uncertainty and judgements:**

The Group's Performance Share Plan allows for the grant of nil cost options with vesting dependent on the performance of the Group and continued service by the participant. The first grant of options under the plan was made on 6 September 2021 as approved by the Remuneration Committee. The number of options awarded totalled 1,071,830 and have been fair valued using a Monte-Carlo simulation and appropriate retention rate % based on historical evidence. The assumptions used in the Monte-Carlo simulation are described below.

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
Performance Share Plan	<b>299</b>	-
Share Incentive Plan	<b>160</b>	-
Foresight Plan	-	35
	<b>459</b>	<b>35</b>

**Performance Share Plan**

The Remuneration Committee approved the implementation of the Performance Share Plan ("PSP") during the year. Options are granted under the plan for no consideration, carry no dividend or voting rights and are linked to an absolute total shareholder return ("TSR") of 6% compound growth per annum over a three year period. The absolute TSR condition vests over a range as set out in the Remuneration Committee Report. The exercise price is £nil. The Group is allowed to issue new shares to satisfy the share schemes which must not exceed 10% of the issued share capital in any rolling ten year period. The Group's position against the dilution limits at 31 March 2022 since Admission was 1%.

Details of movements in the number of shares are as follows:

	<b>31 March 2022</b>		31 March 2021	
	<b>Number of shares granted</b>	<b>Average exercise price per share option £</b>	Number of shares granted	Average price per share option £
At the beginning of period	-	-	-	-
Granted	<b>1,071,830</b>	-	-	-
Vested	-	-	-	-
Extinguished	-	-	-	-
Awards outstanding at end of period	<b>1,071,830</b>	-	-	-

No options expired during the periods covered by the above table.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	<b>Exercise price</b>	<b>Share options 31 March 2022</b>	Share options 31 March 2021
4 September 2022	31 July 2024	-	<b>1,071,830</b>	-

Weighted average remaining contractual life of options outstanding at end of period **2.33 years** -

*Fair value of options granted*

The assumptions used in the Monte-Carlo simulation were as follows:

- Starting share price of 378.4 pence (the three month average share price of the Company on the date of grant)
- Annual volatility of 40% (based on volatility of share price from IPO to grant date)
- Vesting period of three years
- Holding period of two years with associated 30% deduction for lack of marketability (based on empirical studies)
- Exercise price of 0 pence
- Risk-free rate of 1% per annum which has been used as a discount factor (based on government bond yields)
- Annual dividend of 14 pence per annum

The simulation based on these assumptions resulted in a fair value of 143.83 pence per option.

**Share Incentive Plan**

Under the Foresight Share Incentive Plan ("SIP"), for each one partnership share that an employee buys, Foresight offers two free matching shares. In each tax year, employees can buy up to £1,800 or 10% of salary (whichever is lower) of partnership shares from their pre-tax salary. If an employee leaves the Group, any matching shares held for less than three years will be withdrawn, i.e. the vesting period of the matching shares is three years with the performance condition

of continuous service. The SIP shares are held in trust by Yorkshire Building Society (the SIP Trustee). Voting rights are exercised by the SIP Trustee on receipt of participants' instructions.

As the SIP options have a zero strike price and the participant is entitled to dividends during the vesting period, the fair value of the award is indistinguishable from the share price. Therefore, the share price on the award date is used when calculating the share-based payment expense.

At 31 March 2022, the number of matching shares purchased for £454,000 was 107,769. An additional 45,000 shares were transferred into trust from Foresight Guernsey Limited (see IPO Prospectus) so that the total matching shares held in trust was 152,769.

### Foresight Plan

The Foresight Plan was introduced in 2014 and provided for the grant of shares to members of staff. Shares granted under the Foresight Plan vested after the members of staff had reached an uninterrupted period of service of ten years with Foresight Group (or any of its subsidiaries). Shares granted under the Foresight Plan were accounted for as equity-settled. The Foresight Plan ceased in February 2021.

The equity-settled payments below represent the share-based payments related to the Foresight Plan. The valuation attributed to the payments was on an EBITDA market multiple basis; this did not take into consideration any future dividends or other features of equity instruments in determining this valuation.

Total expense for each year in which shares were granted (excluding national insurance) was as follows:

Year of grant	31 March 2022	31 March 2021
	£	£
2014	-	-
2015	-	6,589
2016	-	-
2017	-	587
2018	-	5,721
2019	-	7,577
2020	-	14,752
2021	-	-
<b>Total Foresight share-based payments expense reported in comprehensive income</b>	-	35,226

Unvested shares outstanding under the Foresight Plan were as follows:

	31 March 2022		31 March 2021	
	Number of shares granted	Weighted average share price £	Number of shares granted	Weighted average share price £
At the beginning of period	-	-	45,605	6
Granted	-	-	11,654	4
Vested	-	-	(1,830)	(12)
Extinguished	-	-	(55,429)	(4)
<b>Awards outstanding at end of period</b>	-	-	-	-

### 9. Core EBITDA

The Group uses Core EBITDA and Core EBITDA pre share-based payments as two of its key metrics to measure performance because it views these as the closest profitability number comparable to the Group's recurring revenue model (i.e. a cash profit number after removing/adjusting for any one-offs, both positive and negative). Core EBITDA pre share-based payments is shown as the Group considers that there is no cash alternative to the share-based payments and due to their uncontrollable nature. Core EBITDA and Core EBITDA pre share-based payments may not be comparable to other similarly titled measures used by other companies and they have limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Group's operating results as reported under IFRS.

The specific items excluded from Core EBITDA and Core EBITDA pre share-based payments are non-underlying items. Non-underlying items are non-trading or one-off items disclosed separately below, where the quantum, nature or volatility of such items are considered by the Directors to otherwise distort the underlying performance of the Group. The Group has assessed that the following items are non-underlying items for the purposes of calculating Core EBITDA and Core EBITDA pre share-based payments:

- Non-operational legal costs. These are costs related to a series of proposed corporate transactions over the period and redundancy costs relating to a restructuring of the business. The corporate transaction costs relate to professional and other costs incurred in preparing the Group for an IPO and therefore are not considered to be related to the Group's ongoing business operations. Non-operational legal costs of £2.7 million in the financial year ended 31 March 2021 related to IPO costs
- Distributions made to members classified as remuneration expenses under IFRS have been added back as these are considered to be equity transactions. These expenses were related to distribution of the Group profit. They were variable as they were dependent on Group profit and also the timing of when the distributions were made
- Staff advances expensed have been added back as these are not deemed to reflect the core underlying performance of the business
- Other operating income as per note 10 below which is not expected to recur. This relates to Shirebrook development fees and grant income from a government support programme introduced in response to the COVID-19 global pandemic
- Profits or losses on disposal of fixed assets are added back as these are classed as non-recurring
- Profits or losses arising on acquisition of subsidiaries are added back as these are classed as non-recurring

- All depreciation and amortisation costs are added back
- All financing and taxation costs are added back

A reconciliation of retained profit to Core EBITDA and Core EBITDA pre share-based payments is set out below:

	<b>31 March 2022 £000</b>	31 March 2021 £000
Net profit after other comprehensive income	<b>24,938</b>	14,881
Add back depreciation and amortisation	<b>3,485</b>	2,649
Add back non-operational staff costs		
Distributions	-	2,746
Staff advances expensed	<b>580</b>	440
Other	<b>148</b>	-
Add back non-operational legal costs	-	2,744
Loss/(profit) on disposal of tangible and intangible fixed assets	<b>33</b>	(170)
Gain on business combination	<b>(1,012)</b>	(174)
Deduct other operating income	<b>(250)</b>	(394)
Add back financing	<b>651</b>	707
Add back tax	<b>2,793</b>	481
<b>Core EBITDA</b>	<b>31,366</b>	23,910
Share-based payments	<b>459</b>	-
<b>Core EBITDA pre share-based payments</b>	<b>31,825</b>	23,910

## 10. Other operating income

### **Accounting policy:**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

	<b>31 March 2022 £000</b>	31 March 2021 £000
Fees arising from the Shirebrook development	<b>250</b>	348
Grant income	-	46
	<b>250</b>	394

### **Fees arising from the Shirebrook development**

The Group is managing the development of a reserve power plant site in Shirebrook, Derbyshire on behalf of the Foresight ITS product. Development fees have been accounted for as other operating income when it is virtually certain that relevant contractual conditions have been met. At 31 March 2022, total fees of £2.4 million had been recognised, which reflects total contractual fees on the development.

### **Grant income**

The Group applied for a government support programme introduced in response to the COVID-19 global pandemic in the year ended 31 March 2021. It related to the payroll of the Group's employees and the Group does not have any unfulfilled obligations relating to this programme.

## 11. Finance income and expense

### **Accounting policy:**

#### Finance income

Finance income comprises interest receivable on cash deposits. Interest income is recognised in profit or loss as it accrues using the effective interest method.

#### Finance costs

Finance costs comprise interest payable on leases, borrowings and direct issue costs and are expensed in the period in which they are incurred.

	<b>31 March 2022 £000</b>	31 March 2021 £000
<b>Finance income</b>		
Bank interest receivable	<b>2</b>	3
<b>Total finance income</b>	<b>2</b>	3
<b>Finance expenses</b>		
Other interest payable	<b>4</b>	7
Loan interest (accrued)	<b>85</b>	82
Interest on lease liabilities	<b>564</b>	621
<b>Total finance expense on financial liabilities measured at amortised cost</b>	<b>653</b>	710
<b>Net finance expense recognised in the Statement of Comprehensive Income</b>	<b>(651)</b>	(707)

The above finance income and expense includes the following in respect of assets (liabilities) not at fair value through profit or loss:

	<b>31 March</b>	31 March
	<b>2022</b>	2021
	<b>£000</b>	£000
Total finance income on financial assets	<b>2</b>	3
Total finance expense on financial liabilities	<b>(653)</b>	(710)
	<b>(651)</b>	(707)

## 12. Taxation

### **Accounting policy:**

#### Current tax

The tax expense represents the current tax relating to the corporate subsidiaries. The current tax expense is based on taxable profits of these companies for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax liability is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date. Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends to either settle on a net basis or realise the asset and settle the liability simultaneously.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

#### Deferred tax

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Statement of Financial Position liability method. Deferred tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to the statement of profit or loss, except when it relates to items charged or credited to other comprehensive income or directly to equity, in which case the deferred tax is also dealt with in the Statement of Other Comprehensive Income or directly in equity. See note 25.

	<b>31 March</b>	31 March
	<b>2022</b>	2021
	<b>£000</b>	£000
<b>Current tax</b>		
UK corporation tax	<b>3,098</b>	-
Foreign taxation	<b>66</b>	111
Adjustments in respect of prior periods (foreign tax)	<b>5</b>	134
<b>Total current tax charge</b>	<b>3,169</b>	245
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<b>(376)</b>	236
<b>Total deferred tax</b>	<b>(376)</b>	236
<b>Tax on profit on ordinary activities</b>	<b>2,793</b>	481
<b>Total tax expense</b>		
From above	<b>2,793</b>	481
Share of tax expense of equity accounted joint ventures	<b>21</b>	14
	<b>2,814</b>	495

The effective tax rate has varied through the historical period, and is explained as:

	<b>31 March</b>	31 March
	<b>2022</b>	2021
	<b>£000</b>	£000
Profit for the year	<b>25,076</b>	15,174
Add back total tax	<b>2,814</b>	495
<b>Profit before all tax</b>	<b>27,890</b>	15,669
Profit before tax at 19%	<b>5,299</b>	2,977
Profits not assessable to corporation tax	<b>(762)</b>	(405)
Profit share allocation from partnership funds	<b>654</b>	(78)
Unrecognised deferred tax	<b>350</b>	(446)
Adjustments to previous periods	<b>5</b>	134
Differences on overseas tax rate	<b>(4,126)</b>	(2,213)
Remeasurement of deferred tax	<b>150</b>	-
Expenses not deductible for tax purposes	<b>1,482</b>	579
Other - share-based payments	<b>(46)</b>	(20)
Gain on business combination	<b>(192)</b>	(33)
<b>Total tax charge</b>	<b>2,814</b>	495

The Company is resident for taxation purposes in Guernsey and its income is subject to income tax in Guernsey, presently at a rate of 0% per annum. The tax reconciliation for the Group has been prepared using the current UK corporation tax rate of 19%, as most of the Group's trading activities are carried out in the UK.

## 13. Earnings per share

### **Accounting policy:**

Basic earnings per share is calculated by dividing the profit attributable to the owners of the parent company by the weighted average number of shares in issue during the period less the weighted average number of own shares held (see note 27).

Diluted earnings per share is calculated by dividing the profit attributable to the owners of the parent company by the weighted average number of shares for the purposes of the basic earnings per share plus the weighted average number of shares that would be issued on the conversion of dilutive potential Ordinary Shares into Ordinary Shares (see note 8 for Performance Share Plan).

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
<b>Earnings</b>		
Earnings for the purposes of basic earnings per share, being profit attributable to the owners of the parent company	<b>25,076</b>	15,174

	<b>31 March 2022</b>	31 March 2021
	<b>'000</b>	'000
<b>Number of shares</b>		
Weighted average number of shares in issue during the period	<b>108,333</b>	101,780
Less time apportioned own shares held	<b>(133)</b>	-
Weighted average number of Ordinary Shares for the purpose of basic earnings per share	<b>108,200</b>	101,780
Add back weighted average number of dilutive potential shares	<b>608</b>	-
Weighted average number of Ordinary Shares for the purpose of diluted earnings per share	<b>108,808</b>	101,780
Earnings per share Group (Basic) (£)	<b>0.23</b>	0.15
Earnings per share Group (Diluted) (£)	<b>0.23</b>	0.15

#### 14. Property, plant and equipment

##### **Accounting policy:**

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost less estimated residual value of each asset evenly using a straight-line method over its estimated useful life (charged through administrative expenses) as follows:

- Fixtures and fittings:
  - Office equipment over ten years
  - Computer equipment over five years
- Short leasehold property over term of lease
- Long leasehold flat over term of lease
- Motor vehicles over four years

The carrying values of items of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income.

	Fixtures, fittings and equipment £000	Short leasehold property £000	Long leasehold flat £000	Motor vehicles £000	Total £000
<b>Cost</b>					
At 1 April 2021	<b>341</b>	<b>5,385</b>	-	<b>15</b>	<b>5,741</b>
Additions	<b>308</b>	<b>90</b>	-	-	<b>398</b>
Foreign exchange movement	<b>(2)</b>	<b>(1)</b>	-	-	<b>(3)</b>
Disposals	<b>(193)</b>	-	-	-	<b>(193)</b>
<b>At 31 March 2022</b>	<b>454</b>	<b>5,474</b>	-	<b>15</b>	<b>5,943</b>
<b>Depreciation</b>					
At 1 April 2021	<b>193</b>	<b>2,531</b>	-	<b>5</b>	<b>2,729</b>
Depreciation charge for the year	<b>172</b>	<b>576</b>	-	<b>3</b>	<b>751</b>
Disposals	<b>(191)</b>	-	-	-	<b>(191)</b>
Foreign exchange movement	<b>(1)</b>	<b>(1)</b>	-	-	<b>(2)</b>
<b>At 31 March 2022</b>	<b>173</b>	<b>3,106</b>	-	<b>8</b>	<b>3,287</b>
<b>Net book value at 31 March 2022</b>	<b>281</b>	<b>2,368</b>	-	<b>7</b>	<b>2,656</b>

	equipment	property	£000	vehicles	£000
<b>Cost</b>					
At 1 April 2020	322	5,364	326	15	6,027
Additions	113	28	-	-	141
Foreign exchange movement	-	(7)	-	-	(7)
Disposals	(94)	-	(326)	-	(420)
<b>At 31 March 2021</b>	<b>341</b>	<b>5,385</b>	<b>-</b>	<b>15</b>	<b>5,741</b>
<b>Depreciation</b>					
At 1 April 2020	139	1,960	20	2	2,121
Depreciation charge for the year	145	575	26	3	749
Disposals	(93)	-	(46)	-	(139)
Foreign exchange movement	2	(4)	-	-	(2)
<b>At 31 March 2021</b>	<b>193</b>	<b>2,531</b>	<b>-</b>	<b>5</b>	<b>2,729</b>
<b>Net book value at 31 March 2021</b>	<b>148</b>	<b>2,854</b>	<b>-</b>	<b>10</b>	<b>3,012</b>

## 15. Intangible assets

### **Accounting policy:**

Intangible assets in respect of customer contracts (acquired) reflect the fair value of the investment management contracts obtained, which is equal to the present value of the earnings they are expected to generate. This is on the basis that it is probable that future economic benefits attributable to the investment management contracts will flow to the Group and the fair value of the intangible asset can be measured reliably.

Computer software (internally generated) represents software licences and development costs to bring software into use. Costs associated with developing or maintaining computer software programmes that do not meet the capitalisation criteria under IAS 38 are recognised as an expense as incurred.

Amortisation is provided, where material, at rates calculated to write off the cost, less estimated residual value, of each asset evenly using a straight-line method over its estimated useful life (charged through administrative expenses) as follows:

- Customer contracts over remaining term of investment management contract
- Computer software over three to four years

The carrying values of customer contracts (acquired) and computer software (internally generated) are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense in the Statement of Comprehensive Income immediately.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Comprehensive Income.

### **Estimation uncertainty and judgements:**

#### *Acquisition of FV Solar Lab S.R.L.*

The valuation of investment management contracts represents an estimation of the present value of the earnings that those contracts were expected to generate at the completion date. The net present value was calculated using a discounted profitability model, with reference to the projected profitability of the fund over three years based on internal forecasts and a weighted average cost of capital ("WACC") of 7% using various inputs to reflect the operations which are principally based in Italy.

A 1% increase in the WACC would result in a decrease in the intangible asset recognised by £26,000; likewise, a 1% decrease would result in an increase of £27,000. The intangible asset is amortised over three years. An impairment review was undertaken by reference to the ongoing revenue to which the investment management contracts relate. There were no indicators of impairment of the asset at the reporting date.

#### *Acquisition of PiP Manager Limited*

The valuation of investment management contracts represents an estimation of the present value of the earnings that those contracts were expected to generate at the completion date. The net present value was calculated using a discounted profitability model, with reference to the projected profitability of the fund over 20 years based on internal forecasts and a weighted average cost of capital ("WACC") of 13.75% using various inputs to reflect the operations which are principally based in the UK.

A 1% increase in the WACC would result in a decrease in the intangible asset recognised by £123,000; likewise, a 1% decrease would result in an increase of £133,000. The intangible asset is amortised over 20 years. An impairment review was undertaken by reference to the AUM of the funds to which the investment management contracts relate. There were no indicators of impairment of the asset at the reporting date.

#### *Impairment of intangible assets*

In determining whether there are indicators of impairment of the Group's intangible assets, the Directors take into consideration various factors including the economic viability and expected future financial performance of the asset and, when it relates to the intangible assets arising from investment management contracts, the expected future performance of the contract acquired.

	Computer software £000	Customer contracts £000	Total £000
<b>Cost</b>			
At 1 April 2021	479	2,914	3,393
Additions	171	-	171
Business combinations	-	1,679	1,679
Disposals	-	(35)	(35)
<b>At 31 March 2022</b>	<b>650</b>	<b>4,558</b>	<b>5,208</b>
<b>Amortisation/impairment</b>			
At 1 April 2021	289	92	381
Charge for the year	105	292	397
Disposals	-	(1)	(1)
<b>At 31 March 2022</b>	<b>394</b>	<b>383</b>	<b>777</b>
<b>Net book value at 31 March 2022</b>	<b>256</b>	<b>4,175</b>	<b>4,431</b>

	Computer software £000	Customer contracts £000	Total £000
<b>Cost</b>			
At 1 April 2020	663	-	663
Additions	13	35	48
Business combinations	-	2,879	2,879
Disposals	(197)	-	(197)
At 31 March 2021	479	2,914	3,393
<b>Amortisation/impairment</b>			
At 1 April 2020	391	-	391
Charge for the year	95	92	187
Disposals	(197)	-	(197)
At 31 March 2021	289	92	381
<b>Net book value at 31 March 2021</b>	<b>190</b>	<b>2,822</b>	<b>3,012</b>

The table below shows the carrying amount assigned to each component of customer contracts and the remaining amortisation period.

	Carrying value £000	Remaining amortisation period
Acquisition of PiP Manager Limited (see note 31)	2,644	14 years
Acquisition of FV Solar Lab S.R.L. (see note 31)	1,531	2.5 years
	<b>4,175</b>	

The remaining element of intangible assets relates to capitalised software costs, which are amortised over five years. The amortisation charges above are recognised within administrative expenses in the Statement of Comprehensive Income.

#### 16(a). Investments at FVTPL

**Accounting policy:**

Investments at FVTPL are recognised initially at fair value, which is normally the transaction price. Subsequent to initial recognition, investments at FVTPL are measured at fair value with changes recognised in the Statement of Comprehensive Income.

**Estimation uncertainty and judgements:**

Fair value is calculated as the share of net assets of the underlying fund to which the investment relates. The underlying fund values its investments in accordance with International Private Equity and Venture Capital ("IPEV") Valuation Guidelines (December 2018 and further COVID-19 guidance for March 2020) developed by the British Venture Capital Association and other organisations.

While valuations of investments are based on assumptions that the Directors consider are reasonable under the circumstances, the actual realised gains and losses will depend on, amongst other factors, future operating results, the value of the assets and market conditions at the time of disposal, any related transaction costs and the timing and manner of sale, all of which may ultimately differ significantly from the assumptions on which the valuations were based. Further details on the key assumptions made and a sensitivity analysis are set out in note 30.

	31 March 2022 £000	31 March 2021 £000
At beginning of period	2,075	1,233
Additions	712	881
Fair value movements	638	192
Sales proceeds	(617)	(231)
Disposal	(27)	-
<b>At end of period</b>	<b>2,781</b>	<b>2,075</b>

Investments comprise investments in underlying funds which are measured at fair value.

## 16(b). Investments in subsidiaries

The Company has investments in the following undertakings:

Entity	Domicile	Type	Country of registration	Interest
<b>Subsidiary undertakings</b>				
Foresight Solar Australia (UK) Limited	UK	Company	England & Wales	100%
FGB S.à r.l.	Luxembourg	Company	Luxembourg	100%
Foresight Group Holdings (UK) Limited	UK	Company	England & Wales	100%
Foresight Asset Management Limited	UK	Company	England & Wales	100%
Foresight Fund Managers Limited	UK	Company	England & Wales	100%
Foresight Group (SK) Limited	UK	Company	England & Wales	100%
Pinecroft Corporate Services Limited	UK	Company	England & Wales	100%
Foresight Environmental GP Co. Limited	UK	Company	Scotland	100%
Foresight NF GP Limited	UK	Company	England & Wales	100%
Foresight Environmental FP GP Co. Limited	UK	Company	Scotland	100%
Foresight NF FP GP Limited	UK	Company	England & Wales	100%
Foresight Company 1 Limited	UK	Company	England & Wales	100%
Foresight Company 2 Limited	UK	Company	England & Wales	100%
Foresight Regional Investment General Partner LLP	UK	LLP	Scotland	100%
Foresight Impact Midlands Engine GP LLP	UK	LLP	Scotland	100%
Foresight Regional Investment II General Partner LLP	UK	LLP	Scotland	100%
Foresight Group Equity Finance (SGS) GP LLP	UK	LLP	Scotland	100%
NI Opportunities GP LLP	UK	LLP	Scotland	100%
Foresight Legolas Founder Partner GP LLP	UK	LLP	Scotland	100%
Foresight Regional Investment III General Partner LLP	UK	LLP	Scotland	100%
AIB Foresight SME Impact General Partner LLP	UK	LLP	Scotland	100%
Foresight West Yorkshire Business Accelerator General Partner LLP	UK	LLP	Scotland	100%
AIB Foresight SME Impact Fund GP Limited	Ireland	Company	Ireland	100%
Foresight Infra Hold Co Limited	UK	Company	England & Wales	100%
PIP Manager Limited	UK	Company	England & Wales	100%
PIP Multi-Strategy Infrastructure Limited	UK	Company	England & Wales	100%
PIP Multi-Strategy Infrastructure (Scotland) Limited	UK	Company	England & Wales	100%
PIP Multi-Strategy Infrastructure GP LLP	UK	LLP	England & Wales	100%
Foresight Group CI Limited	Guernsey	Company	Guernsey	100%
Foresight European Solar Fund GP Ltd	Jersey	Company	Jersey	100%
Foresight Holdco 2 Limited	UK	Company	England & Wales	100%
VCF II LLP	UK	LLP	England & Wales	100%
Foresight Group LLP	UK	LLP	England & Wales	100%
Foresight Group Promoter LLP	UK	LLP	England & Wales	100%
Foresight Investor LLP	UK	LLP	England & Wales	100%
Foresight Group S.R.L.	Italy	Company	Italy	100%
FV Solar Lab S.R.L.	Italy	Company	Italy	100%
Foresight Group Australia Pty Limited	Australia	Company	Australia	100%
FGA Ventures Pty Ltd	Australia	Company	Australia	100%
Above It Pty Ltd	Australia	Company	Australia	100%
Foresight Group Australia Services Pty Limited	Australia	Company	Australia	100%
Foresight Group Iberia SL	Spain	Company	Spain	100%
Foresight Energy Infrastructure Partners GP S.à r.l.	Luxembourg	Company	Luxembourg	100%
Foresight Group S.à r.l.	Luxembourg	Company	Luxembourg	100%
Foresight Group Luxembourg S.A.	Luxembourg	Company	Luxembourg	100%
Foresight UK LLP	UK	LLP	England & Wales	100%
Foresight European Solar Fund CIP GP Limited	UK	Company	Scotland	100%
Foresight 1 VCT Limited	UK	Company	England & Wales	100%
Foresight Energy VCT Limited	UK	Company	England & Wales	100%
<b>In liquidation</b>				
Foresight Metering Limited	UK	Company	England & Wales	100%

## 17. Investments in equity accounted joint ventures

### Accounting policy:

Joint ventures are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the Statement of Comprehensive Income.

	31 March 2022 £000	31 March 2021 £000
At beginning of period	251	235
Share of post-tax profits	53	26
Foreign exchange movement	-	(10)
Disposal	(304)	-
<b>At end of period</b>	<b>-</b>	<b>251</b>

The investment in joint venture related to a joint venture entered into by Foresight Group S.R.L. which held a 50% holding in FV Solar Lab S.R.L.

### Joint venture

FV Solar Lab S.R.L. is a separate structured vehicle incorporated and operating in Italy. It was set up by the Group and VEI Green on commencement of ForVEI II, an investment platform which specialises in acquiring solar assets in Italy. The

platform was managed by the Group and VEI Green who shared equally in the assets and liabilities of FV Solar Lab S.R.L. and under IFRS 11 this joint arrangement was classified as a joint venture and was included in the consolidated financial statements using the equity method.

On 21 January 2022, the Group acquired VEI Green's 50% holding in FV Solar S.R.L.; see note 31 for business combinations. Consequently, FV Solar Lab S.R.L. ceased to be accounted for as a joint venture under IFRS 11 but as a subsidiary under IFRS 10.

Summarised financial information in relation to the joint venture is presented below up to 21 January 2022:

	<b>31 March</b>	31 March
	<b>2022</b>	2021
	<b>£000</b>	£000
<b>Profit or loss</b>	<b>53</b>	26
<b>Other comprehensive income</b>		
Translation differences on foreign subsidiaries	-	(10)
<b>Total comprehensive income</b>	<b>53</b>	16

## 18. Contract costs

### **Accounting policy:**

The Group may enter into placement agency agreements with providers who will seek to raise investor monies. Where placement agency fees are incremental to obtaining, extending or modifying a contract with a customer, these fees are capitalised and then amortised on a systematic basis consistent with the pattern of transfer of the services to which the asset relates. Where placement agency fees are not considered to be incremental, these are expensed as they are incurred. Capitalised placement fees are included within contract costs.

Retainer amounts paid to placement agents are recognised as an asset. Where the placement agent is successful in obtaining a contract with a customer, the retainer amounts are offset against the gross placement agency fees when incurred. If unsuccessful, the retainer amounts are expensed.

### **Estimation uncertainty and judgements:**

When deciding whether placement agency fees are incremental to obtaining, extending or modifying a contract with a customer, the Group must consider whether an individual investor is the customer or whether the fund that the investor is investing into is the customer. Where the individual investor is the customer, the fees will be incremental. Where the customer is the fund, the fees for the individual investor would not be incremental.

	<b>31 March</b>	31 March
	<b>2022</b>	2021
	<b>£000</b>	£000
Incremental placement agency fees, of which:		as restated
Non-current assets	<b>4,555</b>	837
Current assets	<b>3,976</b>	712
	<b>579</b>	125

Incremental placement agency fees have arisen from further interim and final closes of Foresight Energy Infrastructure Partners. See note 36 for explanation for adjustment to corresponding amounts.

## 19. Trade and other receivables

### **Accounting policy:**

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. For trade receivables this is because they meet the criteria set out under IFRS 9, being assets held within a business model that give rise to contractual cash flows and are solely payments of principal and interest ("SPPI"). If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses. The expected credit losses are estimated using a provision matrix by reference to past default experience and an analysis of the receivables' current financial position, adjusted for factors that are specific to the receivable, general economic conditions of the industry and an assessment of both the current as well as the forecast direction of conditions at the reporting date. This encompasses trade receivables and balances within other receivables such as recharges yet to be invoiced to funds and investee companies.

Additionally, when a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the Statement of Comprehensive Income. In line with the Group's historical experience, and after consideration of current credit exposures, the Group does not expect to incur any credit losses and has not recognised any ECLs in the current year (2021: £nil).

### Amortised cost

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

#### Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Comprehensive Income. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Prepayments arise where the Group pays cash in advance for services. As the service is provided, the prepayment is reduced and the operating expense is recognised in the statement of profit or loss.

	<b>31 March 2022</b>	31 March 2021 as restated
	<b>£000</b>	£000
Trade receivables	<b>13,383</b>	10,988
Other receivables	<b>2,310</b>	4,255
Prepayments	<b>2,050</b>	1,958
Staff advances	<b>2,880</b>	2,680
Tax receivable	<b>584</b>	-
<b>Less non-current assets:</b>		
Trade receivables	<b>1,120</b>	1,471
Other receivables	-	-
Prepayments	-	-
Staff advances	<b>2,140</b>	1,940
Tax receivable	-	-
<b>Current assets:</b>		
Trade receivables	<b>12,263</b>	9,517
Other receivables	<b>2,310</b>	4,255
Prepayments	<b>2,050</b>	1,958
Staff advances	<b>740</b>	740
Tax receivable	<b>584</b>	-
	<b>17,947</b>	16,470

The Directors consider that the carrying value of trade and other receivables approximates to their fair value. Staff advances have been made in order to retain key staff and are expensed over five years in line with the contractual terms of the advances but are repayable if the relevant individual leaves the Group. See note 36 for explanation for adjustment to corresponding amounts.

The ageing profile of the Group's trade receivables is as follows:

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
Current	<b>7,254</b>	7,139
<b>Overdue</b>		
< 30 days	<b>705</b>	101
30-60 days	<b>449</b>	526
60-90 days	<b>81</b>	77
> 90 days	<b>4,894</b>	3,145
	<b>13,383</b>	10,988

The movement in the impairment allowance for trade receivables is as follows:

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
At beginning of period	<b>232</b>	532
Written off during the period as uncollectible	<b>(159)</b>	(355)
Increase during the period	<b>140</b>	55
<b>At end of period</b>	<b>213</b>	232

Trade receivables include amounts which are past due at the reporting date but against which the Group has not recognised a provision for impairment as there has been no significant change in credit quality and the amounts are still considered recoverable.

In determining the recoverability of trade receivables the Directors considered any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. Such changes would include when one or more detrimental events have occurred, such as significant financial difficulty of the counterparty or it becoming probable that the counterparty will enter bankruptcy or other financial reorganisation. As the majority of trade receivables are fees settled directly from the assets of the respective funds, the credit risk is considered to be very low. When trade receivables are fees settled directly from investee companies, i.e. Directors' fees there is the possibility of financial difficulty, however these fees individually are not significant. See note 30 for management of credit risk.

## **20. Cash and cash equivalents**

#### **Accounting policy:**

Cash and cash equivalents comprise cash on hand and cash at banks.

	31 March 2022 £000	31 March 2021 £000
Cash and cash equivalents per Statement of Financial Position	54,289	39,431
Cash and cash equivalents per Cash Flow Statement	54,289	39,431

## 21. Trade and other payables

### **Accounting policy:**

Trade and other payables are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

### Amortised cost

The amortised cost of a financial liability is the amount at which the financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount.

### Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

	31 March 2022 £000	31 March 2021 £000
Trade payables	1,322	1,175
Accruals	12,459	8,697
Deferred income	134	541
Other payables	4,716	5,244
VAT and PAYE	3,234	3,520
Corporation tax	497	143
Partnership capital contributions	1,680	1,619
<b>Less non-current liabilities:</b>		
Trade payables	-	-
Accruals	64	295
Deferred income	-	-
Other payables	-	-
VAT and PAYE	-	-
Corporation tax	-	-
Partnership capital contributions	-	-
<b>Current liabilities:</b>		
Trade payables	1,322	1,175
Accruals	12,395	8,402
Deferred income	134	541
Other payables	4,716	5,244
VAT and PAYE	3,234	3,520
Corporation tax	497	143
Partnership capital contributions	1,680	1,619
	<b>23,978</b>	<b>20,644</b>

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs.

The Directors consider the carrying amount of trade and other payables approximates to their fair value when measured by discounting cash flows at market rates of interest as at the Statement of Financial Position date. Deferred income relates to fees received in advance. Partnership capital contributions relate to contributions by members to Foresight Group LLP. The main component of accruals are bonuses relating to the financial period but substantially settled in July in the following financial year.

## 22. Loans and borrowings

### **Accounting policy:**

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Loans and borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Loans and borrowings are derecognised from the Statement of Financial Position when the obligation specified in the contract is discharged, is cancelled or expires.

The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other operating income or finance costs.

Loans and borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Loans and borrowings arose from the acquisition of PIP Manager Limited in the year ended 31 March 2021 (seen note 31).

31 March 2022	31 March 2021
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	£000	£000
<b>Current liabilities</b>		
Loans and borrowings	660	688
<b>Non-current liabilities</b>		
Loans and borrowings	3,030	3,636
	<b>3,690</b>	<b>4,324</b>

#### Terms and debt repayment schedule

	Nominal interest rate	Year of maturity	31 March 2022 Carrying amount <sup>1</sup> £000
Unsecured loan	GBP	2%	2027
			<b>3,690</b>

2. The carrying amount of these loans and borrowings equates to the fair value.

The movement on the above loans may be summarised as follows:

	31 March 2022 £000	31 March 2021 £000
At beginning of period	4,324	-
At acquisition	-	4,242
Interest	85	82
Repayment	(719)	-
<b>At end of period</b>	<b>3,690</b>	<b>4,324</b>

For more information about the Group's exposure to interest rate and foreign currency risk, see note 30.

### 23. Lease liabilities

#### Accounting policy:

Applying IFRS 16, for all leases, the Group:

- Recognises right-of-use assets and lease liabilities in the Statement of Financial Position, initially measured at the present value of the future lease payments
- Recognises depreciation of right-of-use assets and interest on lease liabilities in the Statement of Comprehensive Income
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the Cash Flow Statement

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses. The carrying value is also adjusted for any remeasurement of the lease liability. The entity has chosen to apply the practical expedient in C3 of IFRS 16 to not reassess whether a contract is, or contains, a lease at the date of initial application. The lease liability is measured in subsequent periods using the effective interest rate method and adjusted for lease payments.

Lease incentives (e.g. rent-free periods) are recognised as part of the measurement of the right-of-use assets and lease liabilities, whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses on a straight-line basis. For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16.53 (c). This expense is presented within administrative expenses in the Statement of Comprehensive Income.

The cost of any contractual requirements to dismantle, remove or restore the leased asset, typically dilapidations, are to be included in the initial recognition of right-of-use assets.

#### Estimation uncertainty and judgements:

The Group cannot readily determine the interest rates implicit in the leases; therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when adjustments are required to reflect the underlying economic market where overseas subsidiaries are located).

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's standalone credit rating).

Set out below are the carrying amounts of the right-of-use assets recognised and associated lease liabilities (included under current and non-current liabilities) together with their movements over the period. The leases all relate to the offices of the Group as follows:

#### VCF II LLP

- 23rd Floor Shard, London
- 18th Floor Shard, London
- Park Row, Nottingham 3rd Floor
- Park Row, Nottingham 4th Floor

#### Foresight Group LLP

- George Street, Edinburgh, Scotland
- Station Road, Cambridge
- King Street, Manchester

**Foresight Group S.R.L.**

- Piazza Barberini, Rome

**Foresight Group Iberia SL**

- Planta Tercera, Madrid

New lease in year ended 31 March 2022:

**Foresight Group Luxembourg S.A.**

- Europe Building, Allee Scheffer, Luxembourg

The leases are typically of ten years' duration.

	<b>31 March 2022 £000</b>	31 March 2021 £000
<b>Right-of-use asset</b>		
At beginning of period	<b>9,120</b>	10,346
Additions	<b>1,477</b>	486
Depreciation	<b>(2,337)</b>	(1,712)
<b>At end of period</b>	<b>8,260</b>	9,120
<b>Lease liability</b>		
At beginning of period	<b>12,019</b>	13,498
Current	<b>2,157</b>	1,945
Non-current	<b>9,862</b>	11,553
Additions	<b>544</b>	486
Lease payment	<b>(2,719)</b>	(2,570)
Interest	<b>564</b>	621
Foreign exchange	-	(16)
<b>At end of period</b>	<b>10,408</b>	12,019
Current	<b>2,302</b>	2,157
Non-current	<b>8,106</b>	9,862
	<b>10,408</b>	12,019

The table below summarises the maturity profile of the Group's lease liabilities based on contractual undiscounted payments at 31 March 2022.

<b>Total £000</b>	Less than one year £000	One to two years £000	Two to five years £000	More than five years £000
<b>11,634</b>	<b>2,799</b>	<b>2,800</b>	<b>5,172</b>	<b>863</b>

The table below summarises the maturity profile of the Group's lease liabilities based on contractual undiscounted payments at 31 March 2021.

<b>Total £000</b>	Less than one year £000	One to two years £000	Two to five years £000	More than five years £000
<b>13,817</b>	<b>2,712</b>	<b>2,735</b>	<b>7,289</b>	<b>1,081</b>

The following are the amounts recognised in the Statement of Comprehensive Income:

	<b>31 March 2022 £000</b>	31 March 2021 £000
Depreciation expense on right-of-use assets	<b>2,337</b>	1,712
Interest expense on lease liabilities	<b>564</b>	621
	<b>2,901</b>	2,333

The weighted average incremental borrowing rate applied to lease liabilities recognised in the Statement of Financial Position at the date of initial application was 4.79%.

In accordance with IFRS 16.53(c), (d) and (e) (in respect of short-term, low-value and variable lease expenses), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16 for these items. This expense is presented within administrative expenses in the Statement of Comprehensive Income as follows and for the year ended 31 March 2022 was £117,000 (2021: 241,000).

In the financial period, the Group recognised dilapidation provisions on its offices of £933,000 as right-of-use assets and a depreciation charge of £528,000.

**24. Provisions****Accounting policy:**

A provision is recognised in the Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. The increase in the provision due to the passage of time is recognised in finance costs.

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
Dilapidations provisions	<b>933</b>	-

#### **Dilapidations provision**

As part of its operating lease agreement for its various premises, the Group has an obligation to pay for dilapidation costs at the end of the lease term. Independent surveyors carried out inspections during the period to assess the likely dilapidations which the Group has now included provisions for.

## **25. Deferred tax assets and liabilities**

#### **Accounting policy:**

Deferred tax is recognised based on differences between the carrying value of assets and liabilities for accounting purposes and their tax values (see note 12). Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are only recognised to the extent that the Group considers them to be recoverable, which is determined by reference to estimates that future taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### **Estimation uncertainty and judgements:**

Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax legislation) that have been enacted or substantively enacted at the Statement of Financial Position date.

The movement on the deferred tax account is as shown below:

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
At beginning of period	<b>(604)</b>	20
<b>Recognised in Statement of Comprehensive Income</b>		
Tax expense	<b>376</b>	(236)
Foreign exchange	<b>26</b>	-
	<b>402</b>	(236)
<b>Recognised in equity</b>		
Share-based payment reserve	<b>22</b>	-
<b>Arising on business combination</b>		
Intangible asset (see note 31)	<b>(403)</b>	(547)
Other temporary and deductible differences	-	159
<b>At end of period</b>	<b>(583)</b>	(604)

The movements in deferred tax assets and liabilities during the period are shown below:

	<b>Asset 2022 £000</b>	<b>Liability 2022 £000</b>	<b>Net 2022 £000</b>	<b>(Charged)/ credited to profit or loss 2022 £000</b>	<b>(Charged)/ credited to equity 2022 £000</b>
Other temporary and deductible differences	<b>615</b>	<b>(178)</b>	<b>437</b>	<b>582</b>	<b>22</b>
Business combinations - intangible asset	-	<b>(1,020)</b>	<b>(1,020)</b>	<b>(87)</b>	-
Business combinations - other temporary and deductible differences	-	-	-	<b>(119)</b>	-
	<b>615</b>	<b>(1,198)</b>	<b>(583)</b>	<b>376</b>	<b>22</b>

	<b>Asset 2021 £000</b>	<b>Liability 2021 £000</b>	<b>Net 2021 £000</b>	<b>(Charged)/ credited to profit or loss 2021 £000</b>	<b>(Charged)/ credited to equity 2021 £000</b>
Other temporary and deductible differences	858	(1,051)	(193)	(213)	-
Business combinations - intangible asset	-	(530)	(530)	17	-
Business combinations - other temporary and deductible differences	119	-	119	(40)	-
	<b>977</b>	<b>(1,581)</b>	<b>(604)</b>	<b>(236)</b>	<b>-</b>

## **26. Employee benefits**

**Accounting policy:**

The Group operates a defined contribution pension plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a third party. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The amounts charged to the Statement of Comprehensive Income in respect of these schemes represents contributions payable in respect of the accounting period. The total annual pension cost for the defined contribution schemes for the year ended 31 March 2022 was £608,000 (2021: 601,000).

**27. Share capital and other reserves****Accounting policy:**

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds.

**Ordinary Shares and Preference Shares**

	<b>31 March 2022</b>	31 March 2021
	<b>£</b>	<b>£</b>
<b>Share capital</b>		
Ordinary Shares	-	-
Preference Shares at beginning of period	-	849
Preference Shares redeemed	-	(849)
Preference Shares at end of period	-	-

**Ordinary Shares**

	<b>31 March 2022</b>	<b>31 March 2022</b>	31 March 2021	31 March 2021
	<b>Number</b>	<b>£</b>	Number	£
Ordinary Shares of no par value				
In issue at start of the year	<b>108,333,333</b>	-	-	-
Redesignated	-	-	1,000,000	-
Subdivided	-	-	99,000,000	-
Issued	-	-	8,333,333	-
In issue at end of the year	<b>108,333,333</b>	-	108,333,333	-
A shares of no par value				
In issue at start of the year	-	-	1	-
Cancelled during the year	-	-	(1)	-
In issue at end of the year	-	-	-	-
B shares of no par value				
In issue at start of the year	-	-	539,840	-
Issued during the year	-	-	464,215	-
Cancelled during the year	-	-	(4,055)	-
Redesignated during the year	-	-	(1,000,000)	-
In issue at end of the year	-	-	-	-
D shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
In issue at end of the year	-	-	-	-
F shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
In issue at end of the year	-	-	-	-
H shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
In issue at end of the year	-	-	-	-
I shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
In issue at end of the year	-	-	-	-
J shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
In issue at end of the year	-	-	-	-
L shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
In issue at end of the year	-	-	-	-
M shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-

<u>In issue at end of the year</u>	-	-	-	-
N shares of no par value				
In issue at start of the year			1,000	-
Cancelled during the year	-	-	(1,000)	-
<u>In issue at end of the year</u>	-	-	-	-
P shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
<u>In issue at end of the year</u>	-	-	-	-
Q shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
<u>In issue at end of the year</u>	-	-	-	-
R shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
<u>In issue at end of the year</u>	-	-	-	-
S shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
<u>In issue at end of the year</u>	-	-	-	-
T shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
<u>In issue at end of the year</u>	-	-	-	-
U shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
<u>In issue at end of the year</u>	-	-	-	-
V shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
<u>In issue at end of the year</u>	-	-	-	-
W shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
<u>In issue at end of the year</u>	-	-	-	-
X shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
<u>In issue at end of the year</u>	-	-	-	-
Y shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
<u>In issue at end of the year</u>	-	-	-	-
Z shares of no par value				
In issue at start of the year	-	-	1,000	-
Cancelled during the year	-	-	(1,000)	-
<u>In issue at end of the year</u>	-	-	-	-
AA shares of no par value				
In issue at start of the year	-	-	500	-
Cancelled during the year	-	-	(500)	-
<u>In issue at end of the year</u>	-	-	-	-

### **Rights for each Ordinary Share class**

#### Ordinary Shares

The rights attaching to the shares are uniform in all respects and they form a single class for all purposes, including with respect to voting and for all dividends and other distributions declared, made or paid on the Ordinary Share capital of the Company.

Subject to any rights and restrictions attached to any shares, on a show of hands every Shareholder who is present in person shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote per share.

Except as provided by the rights and restrictions attached to any class of shares, Shareholders are under general law entitled to participate in any surplus assets in a winding up in proportion to their shareholdings.

Note that for all share classes discussed below in the following sub-section, these shares were cancelled at the date of the IPO and replaced with the new Ordinary Shares discussed above.

#### A shares

##### *Rights:*

Income - entitled to receive and participate in dividends or other distributions attributable to the A shares resolved by the Board to be so distributed in respect of any accounting period or any other income or right to participate therein.

Capital - entitled on a winding up or sale to participate in the distribution of capital in the manner described in Companies Law and solely in respect of amounts paid up on such A shares.

Voting - entitled to receive notice of and to attend general meetings of the Company but not vote at such meetings.

## B shares

### *Rights:*

Income - entitled to receive and participate in dividends or other distributions attributable to the B shares resolved by the Board to be so distributed in respect of any accounting period or any other income or right to participate therein.

Capital - entitled on a winding up or sale to participate in the distribution of capital in the manner described in Companies Law and in proportion to the number of B shares held by them.

Redemption - redeemable at the option of the Company upon the member ceasing to be an employee or ceasing to hold the shares for an employee.

Voting - entitled to receive notice of and to attend and vote at general meetings of the Company.

## D to AA shares ("Alphabet shares" - each a separate share class)

### *Rights:*

Income - entitled to receive and participate in dividends or other distributions attributable to the respective class of the Alphabet shares resolved by the Board to be so distributed in respect of any accounting period or any other income or right to participate therein.

Capital - entitled on a winding up or sale to participate in the distribution of capital in the manner described in Companies Law and solely in respect of amounts paid up on such Alphabet shares.

Voting - entitled to receive notice of and to attend general meetings of the Company but not vote at such meetings.

Dividends paid on the above shares are included in note 28 below.

### **Preference Shares**

	<b>31 March 2022</b>	31 March 2021
	<b>£</b>	<b>£</b>
Allotted, called up and fully paid		
Redeemable shares of no par value paid up at £1 per share		
At beginning of period	-	849
Fully redeemed and cancelled during the year	-	(849)
<b>At end of period</b>	<b>-</b>	<b>-</b>

These were held in the books of Foresight Group CI Limited ("FGCI") for the benefit of Beau Port Investments Limited. The redeemable shares were redeemable at the sole option of FGCI, had no par value and had no voting rights, save in respect of any resolution to change the rights attached to them.

The Articles of Association of FGCI gave it the power to issue an unlimited number of shares of no par value as permitted by law.

The redemptions of Preference Shares over the period are included in note 28 below.

The Preference Shares were fully redeemed during the year ended 31 March 2021 (pre-IPO).

### **Share premium**

#### **Accounting policy:**

Ordinary Shares issued by the Group are recognised at the proceeds or fair value received, with the excess of the amount received over nominal value being credited to the share premium account (net of the direct costs of issue).

#### **Estimation uncertainty and judgements:**

The costs incurred for the IPO have been accounted for under IAS 32 as follows:

Incremental costs that were directly attributable to the issuing of new shares have been taken to equity (share premium). Costs that relate to the listing, or are otherwise not incremental and directly attributable to issuing new shares, have been recorded as an expense in the Statement of Comprehensive Income.

Where costs relate to both share issuance and listing, these are required to be allocated on a rational and consistent basis between the two functions. The Directors considered that an appropriate allocation basis would be the objectives of the IPO where 50% of the objectives were for the benefit of the Group and have therefore allocated 50% of the costs to equity (share premium).

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	<b>£000</b>
At beginning of period	<b>32,040</b>	-
Cash on primary raise	-	35,000
Transaction costs of primary raise	-	(2,960)
<b>At end of period</b>	<b>32,040</b>	<b>32,040</b>

The total transaction costs relating to the IPO amounted to £5.275 million, of which £2.96 million was taken to the share premium account and £2.3 million was expensed through administrative expenses in the Statement of Comprehensive Income in the year ended 31 March 2021.

### **Own share reserve**

The Group operates a Share Incentive Plan as per note 8. The Group operates a trust which holds shares that have not yet vested unconditionally to employees of the Group. These shares are recorded at cost and are classified as own shares.

At 31 March 2022, the total number of shares held in trust was 228,838, including 152,769 of matching shares. Of the 152,769 matching shares, 45,000 had been transferred from Foresight Guernsey Limited (see IPO Prospectus) and 107,769

shares had been purchased at a cost of £454,000.

#### **Share-based payment reserve**

The share-based payment reserve represents the cumulative cost of the Group's share-based remuneration schemes and associated deferred tax; see note 8.

#### **Group reorganisation reserve**

The Group reorganisation reserve consists of the Ordinary Share capital of FGCI. As there is no investment in FGCI held in the books of any holding companies (Foresight Group Holdings Limited) this balance is left as a Group reserve.

#### **Retained earnings**

Includes all current and prior period retained profits and losses.

### **28. Dividends and redemptions**

#### **Accounting policy:**

Equity dividends are recognised when they become legally payable. Interim dividends are recognised when they are paid. Final equity dividends are recognised when approved by the Shareholders. Redemptions of Preference Shares were recognised when approved by the Directors of Foresight Group CI Limited upon request from the Shareholder. Share buybacks are recognised in equity when approved by the Directors.

	<b>31 March 2022 £000</b>	31 March 2021 £000
<b>Distributions subsequent to the IPO</b>		
Interim dividend	<b>4,303</b>	-
Final dividend	<b>1,872</b>	-
<b>Distributions prior to the IPO</b>		
Dividends and distributions to equity members	-	18,229
Share buybacks	-	10
	<b>6,175</b>	<b>18,239</b>

Set out below are the details of all equity dividends, distributions and share buybacks for the year ended 31 March 2022 and year ended 31 March 2021. On IPO, there was a restructuring of the share capital of the Company so that dividends per share pre and post-IPO would be incomparable. Therefore, the disclosure of dividends per share has not been made for pre-IPO equity dividends as it would be both unhelpful and misleading and not reflective of future dividend policy.

#### **Year ended 31 March 2022**

##### Ordinary Shares

- A final dividend of 1.7 pence per share in respect of the year ended 31 March 2021 was paid on 24 September 2021 with an ex-dividend date of 9 September 2021 and a record date of 10 September 2021
- An interim dividend of 4.0 pence per share in respect of the year ended 31 March 2022 was paid on 25 March 2022 with an ex-dividend date of 10 March 2022 and a record date of 11 March 2022

#### **Year ended 31 March 2021**

##### A shares

- On 22 May 2020, the Company declared dividends of £137,500 in respect of the Company's A shares
- On 21 August 2020, the Company declared dividends of £137,500 in respect of the Company's A shares
- On 26 November 2020, the Company declared dividends of £183,333 in respect of the Company's A shares
- On 1 February 2021, the Company declared dividends of £8,870,838 in respect of the Company's A shares

##### Alphabet shares

- On 1 February 2021, the Company paid dividends of £16,561 in respect of the Company's Alphabet shares

##### Distributions

- During the financial year, Foresight Group LLP paid distributions of £8,792,208 to its members
- During the financial year, VCF Partners paid distributions of £91,117 to its members

##### Share buyback

- On 9 February 2021, the Company enacted a share buyback of £10,000 per share, in respect of one of the Company's A shares

#### **Preference Shares**

Redemptions on Preference Shares were as follows:

	<b>31 March 2022 £000</b>	31 March 2021 £000
Redemption of Preference Shares	-	4,753

In terms of Preference Shares redemptions, these all took place prior to the IPO via arrangements in place between Beau Port Investments Limited ("BPIL") and Foresight Group CI Limited. These arrangements were all terminated before the date of the IPO and all Preference Shares were fully redeemed and cancelled.

#### **Year ended 31 March 2021**

- On 31 July 2020, Foresight Group CI Limited exercised its right to redeem one redeemable share for a total consideration of £2,750,000
- On 17 December 2020, Foresight Group CI Limited redeemed two redeemable shares for a total

- consideration of £2,003,191
- On 28 January 2021, Foresight Group CI Limited redeemed the remaining 846 redeemable shares for nil value and these were subsequently cancelled
- The value of these redemptions was determined by the Board of Directors of FGCI after taking into account FGCI's profits and working capital requirements

## 29. Commitments and contingencies

There were no capital commitments or contingencies at 31 March 2022 or 31 March 2021.

## 30. Financial instruments - classification and measurement

### Financial assets

Financial assets comprise cash and cash equivalents, trade receivables and other receivables (at amortised cost) and investments at FVTPL, as follows:

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
Trade and other receivables	<b>18,573</b>	17,923
Cash and cash equivalents	<b>54,289</b>	39,431
Investments at FVTPL	<b>2,781</b>	2,075
	<b>75,643</b>	59,429

### Financial liabilities

Financial liabilities measured at amortised cost comprise trade payables, other payables, loans and borrowings and lease liabilities as follows:

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
Trade payables	<b>1,322</b>	1,175
Other payables	<b>6,396</b>	6,863
Loans and borrowings	<b>3,690</b>	4,324
Lease liabilities	<b>10,408</b>	12,019
	<b>21,816</b>	24,381

Financial liabilities for the year ended 31 March 2021 have been restated due to incorrect inclusion of statutory obligations and exclusion of loans and borrowings and lease liabilities.

### Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk), liquidity risk and credit risk. Risk management is carried out by the Board of Directors. The Group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

#### (a) Market risk

##### (i) Market price risk

Market price risk arises from uncertainty about the future prices of financial instruments held in accordance with the Group's investment objectives. It represents the potential loss that the Group might suffer through holding market positions in the face of market movements.

The investments in equity and loan stocks of unquoted companies are rarely traded and as such the prices are more difficult to determine than those of more widely traded securities. In addition, the ability of the Group to realise the investments at their carrying value will at times not be possible if there are no willing purchasers. The potential maximum exposure to market price risk, being the value of the investments as at 31 March 2022, was £2.8 million (2021: £2.1 million).

##### (ii) Interest rate risk

The Group has only £3.7 million of external debt, related to the PiP acquisition during the year ended 31 March 2021 (see notes 22 and 31) with a fixed interest rate. As the interest rates on Shareholders' loans and lease contracts are also fixed, interest rate risk is considered to be very low. Cash and cash equivalents include an interest-bearing deposit account which earned interest at 0.05% per annum at 31 March 2022. As at 31 March 2022, if the interest rate increased or decreased by ten basis points the interest earned would increase or decrease by £7,000.

##### (iii) Foreign exchange risk

The Group is not exposed to significant foreign exchange transaction risk as the Group's activities are primarily within the UK. Foreign exchange risk is therefore considered immaterial.

#### (b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group maintains significant liquid resources in the form of cash or cash deposits in order to meet working capital and regulatory needs. Foresight is predominantly financed through a combination of share capital, undistributed profits and cash.

The contractual maturities (representing undiscounted contractual cash flows) of financial liabilities are contained in the respective note for each category of liability as follows:

*Trade and other payables - see note 21*

*Loans and borrowings - see note 22*

*Lease liabilities - see note 23*

#### (c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise the risk, the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to

credit risk is the value of the outstanding amount.

The Group does not consider that there is any concentration of risk within either trade or other receivables.

Credit risk on cash and cash equivalents is considered to be very low as the counterparties are all substantial banks with high credit ratings.

### Capital risk management

The Group is predominantly equity funded and this makes up the capital structure of the business. Equity comprises share capital, share premium and retained profits and is equal to the amount shown as "Equity" in the balance sheet.

The Group's current objectives when maintaining capital are to:

- Safeguard the Group's ability as a going concern so that it can continue to pursue its growth plans
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term
- Maintain regulatory capital
- Provide a reasonable expectation of future returns to Shareholders

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

During the year to 31 March 2022, the Group's strategy remained unchanged and all regulatory capital requirements of subsidiaries in the Group were complied with. Foresight Group LLP has documented its Pillar III disclosures required by the Financial Conduct Authority under BIPRU 11. These are available on the Foresight Group website or from its registered office.

### Fair value hierarchy

Unquoted investments represents the Group's share of the value of the underlying investments held across various Funds Under Management. These unquoted investments are valued on a net asset basis by the Group. The actual underlying investments are valued in accordance with the following rules, which are consistent with the IPEV Valuation Guidelines. When valuing an unquoted investment at fair value the following factors will be considered:

- i) Where a value is indicated by a material arms-length transaction by an independent third party in the shares of a company, this value will be used
- ii) In the absence of (i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:
  - a) an earnings multiple basis. The shares may be valued by applying a suitable multiple to that company's historic, current or forecast earnings before tax, interest, depreciation and amortisation (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified compared to the sector including, inter alia, illiquidity); or
  - b) where a company's under-performance against plan indicates a diminution in the value of the investment, a write down against cost is made, as appropriate. Where the value of an investment has fallen permanently below cost, the loss is treated as a permanent write down and as a realised loss, even though the investment is still held. The Group assesses the portfolio for such investments and, after agreement with the relevant manager, will agree the values that represent the extent to which a realised loss should be recognised. This is based upon an assessment of objective evidence of that investment's future prospects, to determine whether there is potential for the investment to recover in value
- iii) Premiums on loan investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable
- iv) Where an earnings multiple or cost less impairment basis is not appropriate and overriding factors apply, discounted cash flow, a net asset valuation, or industry specific valuation benchmarks may be applied. An example of an industry specific valuation benchmark would be the application of a multiple to that company's historic, current or forecast turnover (the multiple being based on a comparable sector but with the resulting value being adjusted to reflect points of difference including, inter alia, illiquidity)

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

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

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
<b>As at 31 March 2022</b>				
Unquoted investments	-	-	2,781	2,781
Net financial instruments	-	-	2,781	2,781
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
<b>As at 31 March 2021</b>				
Unquoted investments	-	-	2,075	2,075
Net financial instruments	-	-	2,075	2,075

### Transfers

During the period there were no transfers between Levels 1, 2 or 3.

The unobservable inputs may be summarised as follows:

	31 March 2022	Significant unobservable inputs	Range estimates	Sensitivity factor	Change in fair value £000
Asset class and valuation	£000				

Net financial instruments **2,781** NAV 1x +/-5% +/- 139

As can be seen in the table above, the most significant unobservable input is in relation to the NAV of the relevant investments. A change of 5% to this assumption would increase or decrease the value of these investments by £139,000.

### 31. Business combinations

#### **Accounting policy:**

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date.

Acquisition-related costs are expensed as incurred and included within administrative expenses in the Statement of Comprehensive Income.

Where applicable, the Group applies the optional concentration test to assess whether an acquired set of activities is not a business. If the concentration test is not met, the Group then determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

#### **Goodwill**

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate, or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost assessed for impairment at each reporting date and is subsequently measured at cost less any accumulated impairment losses. Any gain on bargain purchase is credited to administrative expenses in the Statement of Comprehensive Income in the year such gain on bargain purchase arises.

Any impairment is recognised immediately in profit or loss and is not subsequently reversed. On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

#### **Acquisitions in the year ended 31 March 2022**

Details of the acquisition in the year ended 31 March 2022 are as follows:

Business	Country of incorporation	Nature of activity	Date of acquisition	Consideration £000	Percentage ownership
FV Solar Lab S.R.L.	Italy	Asset management and investment advisory services to ForVEI II	21 January 2022	557	100%

The entity was acquired via direct investment in the share capital of the target. The Group previously held 50% ownership as per note 17. The acquisition represented an opportunity for the Group to expand its Italian business by becoming the sole manager of ForVEI II which presented growth opportunities and secured additional recurring revenue. By completing the transaction, AUM increased by £0.1 billion.

The carrying amount of assets and liabilities in the books of the acquiree at the date of acquisition was as follows:

	£000
Trade and other receivables	520
Cash and cash equivalents	218
Trade and other payables	(141)
<b>Total carrying value</b>	<b>597</b>

Purchase consideration was £557,000 and there were no transaction costs.

The above acquisition is reflected in the Cash Flow Statement as follows:

	£000
Cash paid	(557)
Cash acquired on acquisition of subsidiary	218
<b>Total per Cash Flow Statement</b>	<b>(339)</b>

The following intangible assets were recognised at acquisition:

	£000
<b>Intangible asset - customer lists</b>	<b>1,679</b>

The fair values of the assets and liabilities arising from the acquisition are as follows:

	£000
Intangible asset	1,679
Trade and other receivables	520
Cash and cash equivalents	218
Trade and other payables	(141)
Deferred tax liability - intangible asset	(403)
<b>Total fair value</b>	<b>1,873</b>

The fair value of the intangible asset above was derived from cash flow forecasts for the FV Solar Lab S.R.L. standalone

business, being the fees arising from management contracts for ForVEI II using a 7% discount rate based on the weighted average cost of capital ("WACC") derived from a capital asset pricing model ("CAPM"). The intangible asset is being amortised over the remaining life of the ForVEI II contracts.

The gain on disposal of the Group's existing interest in FV Solar Lab S.R.L is as follows:

	<b>£000</b>
Fair value of investment in joint venture	<b>937</b>
Less carrying value of investment in joint venture (see note 17)	<b>(304)</b>
<b>Gain on disposal of investment in joint venture</b>	<b>633</b>

The gain on the acquisition of FV Solar Lab S.R.L. is as follows:

	<b>£000</b>
Fair value of net assets acquired	<b>1,873</b>
Less fair value of previously held investment in joint venture	<b>(937)</b>
Less consideration	<b>(557)</b>
<b>Gain on bargain purchase</b>	<b>379</b>

Total gain arising from business combination achieved in stages:

	<b>£000</b>
Gain on disposal of investment in joint venture	<b>633</b>
Gain on bargain purchase	<b>379</b>
<b>Total gain</b>	<b>1,012</b>

The Group has credited this total gain to the Statement of Comprehensive Income during the year ended 31 March 2022. Due to the materiality of the gain, this is shown as a separate line item in the Statement of Comprehensive Income.

Amounts that the acquisition contributed to both Group revenue and profit in the post-acquisition period are as follows:

	<b>£000</b>
Revenue contribution	<b>148</b>
Profit before tax contribution	<b>65</b>

Had the acquisition occurred at the start of the period, the acquisition would have made the following contributions to both Group revenue and profit:

	<b>£000</b>
Revenue contribution	<b>806</b>
Profit before tax contribution	<b>230</b>

#### Acquisitions in the year ended 31 March 2021

Details of the acquisition in the year ended 31 March 2021 are as follows:

Business	Country of incorporation	Nature of activity	Date of acquisition	Consideration £000	Percentage ownership
PiP Manager Limited	UK	Asset management services to pension funds	18 August 2020	5,339	100%

The entity was acquired via direct investment in the share capital of the target. The following subsidiaries of PiP Manager Limited were also acquired:

- PiP Multi-Strategy Infrastructure Limited
- PiP Multi-Strategy Infrastructure (Scotland) Limited
- PiP RP-MA GP LLP
- PiP Multi-Strategy Infrastructure GP LLP
- PiP WM-MA GP LLP

The carrying amount of assets and liabilities in the books of the acquiree at the date of acquisition was as follows:

	<b>£000</b>
Trade and other receivables	377
Cash and cash equivalents	3,446
Trade and other payables	(362)
Non-current payables	(439)
Deferred tax asset	50
<b>Total carrying value</b>	<b>3,072</b>

Purchase consideration was £1.1 million of cash and £4.2 million of loans due to the vendors taken on by the Group at acquisition (further details of these loans are included in note 22 above). Transaction costs of £184,000 (which have been expensed) comprise adviser fees, including financial, tax and legal due diligence costs. Consideration is broken down as follows:

	<b>£000</b>
Cash paid	1,098
	1,098
Founder loans taken on	4,241
<b>Total consideration</b>	<b>5,339</b>

The above acquisition is reflected in the Cash Flow Statement as follows:

	<b>£000</b>
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Cash paid	(1,098)
Cash acquired on acquisition of subsidiary	3,446
<b>Total per Cash Flow Statement</b>	<b>2,348</b>

The following intangible assets were recognised at acquisition:

	<b>£000</b>
<b>Intangible asset - customer lists</b>	<b>2,879</b>

The fair values of the assets and liabilities arising from the acquisition are as follows:

	<b>£000</b>
Intangible asset	2,879
Trade and other receivables	377
Cash and cash equivalents	3,446
Trade and other payables	(362)
Non-current payables	(439)
Deferred taxation asset	159
Deferred taxation liability - intangible asset	(547)
Net assets acquired	5,513
Consideration	5,339
Gain on bargain purchase	(174)
<i>Transaction costs</i>	<i>184</i>

The fair value of the intangible asset above was derived from cash flow forecasts for the PiP standalone business, over a 20 year period using a 13.75% discount rate based on the weighted average cost of capital ("WACC") derived from a capital asset pricing model ("CAPM"). The intangible asset is being amortised over a useful life of 20 years.

The acquisition of PiP resulted in a small gain on bargain purchase as a result of the assessment of fair value of assets acquired and liabilities assumed marginally exceeding the total of the fair value of the purchase consideration. The Group has credited the gain on bargain purchase to the Statement of Comprehensive Income during the year ended 31 March 2021, as a separate line item in the Statement of Comprehensive Income within gain on business combination (due to the materiality of the gain in FY22).

Amounts that the acquisition contributed to both Group revenue and profit in the post-acquisition period are as follows:

	<b>£000</b>
Revenue contribution	1,432
Profit before tax contribution	212

### 32. Assets and liabilities of disposal group as held for sale

#### **Accounting policy:**

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

Assets and liabilities classified as held for sale are presented separately as current items in the Statement of Financial Position.

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
  - Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Comprehensive Income.

The assets and liabilities of operations classified as a disposal group are as follows:

	<b>31 March 2022</b>	31 March 2021
	<b>£000</b>	£000
<b>Assets</b>		
<b>Current assets</b>		
Cash	<b>65</b>	65
<b>Total assets</b>	<b>65</b>	65
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	<b>(1)</b>	(1)
<b>Total liabilities</b>	<b>(1)</b>	(1)
<b>Net assets and liabilities</b>	<b>64</b>	64

The assets above at 31 March 2022 and 2021 relate to residual cash balances in Foresight Metering Limited. The liabilities at the same dates relate to accruals made for liquidator costs.

### 33. Related party transactions

Transactions between the parent company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed.

#### **Transactions with key management personnel**

The Group considers the Executive Committee ("Exco") members as the key management personnel and the table below sets out all transactions with these personnel and the Directors:

	<b>31 March 2022 £000</b>	31 March 2021 £000
Emoluments	<b>1,240</b>	1,050
Partnership profit share	-	3,217
Equity dividends	-	9,319
Capital redemptions	-	4,763
Other benefits	<b>23</b>	25
IPO proceeds	-	148,070
<b>Total</b>	<b>1,263</b>	166,444

#### **Staff advances**

##### **Accounting policy:**

Advances to staff (including Partners of Foresight Group LLP) are accounted for as employee benefits under IAS 19. In line with IAS 19, the advance is initially recognised as a financial asset and then as an expense when services are provided, also taking into account the contractual terms of the advances.

Staff advances are made to various members of Foresight Group LLP or employees to be expensed over five years in line with the contractual terms of the advances but are repayable if the relevant individuals leave the Group. During the year ended 31 March 2022, a further £1,000,000 (2021: £1,500,000) of advances were made by Foresight Group LLP and £580,000 (2021: £440,000) of the advances were expensed.

#### **Disposal of long leasehold property**

On 2 February 2021, the leasehold interest for Flat 18, Railway & Bicycle, 205 London Road, Sevenoaks was purchased from Foresight Group LLP by Julia Fairman, the wife of the Executive Chairman of the Group, for £450,000 (being the fair market value) resulting in a profit on disposal of £170,000. As part of this transaction, it was agreed that Foresight Group LLP will continue to pay any council tax, utilities, services charges and rates payable in connection with the flat for as long as Bernard Fairman acts as Executive Chairman of FGHL. These expenses are included above in other benefits and amount to £6,000 (2021: £1,000).

#### **Other related party transactions**

At 31 March 2021, the Company owed Beau Port Investments Limited, a privately owned company of Bernard Fairman, £530,000 in unpaid dividends. This balance was fully repaid by March 2022.

### 34. Ultimate holding company

Foresight Group Holdings Limited is the ultimate parent company of a group of companies that form the Group presented in this financial information. The Company is a company incorporated and domiciled in Guernsey.

### 35. Subsequent events

#### Subsidiaries

On 1 April 2022, FV Solar Lab S.R.L. merged with Foresight Group S.R.L..

#### Business combinations

On 13 June 2022, the Group announced the acquisition of the technology ventures division of Downing LLP, including the management of Downing's venture capital trusts, Downing ONE VCT Plc, Downing FOUR VCT Plc, and the Downing's Ventures Enterprise Investment Scheme, representing a combined AUM of c.£275 million. The Group paid an initial consideration of c. £13.6 million, with a further consideration of up to £4.2 million payable over a three year period subject to the achievement of certain criteria, and an additional capped fee sharing arrangement in respect of future performance and other fees. The acquisition will be funded from existing financial resources and will diversify the Group's existing ventures offering.

Completion of the acquisition was on 4 July 2022. Accordingly, at the date these consolidated financial statements were authorised for issue, it was impracticable to disclose all the information required by IFRS 3 Business Combinations as the Group has not completed its initial accounting of the business combination including the purchase price allocation. More specifically, the valuation of investment management contracts acquired, and valuation of the deferred consideration, has not yet been finalised. The Group will provide this finalised information in its Half-year Report for the six months ended 30 September 2022.

The acquisition is expected to contribute £4.8 million and £1.6 million to Group revenue and profit respectively in the post-acquisition period to 31 March 2023. Annualised contribution to Group revenue and profit is expected to be £5.6 million and £2.1 million, respectively.

### 36. Restatement of corresponding amounts

#### **Consolidated Statement of Comprehensive Income**

As restated	As reported	Change
31 March	31 March	31 March
2021	2021	2021
£000	£000	£000

Administrative expenses	(48,883)	(48,709)	(174)
Gain on business combination	174	-	174

Corresponding amounts in the Consolidated Statement of Comprehensive Income to 31 March 2021 have been restated due to reclassification of amounts presented in administrative expenses to a new line in the primary statement "Gain on business combination". In the annual financial statements for the year ended 31 March 2021, gain on business combination was included in administrative expenses as it was not material for separate disclosure.

#### Consolidated Statement of Financial Position

	As restated 31 March 2021 £000	As reported 31 March 2021 £000	Change 31 March 2021 £000
<b>Non-current assets</b>			
Contract costs - incremental placement agency fees	712	-	712
Trade and other receivables - trade receivables	1,471	-	1,471
Trade and other receivables - staff advances	1,940	-	1,940
<b>Current assets</b>			
Contract costs - incremental placement agency fees	125	-	125
Trade and other receivables - trade receivables	9,517	10,988	(1,471)
Trade and other receivables - prepayments	1,958	2,795	(837)
Trade and other receivables - staff advances	740	2,680	(1,940)
	31 March 2020 £000	31 March 2020 £000	31 March 2020 £000
<b>Non-current assets</b>			
Contract costs - incremental placement agency fees	765	-	765
Trade and other receivables - trade receivables	573	-	573
Trade and other receivables - staff advances	1,280	-	1,280
<b>Current assets</b>			
Contract costs - incremental placement agency fees	91	-	91
Trade and other receivables - trade receivables	6,269	6,842	(573)
Trade and other receivables - prepayments	2,042	2,898	(856)
Trade and other receivables - staff advances	320	1,600	(1,280)

Corresponding amounts in the Consolidated Statement of Financial Position to 31 March 2021 have been restated due to reclassification of amounts presented in current assets to non-current assets and amounts presented in trade and other receivables to contract costs. These reclassifications are as follows:

- The adjustment to contract costs arises from the reclassification of capitalised incremental placement agency fees from trade and other receivables - prepayments. In the annual financial statements for the year ended 31 March 2021, capitalised incremental placement agency fees were included in trade and other receivables - prepayments as they were not material for disclosure as contract costs
- The adjustment to trade and other receivables - trade receivables from current to non-current arises as amounts were not expected to be recovered within 12 months of the reporting date in respect of Foresight Williams Technology EIS Fund management fees
- The adjustment to trade and other receivables - staff advances from current to non-current arises as the amounts were not expected to be released to the Statement of Comprehensive Income within 12 months of the reporting date

[1] SBP equal to £0.5 million in the year ended 31 March 2022.

[2] Unaudited AUM and FUM as at 30 June 2022, includes assets from the AIB Foresight Impact Fund and the Downing acquisition which were both announced in the quarter and completed post quarter end.

[3] Including £13.5 million from Foresights Inheritance Tax Solutions product.

[4] Unaudited AUM as at 30 June 2022.

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