NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Corporate information

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

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

Going concern

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

The Directors of the Group have considered the resilience of the Group, taking into account its current financial position and the principal and emerging risks facing the business, including the impact of COVID-19 on global markets and potential implications for the Group's financial performance. The Board reviewed the Group's cash flow forecasts and trading budgets for a period of at least 12 months from the date of approval of these accounts, and concluded that, taking into account plausible downside scenarios that could reasonably be anticipated, the Group will have sufficient funds to pay its liabilities as they fall due for that period.

Taking into consideration the impact of COVID-19 on the wider economic environment, the forecasts have been stress tested to ensure that a robust assessment of the Group's working capital and cash requirements has been performed.

The stress test scenarios adopted involved severe but plausible downside scenarios with respect to the Group's trading performance. Downside scenarios included a material reduction in revenues through lower fundraising and deployment and lower valuations. Worst case scenarios included the loss of key management contracts and a terrorist attack on the Shard. Any mitigating actions available to protect working capital and strengthen the balance sheet, including deferring non-essential capital expenditure and increased cost control, were also taken into account.

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

2a. Basis of preparation

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

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

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

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

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

2b. Basis of consolidation

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

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

2b. Basis of consolidation continued

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

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

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

3. Accounting policies

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

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

New standards, interpretations and amendments adopted from 1 April 2021

There were no new standards adopted during the year.

New standards not yet implemented

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

A. Foreign exchange

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

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

B. Use of judgements and estimates

The preparation of the financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the Statement of Financial Position date, amounts reported for revenues and expenses during the year, and the disclosure of contingent liabilities at the reporting date.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

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

Key sources of estimation uncertainty

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

- Share-based payments – see note 8
- Recognition and measurement of intangible assets – see notes 15 and 31
- Valuation of investments – see note 16(a)

Key judgements

These are as follows:

- Consolidation of VCF Partners

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

  Despite it being a general partnership and not a subsidiary, VCF Partners was considered to meet the requirements for consolidation, on the basis that VCF Partners was judged to be effectively controlled by the Company and is therefore included in the consolidated financial statements. Following the transfer of assets and liabilities to VCF II LLP, VCF Partners has now been closed.
- Impairment of intangible assets – see note 15
- Contract costs – see note 18
- Deferred tax assets – see note 25
- IPO costs – see note 27

4. Revenue

Accounting policy:

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

The Group's revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue represents the fair value of the consideration receivable in respect of services provided during the period, exclusive of value added taxes. A contract with a customer is recognised when a contract is legally enforceable by the Group; this will be prior to the commencement of work for a customer and therefore before any revenue is recognised by the Group. Performance obligations are identified on a contract-by-contract basis; where contracts are entered into at the same time with the same customer at differing rates, these may be considered a single contract for the purposes of revenue recognition.

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

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

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

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

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

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

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

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

	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 incentive fees	**3,232**	—
Other income	**4**	20
	86,071	69,098

4. Revenue continued

The timing of revenue is as follows:

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

Contract balances are as follows:

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

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

5. Business segments

Accounting policy:

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

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

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

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

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

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

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

Revenue by region is summarised below:

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

In accordance with IFRS 8 paragraph 34, the Group has a single customer with revenues which amount to 10% or more of Group revenue. Total revenues from this customer in FY22 were £23,555,000 of which £19,147,000 was attributable to Infrastructure, £3,225,000 to Private Equity and £1,183,00 to FCM.

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

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

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

6. Administrative expenses

Accounting policy:

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

	31 March 2022 £000	2021 as restated £000
Staff costs	**35,395**	33,751
Depreciation and amortisation	**3,485**	2,648
Legal and professional	**6,067**	5,984
Other administration costs	**9,451**	6,500
	54,398	48,883

Details of the restatement are provided in note 36.

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

Specific administrative expenses are as follows:

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

Auditor's remuneration is further disclosed as follows:

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

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

Non-audit services included the following:

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

7. Staff costs and Directors' remuneration

The average number of employees was:

	31 March 2022 Number	31 March 2021 Number
Operations	**135**	135
Sales and Marketing	**46**	40
Administration	**70**	58
	251	233

Their aggregate remuneration comprised:

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

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

INTRODUCTION
STRATEGIC REPORT
OVERVIEW
BUSINESS REVIEW
PERFORMANCE AND RISK
GOVERNANCE
FINANCIAL STATEMENTS

8. Share-based payments

Accounting policy:

The Group engages in share-based payment transactions in respect of services receivable from certain employees by granting the right to either shares or options over shares, subject to certain vesting conditions and exercise prices. These have been accounted for as equity-settled share-based payments.

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

Estimation uncertainty and judgements:

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

	31 March 2022 £000	31 March 2021 £000
Performance Share Plan	299	—
Share Incentive Plan	160	—
Foresight Plan	—	35
	459	35

Performance Share Plan

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

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

	31 March 2022		31 March 2021	
	Number of shares granted	Average exercise price per share option £000	Number of shares granted	Average exercise price per share option £000
At the beginning of period	—	—	—	—
Granted	1,071,830	—	—	—
Vested	—	—	—	—
Extinguished	—	—	—	—
Awards outstanding at end of period	1,071,830	—	—	—

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

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

Grant date	Expiry date	Exercise price	Share options 31 March 2022	Share options 31 March 2021
4 September 2022	31 July 2024	—	1,071,830	—
Weighted average remaining contractual life of options outstanding at end of period			2.33 years	—

Fair value of options granted

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

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

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

Share Incentive Plan

Under the Foresight Share Incentive Plan ("SIP"), for each one partnership share that an employee buys, Foresight offers two free matching shares. In each tax year, employees can buy up to £1,800 or 10% of salary (whichever is lower) of partnership shares from their pre-tax salary. If an employee leaves the Group, any matching shares held for less than three years will be withdrawn, i.e. the vesting period of the matching shares is three years with the performance condition of continuous service. The SIP shares are held in trust by Yorkshire Building Society (the SIP Trustee). Voting rights are exercised by the SIP Trustee on receipt of participants' instructions.

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

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

8. Share-based payments continued

Foresight Plan

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

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

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

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

Unvested shares outstanding under the Foresight Plan were as follows:

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

9. Core EBITDA

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

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

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

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

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

10. Other operating income

Accounting policy:

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

	31 March 2022 £000	31 March 2021 £000
Fees arising from the Shirebrook development	**250**	348
Grant income	**—**	46
	250	394

Fees arising from the Shirebrook development

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

Grant income

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

11. Finance income and expense

Accounting policy:

Finance income

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

Finance costs

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

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

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

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

12. Taxation

Accounting policy:

Current tax

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

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

Deferred tax

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

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

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

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

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

13. Earnings per share

Accounting policy:

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

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

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

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

14. Property, plant and equipment

Accounting policy:

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

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

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

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

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

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

15. Intangible assets

Accounting policy:

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

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

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

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

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

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

Estimation uncertainty and judgements:

Acquisition of FV Solar Lab S.R.L.

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

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

Acquisition of PiP Manager Limited

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

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

Impairment of intangible assets

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

	Computer software £000	Customer contracts £000	Total £000
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%

Entity	Domicile	Type	Country of registration	Interest
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

19. Trade and other receivables continued

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

1. 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 payment
- 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).

23. Lease liabilities continued

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	–	–	–	–

	31 March 2022 Number	31 March 2022 £	31 March 2021 Number	31 March 2021 £
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	–	–	–	–

27. Share capital and other reserves continued

Ordinary Shares continued

	31 March 2022 Number	31 March 2022 £	31 March 2021 Number	31 March 2021 £
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	**—**	—

27. Share capital and other reserves continued

Preference Shares continued

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

28. Dividends and redemptions continued

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 £2,750,000
- On 17 December 2020, Foresight Group CI Limited redeemed two redeemable shares for a total consideration of £2,003,191
- On 28 January 2021, Foresight Group CI Limited redeemed the remaining 846 redeemable shares for nil value and these were subsequently cancelled
- The value of these redemptions was determined by the Board of Directors of FGCI after taking into account FGCI's profits and working capital requirements

29. Commitments and contingencies

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

30. Financial instruments – classification and measurement

Financial assets

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

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

Financial liabilities

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

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

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

Financial risk management

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

(a) Market risk

(i) Market price risk

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

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

(ii) Interest rate risk

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

(iii) Foreign exchange risk

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

(b) Liquidity risk

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

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

- Trade and other payables – see note 21
- Loans and borrowings – see note 22
- Lease liabilities – see note 23

(c) Credit risk

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

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

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

30. Financial instruments – classification and measurement continued

Capital risk management

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

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

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

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

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

Fair value hierarchy

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

(i) Where a value is indicated by a material arms-length transaction by an independent third party in the shares of a company, this value will be used

(ii) In the absence of (i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:

  (a) an earnings multiple basis. The shares may be valued by applying a suitable multiple to that company's historic, current or forecast earnings before tax, interest, depreciation and amortisation (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified compared to the sector including, inter alia, illiquidity); or

  (b) where a company's under-performance against plan indicates a diminution in the value of the investment, a write down against cost is made, as appropriate. Where the value of an investment has fallen permanently below cost, the loss is treated as a permanent write down and as a realised loss, even though the investment is still held. The Group assesses the portfolio for such investments and, after agreement with the relevant manager, will agree the values that represent the extent to which a realised loss should be recognised. This is based upon an assessment of objective evidence of that investment's future prospects, to determine whether there is potential for the investment to recover in value

(iii) Premiums on loan investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable

(iv) Where an earnings multiple or cost less impairment basis is not appropriate and overriding factors apply, discounted cash flow, a net asset valuation, or industry specific valuation benchmarks may be applied. An example of an industry specific valuation benchmark would be the application of a multiple to that company's historic, current or forecast turnover (the multiple being based on a comparable sector but with the resulting value being adjusted to reflect points of difference including, inter alia, illiquidity)

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

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

As at 31 March 2022	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**	**Total £000**
Unquoted investments	**—**	**—**	**2,781**	**2,781**
Net financial instruments	**—**	**—**	**2,781**	**2,781**

As at 31 March 2021	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Unquoted investments	—	—	2,075	2,075
Net financial instruments	—	—	2,075	2,075

Transfers

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

The unobservable inputs may be summarised as follows:

Asset class and valuation	**31 March 2022 fair value £000**	Significant unobservable inputs	Range estimates	Sensitivity factor	Change in fair value £000
Net financial instruments	**2,781**	NAV	1x	+/-5%	+/- 139

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

31. Business combinations

Accounting policy:

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

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

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

Goodwill

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

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

Acquisitions in the year ended 31 March 2022

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

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

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

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

	£000
Trade and other receivables	520
Cash and cash equivalents	218
Trade and other payables	(141)
Total carrying value	**597**

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)
	(557)
Cash acquired on acquisition of subsidiary	218
Total per Cash Flow Statement	**(339)**

The following intangible assets were recognised at acquisition:

	£000
Intangible asset – customer lists	**1,679**

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

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

The fair value of the intangible asset above was derived from cash flow forecasts for the FV Solar Lab S.R.L. standalone business, being the fees arising from management contracts for ForVEI II using a 7% discount rate based on the weighted average cost of capital ("WACC") derived from a capital asset pricing model ("CAPM"). The intangible asset is being amortised over the remaining life of the ForVEI II contracts.

31. Business combinations continued

Acquisitions in the year ended 31 March 2022 continued

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

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

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

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

Total gain arising from business combination achieved in stages:

	£000
Gain on disposal of investment in joint venture	633
Gain on bargain purchase	379
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	65

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	806
Profit before tax contribution	230

Acquisitions in the year ended 31 March 2021

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

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

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

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

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

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

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

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

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

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

The following intangible assets were recognised at acquisition:

	£000
Intangible asset – customer lists	2,879

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

31. Business combinations continued
Acquisitions in the year ended 31 March 2021 continued

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

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

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

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

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

	£000
Revenue contribution	1,432
Profit before tax contribution	212

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

Accounting policy:

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

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

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

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

- Is a subsidiary acquired exclusively with a view to resale

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

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

	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	**(1)**	(1)
Total liabilities	**(1)**	(1)
Net assets and liabilities	**64**	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 £000	31 March 2021 £000
Emoluments	**1,240**	1,050
Partnership profit share	**–**	3,217
Equity dividends	**–**	9,319
Capital redemptions	**–**	4,763
Other benefits	**23**	25
IPO proceeds	**–**	148,070
Total	**1,263**	166,444

Staff advances

Accounting policy:

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

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

Disposal of long leasehold property

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

Other related party transactions

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

34. Ultimate holding company

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

35. Subsequent events

Subsidiaries

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

Business combinations

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

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

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

36. Restatement of corresponding amounts

Consolidated Statement of Comprehensive Income

	As restated 31 March 2021 £000	As reported 31 March 2021 £000	Change 31 March 2021 £000
Administrative expenses	(48,883)	(48,709)	(174)
Gain on business combination	174	—	174

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

Consolidated Statement of Financial Position

	As restated 31 March 2021 £000	As reported 31 March 2021 £000	Change 31 March 2021 £000
Non-current assets			
Contract costs – incremental placement agency fees	712	—	712
Trade and other receivables – trade receivables	1,471	—	1,471
Trade and other receivables – staff advances	1,940	—	1,940
Current assets			
Contract costs – incremental placement agency fees	125	—	125
Trade and other receivables – trade receivables	9,517	10,988	(1,471)
Trade and other receivables – prepayments	1,958	2,795	(837)
Trade and other receivables – staff advances	740	2,680	(1,940)

	As restated 31 March 2020 £000	As reported 31 March 2020 £000	Change 31 March 2020 £000
Non-current assets			
Contract costs – incremental placement agency fees	765	—	765
Trade and other receivables – trade receivables	573	—	573
Trade and other receivables – staff advances	1,280	—	1,280
Current assets			
Contract costs – incremental placement agency fees	91	—	91
Trade and other receivables – trade receivables	6,269	6,842	(573)
Trade and other receivables – prepayments	2,042	2,898	(856)
Trade and other receivables – staff advances	320	1,600	(1,280)

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

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