Foresight
FOR A SMARTER FUTURE

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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)	**8,839**	7,193	+22.9%
Year-end FUM (£m)	**6,675**	5,132	+30.1%
Total Revenue (£m)	**86.1**	69.1	+24.6%
Recurring Revenue (% of Total)	**86.9%**	90.3%	-3.4 pts
Core EBITDA pre-SBP[1] (£m)	**31.8**	23.9	+33.1%
Core EBITDA pre-SBP[1] margin (%)	**37.0%**	34.6%	+2.4 pts
Earnings per Share (p)	**23.2p**	14.9p	+8.3p
Dividend per Share (p)	**13.8p**	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[2], up 20% on the three months to 30 June 2021 (£7.8 billion)
- FUM increased to £7.2 billion[2], 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[3] 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

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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[4]. 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). 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[1] 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.

Phase 1:	**Phase 2:**	**Phase 3:**
Initial power transition	**Systemic power transition**	**Wider sustainable transition**
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:
· Solar · Onshore and offshore wind · Bioenergy · Hydro	· Battery storage · Offshore wind transmission links · Interconnector cables · Geothermal energy · Pumped hydro · Electric vehicle charging infrastructure	· Controlled environment food production (e.g. high-tech glasshouses, vertical farms or onshore fish farms) · Clean and advanced transport (e.g. sustainable biofuels and electric vehicles) · Industrial decarbonisation · Hydrogen

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 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
Foresight UK Infrastructure	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.
Foresight Global Infrastructure	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.
Foresight Sustainable Real Estate	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.
Foresight Sustainable Future Themes	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

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

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

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

Revenue

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

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

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

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

	Note	**31 March 2022 £000**	31 March 2021 as restated £000
Revenue	4	**86,071**	69,098
Cost of sales		**(5,106)**	(4,639)
Gross profit		**80,965**	64,459
Administrative expenses	6	**(54,398)**	(48,883)
Other operating income	10	**250**	394
Operating profit		**26,817**	15,970
Finance income	11	**2**	3
Finance expense	11	**(653)**	(710)

	31 March 2021	31 March 2020
	Group	Group
	£'000	£'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,000	1,000
Right of use assets	1,000	1,000
Intangible assets	1,000	1,000
Investments in JVs	1,000	1,000
Investments in associates	1,000	1,000
Other investments	1,000	1,000
Deferred tax assets	1,000	1,000
Trade and other receivables	1,000	1,000
Contract assets	1,000	1,000
CURRENT ASSETS		
Inventories	1,000	1,000
Trade and other receivables	1,000	1,000
Contract assets	1,000	1,000
Current tax receivable	1,000	1,000
Cash and cash equivalents	1,000	1,000
TOTAL ASSETS	1,000	1,000
CURRENT LIABILITIES		
Trade and other payables	1,000	1,000
Contract liabilities	1,000	1,000
Current tax payable	1,000	1,000
Lease liabilities	1,000	1,000
Provisions	1,000	1,000
NON-CURRENT LIABILITIES		
Trade and other payables	1,000	1,000
Contract liabilities	1,000	1,000
Lease liabilities	1,000	1,000
Provisions	1,000	1,000
Deferred tax liabilities	1,000	1,000
NET ASSETS	1,000	1,000
EQUITY		
Share capital	1,000	1,000
Share premium	1,000	1,000
Other reserves	1,000	1,000
Retained earnings	1,000	1,000
Equity attributable to owners of the parent	1,000	1,000
Non-controlling interests	1,000	1,000
TOTAL EQUITY	1,000	1,000

The financial statements on pages 1 to 4 were approved and authorised for issue by the Board of Directors on 31 March 2021 and were signed on its behalf by:

Paul Thomas — Director
Company Number 01234567

Notes to the consolidated financial statements are part of this financial information.

Notes to the consolidated financial statements are part of this financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2021

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Equity attributable to owners of the parent £'000	Non-controlling interests £'000	Total equity £'000
At 1 April 2020	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Profit for the year				1,000	1,000	1,000	1,000
Other comprehensive income			1,000		1,000	1,000	1,000
Total comprehensive income			1,000	1,000	1,000	1,000	1,000
Dividends paid				(1,000)	(1,000)	(1,000)	(1,000)
Share-based payment			1,000		1,000	1,000	1,000
Transfer to retained earnings			(1,000)	1,000			
Issue of share capital	1,000	1,000			1,000		1,000
At 31 March 2021	1,000	1,000	1,000	1,000	1,000	1,000	1,000

Notes to the consolidated financial statements are part of this financial information.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2021

	31 March 2021	31 March 2020
	£'000	£'000
Profit after tax	1,000	1,000
Other financial income	1,000	1,000
Other financial costs	1,000	1,000
Share of profit of JVs	1,000	1,000
Share of profit of associates	1,000	1,000
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	1,000	1,000
Depreciation of right of use assets	1,000	1,000
Amortisation of intangible assets	1,000	1,000
Impairment of goodwill	1,000	1,000
Impairment of other intangible assets	1,000	1,000
Impairment of PP&E	1,000	1,000
Impairment of right of use assets	1,000	1,000
Impairment of investments in associates	1,000	1,000
Impairment of investments in JVs	1,000	1,000
Impairment of other investments	1,000	1,000
Impairment of trade receivables	1,000	1,000
Impairment of contract assets	1,000	1,000
Impairment of other receivables	1,000	1,000
Share-based payment	1,000	1,000
Gain on disposal of PP&E	1,000	1,000
Gain on disposal of right of use assets	1,000	1,000
Gain on disposal of intangible assets	1,000	1,000
Gain on disposal of other investments	1,000	1,000
Gain on disposal of JVs	1,000	1,000
Gain on disposal of associates	1,000	1,000
Gain on bargain purchase	1,000	1,000
Finance income	1,000	1,000
Finance costs	1,000	1,000
Share of profit of JVs	1,000	1,000
Share of profit of associates	1,000	1,000
Cash flows from operating activities	1,000	1,000
Interest paid	1,000	1,000
Interest received	1,000	1,000
Dividends received	1,000	1,000
Dividends received from JVs	1,000	1,000
Dividends received from associates	1,000	1,000
Dividends received from other investments	1,000	1,000
Dividends paid	1,000	1,000
Income taxes paid	1,000	1,000
Net cash flow from operating activities	1,000	1,000
Purchase of property, plant and equipment	1,000	1,000
Proceeds from sale of property, plant and equipment	1,000	1,000
Purchase of right of use assets	1,000	1,000
Proceeds from sale of right of use assets	1,000	1,000
Purchase of intangible assets	1,000	1,000
Proceeds from sale of intangible assets	1,000	1,000
Purchase of other investments	1,000	1,000
Proceeds from sale of other investments	1,000	1,000
Purchase of JVs	1,000	1,000
Proceeds from sale of JVs	1,000	1,000
Purchase of associates	1,000	1,000
Proceeds from sale of associates	1,000	1,000
Loans to JVs	1,000	1,000
Loans to associates	1,000	1,000
Loans to other investments	1,000	1,000
Loans repaid by JVs	1,000	1,000
Loans repaid by associates	1,000	1,000
Loans repaid by other investments	1,000	1,000
Net cash flow from investing activities	1,000	1,000
Proceeds from issuance of share capital	1,000	1,000
Proceeds from issuance of other equity instruments	1,000	1,000
Proceeds from borrowings	1,000	1,000
Repayment of borrowings	1,000	1,000
Payment of lease liabilities	1,000	1,000
Payments to JVs for purchase of non-controlling interests	1,000	1,000
Payments to associates for purchase of non-controlling interests	1,000	1,000
Payments to other investments for purchase of non-controlling interests	1,000	1,000
Net cash flow from financing activities	1,000	1,000
Net increase in cash and cash equivalents	1,000	1,000
Cash and cash equivalents at the beginning of the year	1,000	1,000
Effect of exchange rate changes on cash and cash equivalents	1,000	1,000
Cash and cash equivalents at the end of the year	1,000	1,000

Notes to the consolidated financial statements are part of this financial information.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. Principal Activities

The principal activities of the Group are as stated in the Chairman's Statement and the Directors' Report.

2. Basis of Preparation

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The Group's consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain properties and financial instruments.

The Group is exempt from the requirement to prepare a Parent Company Statement of Cash Flows.

3. Significant Accounting Policies

The Group's significant accounting policies are as follows:

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries and the Group's share of its interests in joint ventures and associates. Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Joint ventures are those entities over which the Group has joint control, whereby the Group and other parties have rights to the net assets of the joint venture. Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. All inter-group sales, profits, balances and transactions are eliminated on consolidation.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of goods is recognised when the Group has delivered the goods to the customer, the customer has accepted the goods and collection of the resulting receivable is reasonably assured.

Revenue from the provision of services is recognised when the services have been rendered.

Revenue from long-term contracts is recognised by reference to the percentage of completion of the contract. The percentage of completion is calculated by reference to the proportion of costs incurred to date compared to the estimated total costs of the contract. Where the outcome of a long-term contract cannot be reliably estimated, revenue is recognised to the extent of the costs incurred that are expected to be recoverable. Provision is made for any expected loss on a contract in the period in which it becomes probable.

Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation and impairment losses. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, taking into account their residual values, as follows:

- Plant and equipment: 3 years
- Fixtures and fittings: 5 years
- Motor vehicles: 4 years
- Leasehold property: over the lease term
- Freehold property: 50 years

Assets in the course of construction are not depreciated until they are brought into use.

Intangible assets

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration paid over the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any impairment losses.

Other intangible assets are stated at cost less amortisation and impairment losses. Amortisation is provided on a straight-line basis over the estimated useful lives of the assets, as follows:

- Customer relationships: 10 years
- Brand: 5 years
- Software: 3 years

Intangible assets in the course of development are not amortised until they are brought into use.

Impairment of non-financial assets

At each reporting date, the Group reviews its property, plant and equipment, right of use assets, intangible assets, investments in associates and joint ventures and other investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment losses are recognised in the income statement in the period in which they are identified. Impairment losses recognised in respect of cash generating units are allocated first to goodwill and then to other assets in the unit on a pro rata basis. Impairment losses on goodwill are not reversed. In respect of other assets, impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. The carrying amount of an asset after a reversal of an impairment loss is not greater than what it would have been if no impairment had been recognised in prior periods.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the basis of first-in, first-out or weighted average cost. Cost includes direct materials and labour and a proportion of overhead expenses based on normal operating capacity. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Impairment of trade receivables is recognised when it is probable that the Group will be unable to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment loss is the difference between the carrying amount and the recoverable amount, being the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the trade receivable is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against the income statement.

Trade and other payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits with banks and other financial institutions repayable on demand or maturing within three months or less from the date of acquisition. For the purpose of the consolidated cash flow statement, cash and cash equivalents are shown net of bank overdrafts.

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the first payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract assets

Contract assets represent the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer when the right is conditional on something other than the passage of time. For example, the Group may have a right to payment for its performance under a contract in respect of goods or services that it has transferred to a customer when the Group has not yet established an unconditional right to consideration. Such amounts are recognised as revenue when the Group has an unconditional right to consideration. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Leases

The Group's leases comprise leases for properties and equipment. Rentals payable under operating leases are charged to income on a straight-line basis over the lease term. Where the Group is the lessee, it recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at the cost of the lease liability plus any lease payments made before the commencement date, plus any initial direct costs incurred. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be determined, or the Group's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. The Group's incremental borrowing rate is determined by reference to the rate at which it could borrow funds in the relevant currency and for a period equivalent to the lease term, with similar security, in the economic environment in which the right of use asset is located.

Pensions

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in independently administered funds. The amount charged to profit or loss in respect of pension costs and other post-retirement benefits represents the contributions payable in respect of the financial year.

Share-based payment

The Group operates a number of equity-settled, share-based compensation plans, under which it receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Group revises its estimate of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

Taxation

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities in respect of those periods. These amounts are based on tax rates and laws that are enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates income.

Deferred tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which those temporary differences can be utilised.

Deferred tax is not provided on the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures to the extent that it is probable that it will be payable when the temporary difference reverses and there will be sufficient taxable profits against which the temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Foreign currencies

The functional currency of the Company is the pound sterling. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the balance sheet date, monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at the rates prevailing at that date. Non-monetary items carried at fair value are translated into the functional currency at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses on translation are included in the income statement.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument. Trade receivables are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method, less provision for impairment. Trade payables are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

Bank borrowings are initially recognised at fair value, net of transaction costs incurred. Bank borrowings are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Gains or losses on re-measurement are recognised immediately in the income statement, except for the effective portion of cash flow hedges, which are recognised in other comprehensive income.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends payable to the Company's shareholders are recognised in the Group's financial statements in the period in which they are approved by the Company's shareholders.

4. Revenue

	31 March 2021	31 March 2020
	Group	Group
	£'000	£'000
Revenue by geographical market		
United Kingdom	1,000	1,000
Rest of Europe	1,000	1,000
North America	1,000	1,000
Rest of the world	1,000	1,000
Revenue by type		
Sale of goods	1,000	1,000
Rendering of services	1,000	1,000
Long-term contracts	1,000	1,000
Other revenue	1,000	1,000
Revenue by timing		
Point in time	1,000	1,000
Over time	1,000	1,000
Revenue by segment		
Segment A	1,000	1,000
Segment B	1,000	1,000
Segment C	1,000	1,000
Segment D	1,000	1,000
Segment E	1,000	1,000
Segment F	1,000	1,000
Segment G	1,000	1,000
Segment H	1,000	1,000
Segment I	1,000	1,000
Segment J	1,000	1,000
Segment K	1,000	1,000
Segment L	1,000	1,000
Segment M	1,000	1,000
Segment N	1,000	1,000
Segment O	1,000	1,000
Segment P	1,000	1,000
Segment Q	1,000	1,000
Segment R	1,000	1,000
Segment S	1,000	1,000
Segment T	1,000	1,000
Segment U	1,000	1,000
Segment V	1,000	1,000
Segment W	1,000	1,000
Segment X	1,000	1,000
Segment Y	1,000	1,000
Segment Z	1,000	1,000
Revenue by segment and timing		
Segment AA	1,000	1,000
Segment AB	1,000	1,000
Segment AC	1,000	1,000
Segment AD	1,000	1,000
Segment AE	1,000	1,000
Segment AF	1,000	1,000
Segment AG	1,000	1,000
Segment AH	1,000	1,000
Segment AI	1,000	1,000
Segment AJ	1,000	1,000
Segment AK	1,000	1,000
Segment AL	1,000	1,000
Segment AM	1,000	1,000
Segment AN	1,000	1,000
Segment AO	1,000	1,000
Segment AP	1,000	1,000
Segment AQ	1,000	1,000
Segment AR	1,000	1,000
Segment AS	1,000	1,000
Segment AT	1,000	1,000
Segment AU	1,000	1,000
Segment AV	1,000	1,000
Segment AW	1,000	1,000
Segment AX	1,000	1,000
Segment AY	1,000	1,000
Segment AZ	1,000	1,000
Revenue by segment and geographical market		
Segment BA	1,000	1,000
Segment BB	1,000	1,000
Segment BC	1,000	1,000
Segment BD	1,000	1,000
Segment BE	1,000	1,000
Segment BF	1,000	1,000
Segment BG	1,000	1,000
Segment BH	1,000	1,000
Segment BI	1,000	1,000
Segment BJ	1,000	1,000
Segment BK	1,000	1,000
Segment BL	1,000	1,000
Segment BM	1,000	1,000
Segment BN	1,000	1,000
Segment BO	1,000	1,000
Segment BP	1,000	1,000
Segment BQ	1,000	1,000
Segment BR	1,000	1,000
Segment BS	1,000	1,000
Segment BT	1,000	1,000
Segment BU	1,000	1,000
Segment BV	1,000	1,000
Segment BW	1,000	1,000
Segment BX	1,000	1,000
Segment BY	1,000	1,000
Segment BZ	1,000	1,000
Revenue by segment and timing		
Segment CA	1,000	1,000
Segment CB	1,000	1,000
Segment CC	1,000	1,000
Segment CD	1,000	1,000
Segment CE	1,000	1,000
Segment CF	1,000	1,000
Segment CG	1,000	1,000
Segment CH	1,000	1,000
Segment CI	1,000	1,000
Segment CJ	1,000	1,000
Segment CK	1,000	1,000
Segment CL	1,000	1,000
Segment CM	1,000	1,000
Segment CN	1,000	1,000
Segment CO	1,000	1,000
Segment CP	1,000	1,000
Segment CQ	1,000	1,000
Segment CR	1,000	1,000
Segment CS	1,000	1,000
Segment CT	1,000	1,000
Segment CU	1,000	1,000
Segment CV	1,000	1,000
Segment CW	1,000	1,000
Segment CX	1,000	1,000
Segment CY	1,000	1,000
Segment CZ	1,000	1,000
Revenue by segment and geographical market		
Segment DA	1,000	1,000
Segment DB	1,000	1,000
Segment DC	1,000	1,000
Segment DD	1,000	1,000
Segment DE	1,000	1,000
Segment DF	1,000	1,000
Segment DG	1,000	1,000
Segment DH	1,000	1,000
Segment DI	1,000	1,000
Segment DJ	1,000	1,000
Segment DK	1,000	1,000
Segment DL	1,000	1,000
Segment DM	1,000	1,000
Segment DN	1,000	1,000
Segment DO	1,000	1,000
Segment DP	1,000	1,000
Segment DQ	1,000	1,000
Segment DR	1,000	1,000
Segment DS	1,000	1,000
Segment DT	1,000	1,000
Segment DU	1,000	1,000
Segment DV	1,000	1,000
Segment DW	1,000	1,000
Segment DX	1,000	1,000
Segment DY	1,000	1,000
Segment DZ	1,000	1,000
Revenue by segment and timing		
Segment EA	1,000	1,000
Segment EB	1,000	1,000
Segment EC	1,000	1,000
Segment ED	1,000	1,000
Segment EE	1,000	1,000
Segment EF	1,000	1,000
Segment EG	1,000	1,000
Segment EH	1,000	1,000
Segment EI	1,000	1,000
Segment EJ	1,000	1,000
Segment EK	1,000	1,000
Segment EL	1,000	1,000
Segment EM	1,000	1,000
Segment EN	1,000	1,000
Segment EO	1,000	1,000
Segment EP	1,000	1,000
Segment EQ	1,000	1,000
Segment ER	1,000	1,000
Segment ES	1,000	1,000
Segment ET	1,000	1,000
Segment EU	1,000	1,000
Segment EV	1,000	1,000
Segment EW	1,000	1,000
Segment EX	1,000	1,000
Segment EY	1,000	1,000
Segment EZ	1,000	1,000
Revenue by segment and geographical market		
Segment FA	1,000	1,000
Segment FB	1,000	1,000
Segment FC	1,000	1,000
Segment FD	1,000	1,000
Segment FE	1,000	1,000
Segment FF	1,000	1,000
Segment FG	1,000	1,000
Segment FH	1,000	1,000
Segment FI	1,000	1,000
Segment FJ	1,000	1,000
Segment FK	1,000	1,000
Segment FL	1,000	1,000
Segment FM	1,000	1,000
Segment FN	1,000	1,000
Segment FO	1,000	1,000
Segment FP	1,000	1,000
Segment FQ	1,000	1,000
Segment FR	1,000	1,000
Segment FS	1,000	1,000
Segment FT	1,000	1,000
Segment FU	1,000	1,000
Segment FV	1,000	1,000
Segment FW	1,000	1,000
Segment FX	1,000	1,000
Segment FY	1,000	1,000
Segment FZ	1,000	1,000
Revenue by segment and timing		
Segment GA	1,000	1,000
Segment GB	1,000	1,000
Segment GC	1,000	1,000
Segment GD	1,000	1,000
Segment GE	1,000	1,000
Segment GF	1,000	1,000
Segment GG	1,000	1,000
Segment GH	1,000	1,000
Segment GI	1,000	1,000
Segment GJ	1,000	1,000
Segment GK	1,000	1,000
Segment GL	1,000	1,000
Segment GM	1,000	1,000
Segment GN	1,000	1,000
Segment GO	1,000	1,000
Segment GP	1,000	1,000
Segment GQ	1,000	1,000
Segment GR	1,000	1,000
Segment GS	1,000	1,000
Segment GT	1,000	1,000
Segment GU	1,000	1,000
Segment GV	1,000	1,000
Segment GW	1,000	1,000
Segment GX	1,000	1,000
Segment GY	1,000	1,000
Segment GZ	1,000	1,000
Revenue by segment and geographical market		
Segment HA	1,000	1,000
Segment HB	1,000	1,000
Segment HC	1,000	1,000
Segment HD	1,000	1,000
Segment HE	1,000	1,000
Segment HF	1,000	1,000
Segment HG	1,000	1,000
Segment HH	1,000	1,000
Segment HI	1,000	1,000
Segment HJ	1,000	1,000
Segment HK	1,000	1,000
Segment HL	1,000	1,000
Segment HM	1,000	1,000
Segment HN	1,000	1,000
Segment HO	1,000	1,000
Segment HP	1,000	1,000
Segment HQ	1,000	1,000
Segment HR	1,000	1,000
Segment HS	1,000	1,000
Segment HT	1,000	1,000
Segment HU	1,000	1,000
Segment HV	1,000	1,000
Segment HW	1,000	1,000
Segment HX	1,000	1,000
Segment HY	1,000	1,000
Segment HZ	1,000	1,000
Revenue by segment and timing		
Segment IA	1,000	1,000
Segment IB	1,000	1,000
Segment IC	1,000	1,000
Segment ID	1,000	1,000
Segment IE	1,000	1,000
Segment IF	1,000	1,000
Segment IG	1,000	1,000
Segment IH	1,000	1,000
Segment II	1,000	1,000
Segment IJ	1,000	1,000
Segment IK	1,000	1,000
Segment IL	1,000	1,000
Segment IM	1,000	1,000
Segment IN	1,000	1,000
Segment IO	1,000	1,000
Segment IP	1,000	1,000
Segment IQ	1,000	1,000
Segment IR	1,000	1,000
Segment IS	1,000	1,000
Segment IT	1,000	1,000
Segment IU	1,000	1,000
Segment IV	1,000	1,000
Segment IW	1,000	1,000
Segment IX	1,000	1,000
Segment IY	1,000	1,000
Segment IZ	1,000	1,000
Revenue by segment and geographical market		
Segment JA	1,000	1,000
Segment JB	1,000	1,000
Segment JC	1,000	1,000
Segment JD	1,000	1,000
Segment JE	1,000	1,000
Segment JF	1,000	1,000
Segment JG	1,000	1,000
Segment JH	1,000	1,000
Segment JI	1,000	1,000
Segment JJ	1,000	1,000
Segment JK	1,000	1,000
Segment JL	1,000	1,000
Segment JM	1,000	1,000
Segment JN	1,000	1,000
Segment JO	1,000	1,000
Segment JP	1,000	1,000
Segment JQ	1,000	1,000
Segment JR	1,000	1,000
Segment JS	1,000	1,000
Segment JT	1,000	1,000
Segment JU	1,000	1,000
Segment JV	1,000	1,000
Segment JW	1,000	1,000
Segment JX	1,000	1,000
Segment JY	1,000	1,000
Segment JZ	1,000	1,000
Revenue by segment and timing		
Segment KA	1,000	1,000
Segment KB	1,000	1,000
Segment KC	1,000	1,000
Segment KD	1,000	1,000
Segment KE	1,000	1,000
Segment KF	1,000	1,000
Segment KG	1,000	1,000
Segment KH	1,000	1,000
Segment KI	1,000	1,000
Segment KJ	1,000	1,000
Segment KK	1,000	1,000
Segment KL	1,000	1,000
Segment KM	1,000	1,000
Segment KN	1,000	1,000
Segment KO	1,000	1,000
Segment KP	1,000	1,000
Segment KQ	1,000	1,000
Segment KR	1,000	1,000
Segment KS	1,000	1,000
Segment KT	1,000	1,000
Segment KU	1,000	1,000
Segment KV	1,000	1,000
Segment KW	1,000	1,000
Segment KX	1,000	1,000
Segment KY	1,000	1,000
Segment KZ	1,000	1,000
Revenue by segment and geographical market		
Segment LA	1,000	1,000
Segment LB	1,000	1,000
Segment LC	1,000	1,000
Segment LD	1,000	1,000
Segment LE	1,000	1,000
Segment LF	1,000	1,000
Segment LG	1,000	1,000
Segment LH	1,000	1,000
Segment LI	1,000	1,000
Segment LJ	1,000	1,000
Segment LK	1,000	1,000
Segment LL	1,000	1,000
Segment LM	1,000	1,000
Segment LN	1,000	1,000
Segment LO	1,000	1,000
Segment LP	1,000	1,000
Segment LQ	1,000	1,000
Segment LR	1,000	1,000
Segment LS	1,000	1,000
Segment LT	1,000	1,000
Segment LU	1,000	1,000
Segment LV	1,000	1,000
Segment LW	1,000	1,000
Segment LX	1,000	1,000
Segment LY	1,000	1,000
Segment LZ	1,000	1,000
Revenue by segment and timing		
Segment MA	1,000	1,000
Segment MB	1,000	1,000
Segment MC	1,000	1,000
Segment MD	1,000	1,000
Segment ME	1,000	1,000
Segment MF	1,000	1,000
Segment MG	1,000	1,000
Segment MH	1,000	1,000
Segment MI	1,000	1,000
Segment MJ	1,000	1,000
Segment MK	1,000	1,000
Segment ML	1,000	1,000
Segment MM	1,000	1,000
Segment MN	1,000	1,000
Segment MO	1,000	1,000
Segment MP	1,000	1,000
Segment MQ	1,000	1,000
Segment MR	1,000	1,000
Segment MS	1,000	1,000
Segment MT	1,000	1,000
Segment MU	1,000	1,000
Segment MV	1,000	1,000
Segment MW	1,000	1,000
Segment MX	1,000	1,000
Segment M

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

	Computer software £000	Customer contracts £000	Total £000
Cost			
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
Amortisation/impairment			
At 1 April 2020	391	-	391
Charge for the year	95	92	187
Disposals	(197)	-	(197)
At 31 March 2021	289	92	381
Net book value at 31 March 2021	190	2,822	3,012

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**
	4,175	

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)**	-
At end of period	**2,781**	2,075

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
Subsidiary undertakings				
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 Solar 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%
In liquidation				
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)**	-
At end of period	**-**	251

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:

	31 March 2022 £000	31 March 2021 £000
Profit or loss	**53**	26
Other comprehensive income		
Translation differences on foreign subsidiaries	**-**	(10)
Total comprehensive income	**53**	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.

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

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

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

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

	31 March 2022 £000	31 March 2021 £000
At beginning of period	**232**	532
Written off during the period as uncollectible	**(159)**	(355)
Increase during the period	**140**	55
At end of period	**213**	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
Less non-current liabilities:		
Trade payables	**-**	-
Accruals	**64**	295
Deferred income	**-**	-
Other payables	**-**	-
VAT and PAYE	**-**	-
Corporation tax	**-**	-
Partnership capital contributions	**-**	-
Current liabilities:		
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
	23,978	20,644

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 £000	31 March 2021 £000
Current liabilities		
Loans and borrowings	**660**	688
Non-current liabilities		
Loans and borrowings	**3,030**	3,636
	3,690	4,324

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	31 March 2022 Carrying amount[1] £000
Unsecured loan	GBP	2%	2027	**3,690**

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)**	-
At end of period	**3,690**	**4,324**

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.

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

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

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

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

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

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

	31 March 2022 £000	31 March 2021 £000
Depreciation expense on right-of-use assets	**2,337**	1,712
Interest expense on lease liabilities	**564**	621
	2,901	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.

	31 March 2022 £000	31 March 2021 £000
Dilapidations provisions	**933**	-

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:

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

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

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

	Asset 2021 £000	Liability 2021 £000	Net 2021 £000	(Charged)/credited to profit or loss 2021 £000	(Charged)/credited to equity 2021 £000
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)	-
	977	(1,581)	(604)	(236)	-

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

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

Ordinary Shares

	31 March 2022 Number	31 March 2022 £	31 March 2021 Number	31 March 2021 £
Ordinary Shares of no par value				
In issue at start of the year	**108,333,333**	**-**	-	-
Redesignated	**-**	**-**	1,000,000	-
Subdivided	**-**	**-**	99,000,000	-
Issued	**-**	**-**	8,333,333	-
In issue at end of the year	**108,333,333**	**-**	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)	-
In issue at end of the year	**-**	**-**	-	-
N 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	**-**	**-**	-	-
P 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	**-**	**-**	-	-
Q 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	**-**	**-**	-	-
R 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	**-**	**-**	-	-
S 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	**-**	**-**	-	-
T 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	**-**	**-**	-	-
U 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	**-**	**-**	-	-
V 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	**-**	**-**	-	-
W 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	**-**	**-**	-	-
X 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	**-**	**-**	-	-
Y 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	**-**	**-**	-	-
Z 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	**-**	**-**	-	-
AA shares of no par value				
In issue at start of the year	**-**	**-**	500	-
Cancelled during the year	**-**	**-**	(500)	-
In issue at end of the year	**-**	**-**	-	-

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

	31 March 2022 £	31 March 2021 £
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)
At end of period	**-**	-

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).

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

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.

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

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:

	31 March 2022 £000	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 £1,000,000.
- On 17 December 2020, Foresight Group CI Limited redeemed two redeemable shares for a total consideration of £2,000,101.
- On 26 January 2021, Foresight Group CI Limited redeemed the remaining 945 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:

	31 March 2022	31 March 2021
	£000	£000
Trade and other receivables	16,873	17,823
Cash and cash equivalents	18,419	16,322
Investments at FVTPL	2,780	2,275
	38,072	36,420

Financial liabilities

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

	31 March 2022	31 March 2021
	£000	£000
	as restated	
Trade payables	1,105	1,175
Other payables	9,532	9,171
Loans and borrowings	3,500	4,000
Lease liabilities	10,408	12,018
	24,545	26,364

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) 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 debt securities 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: £2.3 million).

(ii) Interest rate risk

The Group has only £3.7 million of external debt, related to the PIF 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 £18,419 (2021: £16,322).

(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 on translation 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. Liquidity 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.

Cash and cash equivalents are 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
- Ensure sufficient liquidity
- 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 Group's 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:

- 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.
- In the absence of (i), and depending upon both the subsequent trading performance and investment strategy of the investee company, the fair value applied to each investment will usually move to either:
  a) an earnings multiple basis. The shares may be valued by applying a suitable multiple to that company's maintainable profit, current or forecast earnings before tax, interest, depreciation and amortisation (the ratio used being based on comparable companies in the same or similar business sector, adjusted for factors specific to the company and the size of the investment); or
  b) where a company is under performance against plan indicates a diminution in the value of the investment, a discounted net asset value basis, as appropriate. Where the value of a company is demonstrably 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 value of those assets 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 and whether there is potential for the investment to recover in value.
- In the case of investments in Funds managed by the Group, the company receives the right to the present and when considered reasonable
- Where an earnings multiple or net asset basis represent bases to be appropriate and committing factors apply, the Group may, as a net asset valuation, or industry specific valuation benchmark 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, liquidity).

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)

As at 31 March 2022	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Quoted investments	-	-	2,780	2,780
Unquoted investments	-	-	2,780	2,780
Total financial instruments	-	-	2,780	2,780

As at 31 March 2021	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Quoted investments	-	-	2,275	2,275
Unquoted investments	-	-	2,275	2,275
Total financial instruments	-	-	2,275	2,275

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	Sensitivity	Change in fair value
	fair value				
Asset class and valuation	£000	£000			£000
Non-financial instruments	2,780	2,780	Nil - 10%	Nil - 10%	Nil - 10%

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 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 and is reviewed for impairment on an annual reporting date and any impairment identified is charged to profit or loss. Goodwill on acquisition of an interest in an associate or jointly controlled entity is included in the carrying amount of the investment in the associate or jointly controlled entity. Goodwill is stated 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 activities	Date of acquisition	Consideration £000	Percentage ownership
FV Solar Lab S.R.L.	Italy	Asset management services to Fund01	21 January 2022	557	100%

The entity was acquired as direct investment in the share capital of the target. The Group previously held 50% ownership as per note 11. The acquisition represented an opportunity for the Group to expand its Italian business by becoming the sole manager of Fund01 which presented growth opportunities and secured additional recurring revenue. By completing the transaction, AUM increased by £1.1 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	17
Cash and cash equivalents	318
Trade and other payables	(141)
Total carrying value	194

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	318
Total per Cash Flow Statement	**(239)**

The following intangible assets were recognised at acquisition:

	£000
Intangible asset - customer lists	**1,473**

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

	£000
Intangible asset	1,473
Trade and other receivables	604
Cash and cash equivalents	318
Trade and other payables	(141)
Deferred tax liability - intangible asset	(368)
Total fair value	1,886

The fair value of the intangible asset above was derived from cash flow forecasts for the FV Solar Lab S.R.L. attributable to the Group. The key drivers for the value arising from management contracts for Fund01 in 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 Fund01 contracts.

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

	£000
Fair value of investment in joint venture	557
less carrying value of investment in joint venture (see note 17)	(204)
Gain on disposal of investment in joint venture	353

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

	£000
Fair value of net assets	1,886
Less fair value of previously held investment in joint venture	(557)
Consideration	(557)
Gain on bargain purchase	772

The gain arising from business combination achieved in stages:

	£000
Gain on disposal of investment in joint venture	353
Gain on bargain purchase	772
Total gain	1,012

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:

	£000
Revenue contribution	148
Profit before tax contribution	95

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

	£000
Revenue contribution	296
Profit before tax contribution	200

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 activities	Date of acquisition	Consideration £000	Percentage ownership
PIF Manager Limited	UK	Asset management services to parent fund	16 August 2020	5,326	100%

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

- PIF Multi-Strategy Infrastructure GP LLP
- PIF Multi-Strategy Infrastructure (Scotland) Limited
- PIF NM GP LLP
- PIF Multi-Strategy Infrastructure GP LLP
- PIF NM GP LLP

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	377
Cash and cash equivalents	1,155
Trade and other payables	(362)
Non-current payables	(439)
Total fair value	731
Total carrying value	**731**

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 £164,000 (which have been expensed) comprise adviser fees, including financial, tax and legal due diligence costs. Consideration is broken down as follows:

	£000
Cash paid	1,098
	(1,098)
Cash paid	(1,098)
Loans due to vendors	4,228
Total consideration	**5,326**
Cash paid	(1,098)
Cash acquired on acquisition of subsidiaries	1,155
Total per Cash Flow Statement	**57**

The following intangible assets were recognised at acquisition:

	£000
Intangible asset - customer lists	**2,231**

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

	£000
Intangible asset	2,231
Trade and other receivables	377
Cash and cash equivalents	1,155
Trade and other payables	(362)
Non-current payables	(439)
Deferred taxation asset	1,062
Deferred taxation liability - intangible asset	(436)
Total fair value	3,588
Consideration	5,326
Gain on bargain purchase	(1,738)
Transaction costs	164

The fair value of the intangible asset above was derived from cash flow forecasts for the PIF standalone business, one a 20 year period using a 12.75% 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 PIF 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 this total gain to the Statement of Comprehensive Income during the year ended 31 March 2021, as a separate line item in the Statement of Comprehensive Income. Due to the immaterial nature of the gain, it is within gain on bargain purchase (due to the materiality of the gain of £102).

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

	£000
Revenue contribution	1,402
Profit before tax contribution	212

32. Assets and liabilities of disposal group or 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
- 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:

	31 March 2022 £000	31 March 2021 £000
Assets		
Current assets		
Cash	65	65
Total assets	**65**	**65**
Liabilities		
Current liabilities		
Trade and other payables	(9)	(1)
Total liabilities	**(9)**	**(1)**
Net assets and liabilities	**56**	**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.

	31 March 2022	31 March 2021
	£000	£000
Emoluments	1,048	1,000
Partnership profit share	-	3,217
Equity dividends	-	9,319
Capital redemptions	-	4,793
Pension costs	29	28
PIF proceeds	-	166,675
	1,293	**185,444**

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 £590,000 (2021: £440,000) of the advances were expensed.

Disposal of non-current property

On 2 February 2021, the leasehold interest for Flat 16, Railway & Bicycle, 205 London Road, Sevenoaks was purchased from Foresight Group LLP by Julia Farnham, the wife of the Executive Chairman of the Group, for £300,000 (the "Property") which was resulting in a profit on disposal of £119,000. As part of this transaction, it was agreed that Foresight Group LLP will continue to pay any council tax, utilities, service charges and rates payable in connection with the flat for as long as Bernard Farnham acts as Executive Chairman of TIGH. 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 Fort Investments Limited, a privately owned company of Bernard Farnham, £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 venture division of Downing LLP, including the management of Downing's venture capital trusts, Downing ONE VCT Plc, Downing FOUR VCT Plc, and Downing Venture Capital Management Limited (the "Transaction"). The Transaction is expected to complete on 1 July 2022 (the "Completion Date") and is subject to, inter alia, the approval of the Transaction by a three year period based on 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 through existing financial resources and will diversify the Group's existing ventures offering.

Completion of the acquisition was on a 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 management contracts acquired, and valuation of the deferred consideration, has not yet been finalised. The Group will provide this financial 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 £5.9 million and £2.1 million, respectively.

36. Restatement of corresponding amounts

Consolidated Statement of Comprehensive Income

	As restated 31 March 2021 £000	As reported 31 March 2021 £000	Change 31 March 2021 £000
Administrative expenses	(48,863)	(48,709)	(174)
Gain on business combination	174	-	174

Corresponding amounts in the Consolidated Statement of Comprehensive Income for 31 March 2021 have been restated due to reclassification of amounts presented in current assets to non-current assets and presentation of 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
Non-current assets			
Contract costs - incremental placement agency fees	112	-	112
Trade and other receivables - trade receivables	1,471	1,471	-
Trade and other receivables - staff advances	1,840	1,840	-
Current assets			
Contract costs - incremental placement agency fees	125	-	125
Trade and other receivables - trade receivables	9,917	10,968	(1,051)
Trade and other receivables - staff advances	1,298	1,298	(1,051)
Trade and other receivables - prepayments	142	142	(1,842)
Current liabilities			
	31 March 2020 £000	31 March 2021 £000	31 March 2021 £000
Non-current assets			
Contract costs - incremental placement agency fees	166	-	166
Trade and other receivables - trade receivables	573	-	573
Trade and other receivables - staff advances	1,299	-	1,299
Current assets			
Contract costs - incremental placement agency fees	91	-	91
Trade and other receivables - trade receivables	9,299	9,942	(573)
Trade and other receivables - prepayments	2,042	2,898	(856)
Trade and other receivables - staff advances	525	1,824	(1,299)

Corresponding amounts in the Consolidated Statement of Financial Position 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 separate disclosure.
- The adjustment to trade and other receivables - trade receivables from current to non-current arises as amounts were not expected to be received 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 recovered in the Statement of Comprehensive Income within 12 months of the reporting date.

END

[1] Self-sport-sick £5 million is for year ended 31 March 2022.

[2] Unaudited £8.4m and £9.5m at 31 Dec 2021, includes assets from the AIM Foresight Smaller Fund and the Downing acquisition which were both announced in the quarter and completed post quarter end.

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

[4] Unaudited £87.9m at 30 June 2022.

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