# Notes to the financial statements

For the year ended 31 March 2024

## 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 PO Box 650, 1st Floor Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 3JX. The consolidated financial statements (the "Group financial statements") comprise the financial statements of the Company and its subsidiaries. Details of subsidiaries are disclosed in the appendices to the financial statements on pages 185 to 197.

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.

### 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. The Board reviewed the Group's cash flow forecasts and trading budgets for a period of 12 months from the date of approval of these accounts as part of its overall review of the Group's three-year plan, 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 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 50% lower fundraising, 25% lower deployment and 10% reduction in valuation of the funds managed by the Group. Any mitigating actions available to protect working capital and strengthen the Statement of Financial Position, 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. This confirmation should be reviewed alongside the Group's Viability statement on page 65.

## 2. Basis of preparation and other reporting matters

### 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 consolidated financial statements have been prepared on a historical cost basis, except for investments, derivatives and acquisition-related liabilities 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. Alternative performance measures ("APMs")

The Group has identified measures that it believes will assist the understanding of the performance of the business. These APMs are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for, or superior to, IFRS measures, provide stakeholders with additional useful information on the underlying trends, performance and position of the Group and are consistent with how business performance is measured internally. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs.

In line with previous periods, and for comparability, we continue to quote Core EBITDA pre-SBP to assess the financial performance of the business. This measure was introduced as our key performance measure because the Group believes this reflects the trading performance of the underlying business, without distortion from the variability in the fair value measurement of the share-based payments charge.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 2. Basis of preparation and other reporting matters continued

### 2b. Alternative performance measures ("APMs") continued

The Group also continues to report profit before non-underlying items as an APM, which excludes non-underlying items from statutory measures. Non-underlying items are described below (see note 2c). Consequently, the Group calculates earnings per share before non-underlying items. As profit before non-underlying items include the benefits of major business combinations but exclude significant costs (such as remuneration for post-combination services, acquisition-related costs, fair value gains on contingent consideration and gain on business combination), they may result in profit before non-underlying items being materially higher or lower than profit after non-underlying items. Other alternative performance measures include recurring revenues, dividend payout ratio and assets and funds under management ("AUM", "FUM"). The APMs are set out in the appendices to the financial statements on pages 185 to 197, including explanations of how they are calculated and how they are reconciled to a statutory measure where relevant.

### 2c. Non-underlying items

The Group has chosen to present a measure of profit and earnings per share which excludes certain items that are considered non-underlying and exceptional due to their size, nature or incidence, and are not considered to be part of the normal operations of the Group. This is as a result of the financial effect of non-underlying items relating to business combinations (more specifically remuneration for post-combination services), acquisition-related costs, fair value gains on contingent consideration and gain on business combination. In respect of remuneration for post-combination services, these are deferred consideration payments to sellers that are contingent on the recipients remaining employees of the Group which are exceptional due to both their size and their nature. The Group believes that the separate disclosure of these items provides additional useful information to users of the financial statements to enable a better understanding of the Group's underlying financial performance. Further details of non-underlying items are provided in note 8. These non-underlying items are also excluded from Core EBITDA pre-SBP.

### 2d. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2024. 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 reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 2. Basis of preparation and other reporting matters continued

### 2d. Basis of consolidation continued

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 the Statement of Comprehensive Income. Any investment retained is recognised at fair value.

Details of the investments in related undertakings, comprising subsidiaries, are included in the appendices to the financial statements on pages 185 to 197.

### 2e. Impact of sustainability and climate change on preparation of the financial statements

Climate change and sustainability risks have been considered and assessed in the preparation of the consolidated financial statements for the year ended 31 March 2024. No material impact has been identified on the estimates and judgements made, however.

## 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 2023 or will become effective in later periods.

### New standards, interpretations and amendments adopted from 1 April 2023

The following amendments are effective for the period beginning 1 April 2023:

#### Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements)

These amendments have had no effect on the measurement or presentation of any items in the consolidated financial statements of the Group but have affected the disclosure of accounting policies.

Other mandatory amendments to standards effective from 1 April 2023 had no effect on the consolidated financial statements of the Group.

### New standards not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The impact on the Group's financial statements of standards not yet effective is still being assessed.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 3. Accounting policies continued

### 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 Statement of Financial Position date, with transactions translated at average monthly exchange rates. Resulting exchange differences are recognised as a separate component of other comprehensive income and are also recognised in the foreign exchange reserve within equity. Any differences 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 contingencies 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 grant date fair value – see note 10
- Recognition and measurement of intangible assets arising on acquisitions – see notes 15 and 32
- Impairment of intangible assets – see note 15
- Contingent consideration – see note 24
- Remuneration for post-combinations services – see note 24

### Key judgements

These are as follows:

- Valuation method for measurement of intangible assets arising on acquisition – see note 15 and 32
- Impairment of intangible assets – see note 15
- Contract costs – see note 18
- Deferred tax assets – see note 26

# Notes to the financial statements continued

For the year ended 31 March 2024

## 4. Revenue

### Accounting policy:

The principal components of revenue which fall within the scope of IFRS 15 comprise management fees, secretarial fees, directors' fees, marketing fees, arrangement fees and performance incentive fees which are contractual arrangements that the Group operates as principal.

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 or 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 and when the fees can be measured reliably.

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 and when the fees can be measured reliably.

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

The Group does not provide extended payment terms on its services and therefore no significant financing components are identified by the Group.

### Limited estimation uncertainty

The NAVs which are used to calculate management fees are subject to the Group's fund Valuations Policy which sets out acceptable methodologies that may be applied in valuing a fund's investments. Each quarter, each Investment Manager or Valuations team values their investments in accordance with the guidelines of this policy, typically the International Private Equity and Venture Capital ("IPEV") Valuation Guidelines (December 2022) developed by the British Venture Capital Association and other organisations. Where appropriate, these valuations are also approved by the independent Boards of each fund and by the Group's valuation committee. As a result, there is no significant uncertainty or judgement in the amount of revenue to be recognised.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 4. Revenue continued

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Management fees | 115,580 | 97,373 |
| Secretarial fees | 3,152 | 2,719 |
| Directors' fees | 3,640 | 3,116 |
| Recurring revenue | 122,372 | 103,208 |
| Marketing fees | 9,931 | 6,129 |
| Arrangement fees | 5,139 | 4,054 |
| Performance incentive fees | 3,879 | 5,740 |
| Other income | 5 | 24 |
| | 141,326 | 119,155 |

The timing of revenue is as follows:

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Timing of transfer of goods and services: | | |
| Point in time | 18,954 | 15,947 |
| Over time | 122,372 | 103,208 |
| | 141,326 | 119,155 |

Contract balances are as follows:

| | 31 March 2024 Contract liabilities £000 | 31 March 2023 Contract liabilities £000 |
|---|---|---|
| At beginning of period | (5,790) | (134) |
| Amounts included in contract liabilities that were recognised as revenue during the period | 5,790 | 134 |
| Cash received in advance of performance and not recognised as revenue during the period | (7,361) | (5,790) |
| At end of period | (7,361) | (5,790) |

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.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 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.

The Group's senior management assesses the performance of the operating segments based on Core EBITDA pre-SBP. See appendices to the financial statements for further explanation.

| | 31 March 2024 | | | | 31 March 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Infrastructure £000 | Private Equity £000 | FCM £000 | Total £000 | Infrastructure £000 | Private Equity £000 | FCM £000 | Total £000 |
| Revenue | 84,174 | 47,350 | 9,802 | 141,326 | 73,035 | 33,411 | 12,709 | 119,155 |
| Cost of sales | (4,389) | (981) | (1,934) | (7,304) | (714) | (3,349) | (2,240) | (6,303) |
| Gross profit | 79,785 | 46,369 | 7,868 | 134,022 | 72,321 | 30,062 | 10,469 | 112,852 |
| Administrative expenses | (64,125) | (29,601) | (7,213) | (100,939) | (56,107) | (19,308) | (7,100) | (82,515) |
| Acquisition-related costs | — | — | — | — | (415) | (3,295) | (11) | (3,721) |
| Operating profit | 15,660 | 16,768 | 655 | 33,083 | 15,799 | 7,459 | 3,358 | 26,616 |
| Non-operating items | 733 | 471 | 25 | 1,229 | 430 | 328 | (53) | 705 |
| Profit on ordinary activities before taxation | 16,393 | 17,239 | 680 | 34,312 | 16,229 | 7,787 | 3,305 | 27,321 |
| Translation differences on foreign subsidiaries | (1,679) | — | — | (1,679) | (2,720) | — | — | (2,720) |
| Core EBITDA reconciling items (see appendices – note A5) | 20,378 | 5,382 | 904 | 26,664 | 16,811 | 8,149 | 597 | 25,557 |
| Core EBITDA pre-SBP | 35,092 | 22,621 | 1,584 | 59,297 | 30,320 | 15,936 | 3,902 | 50,158 |

The Group has recognised an impairment in respect of intangible assets (customer contracts) – see note 15. The impairment charge is recorded within administrative expenses in the Private Equity operating segment.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 5. Business segments continued

The Group operates in different geographic regions. Revenue by region is summarised below:

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| United Kingdom | 112,776 | 100,237 |
| Australia | 18,442 | 11,010 |
| Luxembourg | 6,303 | 5,414 |
| Italy | 1,128 | 1,498 |
| Spain | 746 | 602 |
| Ireland | 1,931 | 394 |
| | 141,326 | 119,155 |

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 2024 were £43,515,000 (2023: £30,758,000), of which £33,346,000 (2023: £23,787,000) was attributable to Infrastructure, £7,822,000 (2023: £5,443,000) to Private Equity and £2,347,000 (2023: £1,528,000) to FCM.

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

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| United Kingdom | 33,246 | 32,523 |
| Australia | 36,664 | 39,704 |
| Luxembourg | 2,571 | 2,584 |
| Italy | 685 | 1,353 |
| Spain | 453 | 517 |
| Ireland | 569 | — |
| | 74,188 | 76,681 |

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

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Staff costs (see note 9) | 59,407 | 48,144 |
| Staff costs – acquisitions (see note 9) | 11,947 | 12,667 |
| Amortisation in relation to intangible assets (customer contracts) (see note 15) | 3,211 | 2,414 |
| Depreciation and amortisation (excluding amortisation in relation to intangible assets (customer contracts)) (see note 14, 15 and 23) | 3,227 | 2,800 |
| Impairment of intangible assets (customer contracts) (see note 15) | 2,895 | — |
| Legal and professional | 5,908 | 5,288 |
| Other administration costs[1] | 14,344 | 11,202 |
| | 100,939 | 82,515 |

1. Other administration costs mainly relate to irrecoverable VAT, computer maintenance, conferences, bank charges and sundries.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 6. Administrative expenses continued

Specific administrative expenses are as follows:

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Auditor's remuneration | 641 | 621 |
| Net foreign exchange losses/(gains) | 124 | (763) |
| Low-value and short-term lease expenses | 49 | 95 |
| Bad debt write-offs | — | 64 |
| Loss/(profit) on disposal of fixed assets | 5 | (10) |

Auditor's remuneration is further disclosed as follows:

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Audit services | | |
| Statutory audit – Company | 114 | 136 |
| – Subsidiaries | 397 | 323 |
| Total audit services | 511 | 459 |
| Non-audit services | | |
| Regulatory assurance services | 22 | 16 |
| Other assurance services | 85 | 146 |
| Other services | 23 | — |
| Total non-audit services | 130 | 162 |
| Total audit and non-audit services | 641 | 621 |

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. No interim review was conducted on the FY24 Half-year Report and this was replaced by the agreed upon procedures below
- Other services: These services are for agreed upon procedures of the Half-year Report and assistance in responding to the letter from the FRC

## 7. Acquisition-related costs

The Group has incurred the following legal and professional costs in respect of its acquisitions:

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Acquisition of Infrastructure Capital | — | 3,121 |
| Acquisition of Downing's technology ventures business | — | 452 |
| Other | — | 148 |
| | — | 3,721 |

See note 32 for details on the acquisition-related costs associated to the Wellspring acquisition.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 8. Non-underlying items

Items which are not considered part of the normal operations of the business, are non-recurring or are considered exceptional because of their size, nature or incidence, are treated as non-underlying items and disclosed separately. Further details of non-underlying items are included in note 2c and in the Strategic Report on page 51.

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Administrative expenses (see note 6) | | |
| Staff costs – acquisitions | 11,947 | 12,667 |
| Other administration costs – foreign exchange | — | (782) |
| | 11,947 | 11,885 |
| Acquisition-related costs (see note 7) | | |
| Legal and professional costs in respect of acquisition of Infrastructure Capital | — | 3,121 |
| Legal and professional costs in respect of acquisition Downing's technology ventures business | — | 452 |
| Other legal and professional costs | — | 148 |
| | — | 3,721 |
| Fair value gains on contingent consideration (incl. finance expense) (see note 24) | (190) | (327) |
| Gain on business combination (see note 32) | (16) | — |
| Total non-underlying items | 11,741 | 15,279 |

# Notes to the financial statements continued

For the year ended 31 March 2024

## 8. Non-underlying items continued

### Breakdown of staff costs – acquisitions

The table below shows the breakdown of staff costs – acquisitions related to the deferred payments from the acquisition of Infrastructure Capital for the year ended 31 March 2024.

| | 31 March 2024 | | | 31 March 2023 | | |
|---|---|---|---|---|---|---|
| | Cash settled £000 | Share settled £000 | Total £000 | Cash settled £000 | Share settled £000 | Total £000 |
| Initial share consideration | — | 11,066 | 11,066 | — | 8,741 | 8,741 |
| Earn-out consideration | 1,093 | 564 | 1,657 | 1,480 | 374 | 1,854 |
| Revenue earn-out consideration | (306) | — | (306) | 288 | — | 288 |
| Performance consideration | (360) | (110) | (470) | 735 | 399 | 1,134 |
| | 427 | 11,520 | 11,947 | 2,503 | 9,514 | 12,017 |

For the year ended 31 March 2023, further bonuses of £246,000 and £404,000 were recognised for payments to staff who were involved in the acquisitions of Infrastructure Capital and Downing's technology ventures business respectively. The costs have been reported as staff costs – acquisitions within administrative expenses above.

The decrease in cash-settled deferred payments of the revenue earn-out and performance considerations is due to the change in the expected payout of the earn-outs at 31 March 2024. See note 10 and note 24.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 9. Staff costs and Directors' remuneration

The average number of employees was:

| | 31 March 2024 Number | 31 March 2023 Number |
|---|---|---|
| Operations | 207 | 172 |
| Sales and Marketing | 54 | 56 |
| Administration | 121 | 86 |
| | 382 | 314 |

Their aggregate remuneration comprised:

| | 31 March 2024 | | | 31 March 2023 | | |
|---|---|---|---|---|---|---|
| | Staff costs £000 | Staff costs – acquisitions £000 | Total £000 | Staff costs £000 | Staff costs – acquisitions £000 | Total £000 |
| Wages and salaries | 45,649 | — | 45,649 | 39,596 | 586 | 40,182 |
| Social security costs | 4,876 | — | 4,876 | 3,981 | 64 | 4,045 |
| Pension costs | 1,950 | — | 1,950 | 1,245 | — | 1,245 |
| Redundancy payments | 1,615 | — | 1,615 | — | — | — |
| Other staff costs[1] | 3,107 | 427 | 3,534 | 2,177 | 2,503 | 4,680 |
| | 57,197 | 427 | 57,624 | 46,999 | 3,153 | 50,152 |
| Share-based payments (see note 10) | 2,210 | 11,520 | 13,730 | 1,145 | 9,514 | 10,659 |
| **Total staff costs** | 59,407 | 11,947 | 71,354 | 48,144 | 12,667 | 60,811 |

1. Other staff costs mainly relate to healthcare insurance, long service leave, recruitment, sub-contractors and staff advances expensed.

Details regarding the total remuneration paid to Directors is disclosed in the Remuneration Committee report (see pages 91 to 105).

# Notes to the financial statements continued

For the year ended 31 March 2024

## 10. Share-based payments

### Accounting policy:

The Group engages in equity-settled and cash-settled share-based payment transactions in respect of services received from its employees.

#### Equity-settled

Equity-settled share-based payments arise 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.

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 with a corresponding credit to equity. When appropriate (i.e. Performance Share Plan), 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.

#### Cash-settled

For cash-settled share-based payments, a liability is recognised for the services received to the period end date, measured at the fair value of the liability. At each subsequent period end and at the date on which the liability is settled, the fair value of the liability is remeasured with any changes in fair value recognised in the Statement of Comprehensive Income.

### Estimation uncertainty:

#### Performance Share Plan grant date fair value

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, which are both estimations. There have been three annual grants of options under the plan as approved by the Remuneration Committee. The number of options awarded and the assumptions used in the Monte-Carlo simulation are described below for the current year grant of options.

The Group regularly reviews its estimation of the number of eligible employees leaving the Group, but this is not considered to be significant or material. A +/-10% movement to the grant date fair value of the FY24 grant would impact on the Group's profit before taxation by +/- £43,000 (2023: +/- £84,000) respectively.

#### Infrastructure Capital – post-combination services

As per note 32, contingent consideration to be paid in shares is accounted for at fair value at the date of acquisition (grant date) using estimated outcomes and expected payout of the earn-outs with this fair value reassessed at each reporting period. For the initial share consideration, there is no estimation uncertainty as the shares have already been issued. The fair value was calculated as the share price on grant date. During the period there was one good leaver to whom forfeiture no longer applies and on 30 September 2023, 33.3% of the shares were no longer subject to forfeiture. The expiry date of the remaining shares is detailed in the table below.

For the other forms of consideration (earn-out and performance earn-out), the fair value of each consideration on the grant date was the maximum amount for each discounted back to the valuation date multiplied by the expected payout percentage of the earn-outs and forfeiture rate. As such, the number of shares potentially to be issued is not currently known. The earn-out consideration has an expected payout percentage of 54% (2023: 95%) and 0% (2023: 0%) forfeiture rate. The performance earn-out has an expected payout percentage of 13% (2023: 79%) and 0% (2023: 0%) forfeiture rate. The basis of the expected payout assessments was internal forecasts of the appropriate management fee revenue. During the period, there was one good leaver to whom forfeiture no longer applies and the total cost has been expensed based on the relevant expected payout percentage at 31 March 2024. The maximum award for each consideration at the end of the reporting period would result in an additional charge of £2,463,000 (2023: £84,000) and the minimum would result in a reversal of the earn-out of £899,000 (2023: £374,000) and performance earn-out of £255,000 (2023: £399,000).

# Notes to the financial statements continued

For the year ended 31 March 2024

## 10. Share-based payments continued

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| **Included in staff costs (note 6)** | | |
| Performance Share Plan (equity-settled) | 1,818 | 840 |
| UK Share Incentive Plan (equity-settled) | 337 | 239 |
| Overseas Phantom Share Plan (cash-settled) | 55 | 66 |
| | 2,210 | 1,145 |
| **Included in staff costs – acquisitions (note 6)** | | |
| Infrastructure Capital – post-combination services (see note 32) (equity settled) | 11,520 | 9,514 |
| | 13,730 | 10,659 |

The classification of share-based payments above is as follows:

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Equity-settled | 13,675 | 10,593 |
| Cash-settled | 55 | 66 |
| | 13,730 | 10,659 |

### Performance Share Plan

The Remuneration Committee approved the implementation of the Performance Share Plan ("PSP") following the IPO. 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 from 0% to 6% compounded over a three-year period.

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 2024 since Admission was 3% (2023: 2%).

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

| | 31 March 2024 | | 31 March 2023 | |
|---|---|---|---|---|
| | Number of shares granted | Average exercise price per share option £ | Number of shares granted | Average exercise price per share option £ |
| At the beginning of period | 2,359,530 | — | 1,071,830 | — |
| Granted | 1,162,311 | — | 1,316,700 | — |
| Vested | — | — | — | — |
| Extinguished | (42,250) | — | (29,000) | — |
| Awards outstanding at end of period | 3,479,591 | — | 2,359,530 | — |

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

# Notes to the financial statements continued

For the year ended 31 March 2024

## 10. Share-based payments continued

### Performance Share Plan continued

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

| | Expiry date | Exercise price | Share options 31 March 2024 | Share options 31 March 2023 |
|---|---|---|---|---|
| 4 September 2021 (FY22 Grant) | 31 July 2024 | — | 1,039,330 | 1,042,830 |
| 9 August 2022 (FY23 Grant) | 31 July 2025 | — | 1,289,200 | 1,316,700 |
| 10 August 2023 (FY24 Grant) | 31 July 2026 | — | 1,151,061 | — |
| | | | 3,479,591 | 2,359,530 |
| Weighted average remaining contractual life of options outstanding at end of period | | | 1.37 years | 1.89 years |

### Fair value of options granted

The assumptions used in the Monte-Carlo simulation for the FY24 Grant were as follows:

- Starting share price of 452.60 pence (FY23 Grant: 419.85 pence) (the share price of the Company on the date of the grant)
- Annual volatility of 40% (FY23 Grant: 40%) (based on volatility of share price from IPO to grant date)
- Vesting period of three years (FY23 Grant: three years)
- Holding period of two years (FY23 Grant: two years) with associated 20% (FY23 Grant: 20%) deduction for lack of marketability (based on empirical studies)
- Exercise price of 0 pence (FY23 Grant: 0 pence)
- Risk-free rate of 4% (FY23 Grant: 2%) per annum which has been used as a discount factor (based on government bond yields)
- Annual dividend of 20.1 pence (FY23 Grant: 14.0 pence) per annum

The simulation based on these assumptions resulted in a fair value of 161.8 pence (FY23 Grant: 169.7 pence) per option.

### Share Incentive Plan

Under the Foresight Share Incentive Plan (“SIP”), for each one Partnership Share that a UK 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 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 (with the dividend cash received into the trust used to purchase additional shares) 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.

The movement in matching shares purchased under this scheme during the year was as follows:

| | 31 March 2024 Number of shares purchased | 31 March 2023 Number of shares purchased |
|---|---|---|
| At the beginning of period | 218,494 | 152,769 |
| Movement | 72,598 | 65,725 |
| At end of period | 291,092 | 218,494 |

# Notes to the financial statements continued

For the year ended 31 March 2024

## 10. Share-based payments continued

### Overseas Phantom Share Plan

During the year ended 31 March 2023, the Group launched the Overseas Phantom Share Plan (the "Plan") which was introduced to create a plan similar to the UK Share Incentive Plan for non-UK employees. All non-UK employees may participate except those who participate in the Performance Share Plan. The Plan is a cash-bonus scheme whereby each non-UK employee is granted a number of notional share options replicating the terms of the UK SIP.

The movement in notional matching shares awarded under this scheme during the year was as follows:

| | 31 March 2024 Number of shares purchased | 31 March 2023 Number of shares purchased |
|---|---|---|
| At the beginning of period | 36,368 | — |
| Granted | 7,266 | 36,368 |
| Vested | (8,046) | — |
| Extinguished | (9,626) | — |
| At end of period | 25,962 | 36,368 |

### Infrastructure Capital – post-combination services (see note 32)

Payments of the initial share consideration arising from the acquisition of Infrastructure Capital require the sellers to remain either employed or contracted to the Group during the next three years, with 100% of a seller's shares being forfeited if this occurs prior to 30 September 2023, 66.66% from 30 September 2023 to 29 September 2024 and 33.33% from 30 September 2024 to 29 September 2025. Forfeiture does not apply to good leavers, of which there was one during the year ended 31 March 2024. The movement in the initial share consideration during the year is a result of the good leaver and 33.33% of the shares which are no longer subject to forfeiture. The initial share consideration is accounted for as remuneration for post-combination services. Where the consideration is paid in shares, these are accounted for as equity-settled share-based payments under IFRS 2. Further explanation of the consideration is contained in note 32.

The expiry dates of shares issued under this arrangement are as follows:

| | Expiry date | Exercise price[1] | Share options 31 March 2024 | Share options 31 March 2023 |
|---|---|---|---|---|
| 8 September 2022 | 30 September 2023 | — | — | 2,276,784 |
| 8 September 2022 | 30 September 2024 | — | 2,088,924 | 2,276,784 |
| 8 September 2022 | 30 September 2025 | — | 2,088,924 | 2,276,784 |
| | | | 4,177,848 | 6,830,352 |
| Weighted average remaining contractual life of options outstanding at end of period | | | 1 year | 1.5 years |

1. Exercise price not applicable as shares have already been issued.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 11. Finance income and expenses

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| **Finance income** | | |
| Gain on derivatives | 434 | 762 |
| Bank interest receivable | 875 | 121 |
| **Total finance income** | 1,309 | 883 |
| **Finance expenses** | | |
| Other interest payable | 10 | 2 |
| Loan interest (accrued) | 53 | 139 |
| Interest on lease liabilities | 463 | 512 |
| Interest on dilapidation provisions | 38 | 201 |
| **Total finance expense** | 564 | 854 |
| **Net finance income recognised in the Statement of Comprehensive Income** | 745 | 29 |

## 12. Taxation

### Accounting policy:

#### Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

### Accounting policy: continued

#### 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 income statement, 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 26.

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| **Current tax** | | |
| UK corporation tax | 6,473 | 3,260 |
| Foreign taxation | 2,240 | 1,708 |
| Adjustments in respect of prior periods | (105) | — |
| Adjustments in respect of prior periods (foreign tax) | (193) | — |
| **Total current tax charge** | 8,415 | 4,968 |
| **Deferred tax** | | |
| Origination and reversal of temporary differences | (537) | (1,272) |
| **Total deferred tax** | (537) | (1,272) |
| **Tax on profit on ordinary activities** | 7,878 | 3,696 |

# Notes to the financial statements continued

For the year ended 31 March 2024

## 12. Taxation continued

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

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Profit for the year | 26,434 | 23,625 |
| Add back total tax | 7,878 | 3,696 |
| Profit before all tax | 34,312 | 27,321 |
| Profit before tax at 25% (2023: 19%) | 8,578 | 5,191 |
| Profits not assessable to corporation tax | (622) | (410) |
| Profit share allocation from partnership funds | 538 | 120 |
| Unrecognised deferred tax | (48) | (328) |
| Adjustments to previous periods | 92 | — |
| Differences on overseas tax rate | (5,150) | (4,368) |
| Expenses not deductible for tax purposes | 1,062 | 1,082 |
| Other – share-based payments | 311 | 126 |
| Staff costs – acquisitions | 2,952 | 2,283 |
| Thin Cap adjustment | 169 | — |
| Gain on business combination | (4) | — |
| Total tax charge | 7,878 | 3,696 |

The Company is resident for taxation purposes in Guernsey and its income is subject to corporation 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 25% (2023: 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 and treasury shares held (see note 28 "Own share reserve" and "Treasury share reserve").

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 10 for Performance Share Plan).

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Earnings | | |
| Profit for the period for purpose of basic and diluted earnings per share | 26,434 | 23,625 |
| Non-underlying items (see note 8) | 11,741 | 15,279 |
| Profit before non-underlying items for the period for purpose of basic and diluted earnings per share before non-underlying items | 38,175 | 38,904 |

# Notes to the financial statements continued

For the year ended 31 March 2024

## 13. Earnings per share continued

| | 31 March 2024 '000 | 31 March 2023 '000 |
|---|---|---|
| **Number of shares** | | |
| Weighted average number of shares in issue during the period | 116,271 | 112,770 |
| Less time-apportioned own shares held | (239) | (193) |
| Less time-apportioned treasury shares held | (54) | — |
| Weighted average number of Ordinary Shares for the purpose of basic earnings per share | 115,978 | 112,577 |
| Add back weighted average number of dilutive potential shares | | |
| Performance Share Plan | 3,091 | 1,727 |
| Weighted average number of Ordinary Shares for the purpose of diluted earnings per share | 119,069 | 114,304 |

Weighted average number of Ordinary Shares for the purpose of diluted earnings per share does not include the impact of contingent shares to be issued for both the earn-out consideration and performance consideration arising from the Infrastructure Capital acquisition (see note 32) as the amount of shares potentially to be issued is not currently known.

| | 31 March 2024 pence | 31 March 2023 pence |
|---|---|---|
| **Earnings per share** | | |
| Basic | 22.8 | 21.0 |
| Diluted | 22.2 | 20.7 |
| Basic before non-underlying items | 32.9 | 34.6 |
| Diluted before non-underlying items | 32.1 | 34.0 |

Earnings per share before non-underlying items is calculated in the same way as earnings per share, but by reference to non-underlying items attributable to Shareholders.

## 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
- 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.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 14. Property, plant and equipment continued

| | 31 March 2024 | | | | 31 March 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Fixtures, fittings and equipment £000 | Short leasehold property £000 | Motor vehicles £000 | Total £000 | Fixtures, fittings and equipment £000 | Short leasehold property £000 | Motor vehicles £000 | Total £000 |
| **Cost** | | | | | | | | |
| At beginning of period | 917 | 5,690 | — | 6,607 | 454 | 5,474 | 15 | 5,943 |
| Additions | 352 | 438 | — | 790 | 413 | 206 | — | 619 |
| Business combinations (see note 32) | — | — | — | — | 73 | — | — | 73 |
| Foreign exchange movement | (9) | (6) | — | (15) | 26 | 10 | — | 36 |
| Disposals | (7) | — | — | (7) | (49) | — | (15) | (64) |
| **At end of period** | 1,253 | 6,122 | — | 7,375 | 917 | 5,690 | — | 6,607 |
| **Depreciation** | | | | | | | | |
| At beginning of period | 381 | 3,704 | — | 4,085 | 173 | 3,106 | 8 | 3,287 |
| Depreciation charge for the year | 357 | 619 | — | 976 | 249 | 594 | 2 | 845 |
| Disposals | (2) | — | — | (2) | (35) | — | (10) | (45) |
| Foreign exchange movement | (9) | (5) | — | (14) | (6) | 4 | — | (2) |
| **At end of period** | 727 | 4,318 | — | 5,045 | 381 | 3,704 | — | 4,085 |
| **Net book value at end of period** | 526 | 1,804 | — | 2,330 | 536 | 1,986 | — | 2,522 |

# Notes to the financial statements continued

For the year ended 31 March 2024

## 15. Intangible assets

### Accounting policy:

Goodwill arises through business combinations and represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a business at the date of acquisition. Goodwill is recognised as an asset and measured at cost less accumulated impairment losses. It is allocated to groups of cash-generating units ("CGUs"), which represent the lowest level at which goodwill is monitored for internal management purposes. CGUs are identified as the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets, and are no larger than the Group's operating segments, as set out in note 5.

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. These intangible assets are subsequently carried at the amount initially recognised less accumulated amortisation, which is calculated using the straight-line method over their estimated useful lives.

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. Computer software is carried at cost less accumulated amortisation.

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 four to five 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 Group is required to test, on an annual basis, whether goodwill has suffered any impairment by estimating the recoverable amount of the CGU or group of CGUs the goodwill is allocated to. Any impairment is recognised immediately in the Statement of Comprehensive Income 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.

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.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 15. Intangible assets continued

### Key judgements:

#### Valuation method for measurement of intangible assets arising on acquisition

There is significant management judgement when determining the appropriate methodology to calculate the value of the investment management contracts. The cost approach, income approach and market approach have been considered in the preparation of the valuation analysis and the income approach was determined as the most appropriate on the premise that the value is equal to the present value of the future cash flows that the asset will generate over its remaining useful life. The net present value was therefore calculated using a Multi-period Excess Earnings Method ("MEEM").

#### Impairment of intangible assets

Customer contracts

For intangible assets with finite useful lives, an assessment is made at each reporting date as to whether there is any indication that an asset in use may be impaired. There is significant management judgement in determining the appropriate internal and external factors to consider.

Goodwill

Significant management judgement is required to determine the appropriate CGU or group of CGUs that are expected to benefit from the synergies of the acquisition.

### Estimation uncertainty:

#### Recognition and measurement of intangible assets arising on acquisitions

Acquisition of Wellspring

The valuation of investment management contracts represents an estimation of the present value of the cash flows that those contracts were expected to generate at the completion date, with reference to the projected profitability of the fund over a useful life of 19.7 years based on the weighted average length of the contracts acquired. A weighted average cost of capital ("WACC") of 9% has been used and is considered a significant estimate.

Should this WACC be increased by 1%, the value of the investment management contracts would reduce by £445,000, resulting in goodwill arising from the acquisition of £317,000. If the WACC decreased by 1%, the value of the investment management contracts would increase by £501,000 and the gain on business combination would increase to £392,000. See note 32 for further details on the identifiable assets acquired and liabilities assumed.

#### Impairment of intangible assets

Customer contracts

The Directors have reviewed the intangible assets at 31 March 2024 and concluded there are indicators of impairment for the customer contracts acquired in Downing's technology ventures business and Infrastructure Capital (2023: no indicators of impairment). The recoverable value was determined based on a value in use calculation using a discounted cash flow ("DCF") model derived from the budget for the next three years and does not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the customer contracts being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected cash flows and growth rates used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the customer contracts, including a sensitivity analysis, are disclosed and further explained in the note below.

Goodwill

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations using a DCF model. The cash flows are derived from the budget for the next three years and does not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected cash flows and growth rates used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in the note below.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 15. Intangible assets continued

| | 31 March 2024 | | | | 31 March 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Computer software £000 | Customer contracts £000 | Goodwill £000 | Total £000 | Computer software £000 | Customer contracts £000 | Goodwill £000 | Total £000 |
| **Cost** | | | | | | | | |
| At beginning of period | 663 | 47,035 | 18,426 | 66,124 | 650 | 4,558 | — | 5,208 |
| Additions | 5 | — | — | 5 | 13 | — | — | 13 |
| Business combinations (see note 32) | — | 6,422 | — | 6,422 | — | 44,798 | 19,404 | 64,202 |
| Foreign exchange movement | — | (1,317) | (554) | (1,871) | — | (2,321) | (978) | (3,299) |
| **At end of period** | 668 | 52,140 | 17,872 | 70,680 | 663 | 47,035 | 18,426 | 66,124 |
| **Amortisation/impairment** | | | | | | | | |
| At beginning of period | 477 | 2,736 | — | 3,213 | 394 | 383 | — | 777 |
| Charge for the year | 51 | 3,211 | — | 3,262 | 83 | 2,414 | — | 2,497 |
| Impairment | — | 2,895 | — | 2,895 | — | — | — | — |
| Foreign exchange movement | — | (54) | — | (54) | — | (61) | — | (61) |
| **At end of period** | 528 | 8,788 | — | 9,316 | 477 | 2,736 | — | 3,213 |
| **Net book value at end of period** | 140 | 43,352 | 17,872 | 61,364 | 186 | 44,299 | 18,426 | 62,911 |

# Notes to the financial statements continued

For the year ended 31 March 2024

## 15. Intangible assets continued

### Customer contracts

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

| | Remaining amortisation period | Carrying value £000 |
|---|---|---|
| Acquisition of Infrastructure Capital (see note 32) | 18.4 years | 24,785 |
| Acquisition of Downing's technology ventures business (see note 32) | 13.3 years | 9,689 |
| Acquisition of PiP Manager Limited | 16.4 years | 2,357 |
| Acquisition of FV Solar Lab S.R.L. | 0.6 years | 351 |
| Acquisition of Wellspring (see note 32) | 18.9 years | 6,170 |
| | | 43,352 |

For the customer contracts acquired as part of the Downing's technology ventures business acquisition, indicators of impairment were identified as at 31 March 2024 due to NAV valuation decreases, leading to actual revenues being lower than originally forecast. The value of the customer contracts has therefore been tested for impairment. The recoverable amount of the customer contracts has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a three year period and extrapolated over the useful life. The discount rate was derived from the Group's weighted average cost of capital and takes into account the weighted average cost of capital of other market participants. The average revenue growth rate is a combination of market growth, fundraising and NAV attrition. The terminal growth rate is based on external long-term inflation expectations.

For the Infrastructure Capital customer contracts, the expected payout percentage of the earn-outs were reassessed at 31 March 2024 and have declined, indicating that the customer contracts could be impaired. The Group have therefore calculated the recoverable amount to test for impairment. The recoverable amount of the customer contracts has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a three year period and extrapolated over the useful life. The discount rate was derived from the Group's weighted average cost of capital and takes into account the weighted average cost of capital of other market participants. The average revenue growth rate is a combination of market growth, fundraising and NAV attrition. The terminal growth rate is based on external long-term inflation expectations.

No indicators of impairment have been identified for the remaining customer contracts acquired at 31 March 2024.

The following key assumptions were applied in the value in use calculations:

| | Downing's technology ventures business | Infrastructure Capital |
|---|---|---|
| Post-tax discount rate[1] | 14.8% | 13.3% |
| Useful life | 13.3 years | 18.4 years |
| Average revenue growth rate | 5% | 5% |
| Long-term growth rate | 2% | 2% |

1. Using a pre-tax discount rate of 21.9% (Downing) and 20.9% (Infrastructure Capital) on pre-tax cash flows does not produce a materially different result.

As a result of this analysis, the Group has recognised an impairment charge of £2,895,000 in the current year against the Downing's technology ventures business customer contracts, with a carrying amount of £12,584,000 as at 31 March 2024 prior to the impairment. The impairment charge is recorded within administrative expenses in the Statement of Comprehensive Income.

The recoverable amount of the Infrastructure Capital customer contracts is £27,715,000, which is greater than the carrying amount of £24,785,000 at 31 March 2024 and therefore no impairment has been recognised.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 15. Intangible assets continued

### Customer contracts continued

A sensitivity analysis was carried out on the customer contracts impairment models to assess the impact of reasonable plausible scenarios on both the discount rate and revenue growth rates on the Group's estimation by the stated percentages:

| | Downing's technology ventures business Impact on Statement of Comprehensive Income £000 | Infrastructure Capital Impact on Statement of Comprehensive Income £000 |
|---|---|---|
| Impact of a change in discount rate assumptions: | | |
| + 1% | (432) | (151) |
| - 1% | 466 | — |
| Impact of a change in revenue growth rate assumptions: | | |
| + 5% | 617 | — |
| - 5% | (1,481) | — |

### Goodwill

The table below shows the carrying amount of goodwill.

| | 31 March 2024 £000 |
|---|---|
| Acquisition of Infrastructure Capital (see note 32) | 11,335 |
| Acquisition of Downing's technology ventures business (see note 32) | 6,537 |
| | 17,872 |

Goodwill is allocated between CGUs at 31 March 2024 as follows: £11,335,000 from the acquisition of Infrastructure Capital to the Infrastructure operating segment CGUs; and £6,537,000 from the acquisition of Downing's technology ventures business to the Private Equity operating segment CGUs.

An annual impairment test for goodwill is carried out at the period end date comparing the carrying value and recoverable amount of the CGU. The recoverable value was determined based on a value in use calculation using a DCF model over a period of five years where the terminal growth rate is used for years beyond that. The forecasted cash flows have been determined using the three year plan that has been approved by the Board on 20 June 2024. The discount rate was derived from the CGUs weighted average cost of capital and takes into account the weighted average cost of capital of other market participants.

The following key assumptions were applied in the value in use calculation:

| | Infrastructure CGUs | Private Equity CGUs |
|---|---|---|
| Post-tax discount rate[1] | 12.3% | 13.0% |
| Terminal growth rate | 2% | 2% |
| Average EBITDA margin | 51.1% | 45.2% |

1. Using a pre-tax discount rate of 15.8% (Infrastructure) and 17.0% (Private Equity) on pre-tax cash flows does not produce a materially different result.

The growth rate and EBITDA margin assumptions applied only to the period beyond the formal budgeted period, with the value in use calculation based on an extrapolation of the budgeted cash flows from year three.

As a result of this analysis, there is headroom of £452.4 million in the Infrastructure CGUs and £146.3 million in the Private Equity CGUs and therefore no impairment has been recognised.

A sensitivity analysis was carried out and the Group do not consider that a reasonably possible change in key assumptions would reduce the recoverable amount of the CGUs to below their carrying value.

### Computer software

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

# Notes to the financial statements continued

For the year ended 31 March 2024

## 16. 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.

Investments at FVTPL are the Group's co-investment into Limited Partnership funds and VCT investments managed by the Group. Fair value is calculated as the Group's share of NAVs of these funds and investments. These NAVs are subject to the Group's fund Valuations Policy which sets out acceptable methodologies that may be applied in valuing a fund's investments. Each quarter, each Investment Manager values their investments in accordance with the guidelines of this policy, typically the International Private Equity and Venture Capital ("IPEV") Valuation Guidelines (December 2022) developed by the British Venture Capital Association and other organisations. Where appropriate, these valuations are also approved by the independent Boards of each fund and by the Group's valuation committee.

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 below.

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| At beginning of period | 3,967 | 2,781 |
| Additions | 869 | 1,310 |
| Fair value movements | 278 | 349 |
| Sales proceeds | (388) | (473) |
| At end of period | 4,726 | 3,967 |

The NAV of these funds or investments represent the fair value at the end of the reporting period and as such a range of unobservable inputs is not reported. If the NAV of those funds changed by +/- 5%, then the valuation of the investments would change by +/- £236,000 (2023: +/- £198,000).

## 17. Derivative assets

### Accounting policy:

The Group uses forward currency contracts to mitigate the risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments are classified as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The forward currency contracts entered into to date have not been designated as hedging instruments and are not subject to hedge accounting.

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Derivative assets arising from forward currency contracts, of which: | 473 | 648 |
| Non-current assets | — | 245 |
| Current assets | 473 | 403 |

The Group originally had eight forward foreign currency contracts, of which the first matured on 30 March 2023 and thereafter at quarterly intervals. Therefore, at 31 March 2024, the Group had three contracts with a notional amount of AUD$7.5 million to sell for £4.4 million and the fair value of these contracts gave rise to a gain of £0.5 million recognised as a derivative asset.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 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.

### Key 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 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Incremental placement agency fees, of which: | 3,375 | 3,965 |
| Non-current assets | 2,777 | 3,435 |
| Current assets | 598 | 530 |

## 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.

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 significant credit losses and has not recognised any ECLs in the current or previous period. The Group has not incurred a bad debt expense in the current year. A bad debt expense of £64,000 was incurred in the year ended 31 March 2023 in relation to directors' fees, but none for management fees.

#### 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.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 19. Trade and other receivables continued

**Accounting policy:** continued

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 Comprehensive Income.

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Trade receivables | 17,808 | 12,956 |
| Other receivables | 6,010 | 3,411 |
| Prepayments | 3,850 | 3,080 |
| Staff advances | 1,060 | 2,295 |
| | 28,728 | 21,742 |
| Less non-current assets: | | |
| Trade receivables | 822 | 1,044 |
| Staff advances | 420 | 1,555 |
| | 1,242 | 2,599 |
| Current assets: | | |
| Trade receivables | 16,986 | 11,912 |
| Other receivables | 6,010 | 3,411 |
| Prepayments | 3,850 | 3,080 |
| Staff advances | 640 | 740 |
| | 27,486 | 19,143 |

The Directors consider that the carrying value of trade receivables, other receivables and staff advances 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.

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

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Current | 14,139 | 10,932 |
| Overdue | | |
| < 30 days | 27 | 40 |
| 30-60 days | 322 | 248 |
| 60-90 days | 105 | 300 |
| > 90 days | 3,215 | 1,436 |
| | 17,808 | 12,956 |

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

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| At beginning of period | 61 | 213 |
| Written off during the period as uncollectible | — | (216) |
| Increase during the period | — | 64 |
| At end of period | 61 | 61 |

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 cash 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 31 for management of credit risk.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 20. Cash and cash equivalents

**Accounting policy:**

Cash and cash equivalents comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less.

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Cash at banks and on hand | 32,357 | 39,761 |
| Short-term deposits | 12,647 | — |
| Cash and cash equivalents | 45,004 | 39,761 |
| Cash and cash equivalents per Cash Flow Statement | 45,004 | 39,761 |

## 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 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| **Current liabilities:** | | |
| Trade payables | 1,582 | 1,945 |
| Accruals | 16,472 | 17,504 |
| Deferred income | 7,361 | 5,790 |
| Other payables | 3,228 | 3,993 |
| VAT and PAYE | 3,522 | 2,876 |
| Corporation tax | 4,892 | 1,559 |
| Partnership capital contributions | 971 | 1,715 |
| | 38,028 | 35,382 |

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

The Directors consider the carrying amount of trade payables, other payables, accruals and partnership capital contributions 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.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 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, cancelled or expired.

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 the Statement of Comprehensive Income as other operating income or finance expenses.

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.

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Loans and borrowings, of which: | 509 | 3,131 |
| Non-current liabilities | 388 | 485 |
| Current liabilities | 121 | 2,646 |

### Terms and debt repayment schedule

| | Currency | Nominal interest rate | Year of maturity[2] | 31 March 2024 Carrying amount[1] £000 |
|---|---|---|---|---|
| Unsecured loan | GBP | Base rate + 2% | 2027 | 509 |

1. The carrying amount of these loans and borrowings equates to the fair value.
2. The loans were provided by five lenders equally. The Group agreed with four lenders for early repayment, with repayment made in May 2023.

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

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| At beginning of period | 3,131 | 3,690 |
| Interest | 53 | 139 |
| Repayment – principal | (2,545) | (606) |
| Repayment – interest | (130) | (92) |
| At end of period | 509 | 3,131 |

For more information about the Group's exposure to interest rate risk, see note 31.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 23. Lease liabilities and right-of-use assets

**Accounting policy:**

Applying IFRS 16, for all leases, the Group:

- Recognises right-of-use assets and lease liabilities in the Statement of Financial Position, initially measured at the present value of the future lease payments
- Recognises depreciation of right-of-use assets and interest on lease liabilities in the Statement of Comprehensive Income
- Separates the total amount of cash paid into a principal portion and interest (presented within financing 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 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. Short-term leases (lease term of 12 months or less) and leases of low-value assets are expensed on a straight-line basis over the term of the lease. 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 included in the initial recognition of right-of-use assets.

The Group's lease arrangements primarily consist of operating leases relating to office space. The leases are typically of ten years' duration.

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.

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| **Right-of-use asset** | | |
| At beginning of period | 7,281 | 8,260 |
| Additions | 648 | 706 |
| Business combination (see note 32) | — | 560 |
| Lease modifications | 48 | — |
| Adjustment to dilapidations (see note 25) | — | (334) |
| Depreciation | (2,200) | (1,872) |
| Foreign exchange movement | (9) | (39) |
| **At end of period** | 5,768 | 7,281 |
| **Lease liability** | | |
| At beginning of period | 9,251 | 10,408 |
| Additions | 648 | 722 |
| Business combination (see note 32) | — | 619 |
| Lease payment | (3,132) | (2,963) |
| Interest | 463 | 512 |
| Foreign exchange movement | 32 | (47) |
| **At end of period** | 7,262 | 9,251 |
| Current | 2,897 | 2,562 |
| Non-current | 4,365 | 6,689 |

The lease payment in the year has been split £2,669,000 (2023: £2,451,000) of principal and £463,000 (2023: £512,000) of interest.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 23. Lease liabilities and right-of-use assets continued

The table below summarises the maturity profile of the Group's lease liabilities based on contractual undiscounted payments:

| 31 March 2024 | | | | | 31 March 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Total £000 | Less than one year £000 | One to two years £000 | Two to five years £000 | More than five years £000 | Total £000 | Less than one year £000 | One to two years £000 | Two to five years £000 | More than five years £000 |
| 8,006 | 3,176 | 2,267 | 1,854 | 709 | 10,187 | 2,991 | 3,015 | 3,312 | 869 |

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

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Depreciation expense on right-of-use assets | 2,200 | 1,872 |
| Interest expense on lease liabilities | 463 | 512 |
| | 2,663 | 2,384 |

The weighted average incremental borrowing rate applied to lease liabilities recognised in the Statement of Financial Position at the date of initial application was 4.62% (2023: 4.61%).

In accordance with IFRS 16.6 (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 for these items. This expense is presented within administrative expenses in the Statement of Comprehensive Income and for the year ended 31 March 2024 was £49,000 (2023: £95,000).

## 24. Acquisition-related liabilities

Acquisition-related liabilities arise from the acquisitions made by the Group during the year ended 31 March 2023 (see note 32).

### Accounting policy:

Contingent consideration payable is measured at fair value at acquisition and assessed annually with particular reference to the conditions upon which the consideration is contingent. Fair value movements in the year are recognised in the Statement of Comprehensive Income.

Remuneration for post-combination services is the liability that arises from accounting for contingent consideration payments to sellers which are subject to forfeiture if the seller ceases to be employed and are payable in cash; this consideration is accounted as long-term employee benefits under IAS19 (see note 32). The liabilities will be expensed over the deferral period and are included in staff costs – acquisitions.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 24. Acquisition-related liabilities continued

### Estimation uncertainty:

#### Contingent consideration

Contingent consideration reflects the Group's best estimate of the amounts that are expected to be paid, discounted to their present value arising from the acquisition of Downing's technology ventures business. The significant unobservable input is the NAV of the two VCT's whose investment mandates were acquired (see note 32). The first anniversary payment of £1,221,000 was fully paid in October 2023. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between £nil and £2,784,000 (2023: £nil and £4,176,000). A change in +/- 5% of the NAV would result in a +/- £103,000 (2023: +/- £174,000) change in the fair value.

#### Remuneration for post-combination services

The proportion of the deferred payments that are contingent on the recipients remaining employees of the Group for a specific period arising from the acquisition of Infrastructure Capital are accounted for as remuneration for post-combination services. The Group has estimated the amounts which will ultimately become payable, i.e. the expected value of the obligation based on the maximum amount for each consideration discounted back to the valuation date multiplied by the expected payout percentage of the earn-outs and forfeiture rate. The discounting uses high-quality corporate bond rates of 3.3%. The earn-out consideration has an expected payout percentage of 54% (2023: 95%) and 0% (2023: 0%) forfeiture rate. The performance earn-out has an expected payout percentage of 13% (2023: 79%) and 0% (2023: 0%) forfeiture rate. The revenue earn-out has an expected payout percentage of 0% (2023: 47.5%) and 0% (2023: 0%) forfeiture rate. The significant unobservable input of the expected payout assessments is internal forecasts of the appropriate management fee revenue. During the period, there was one additional good leaver to which forfeiture no longer applies and the total cost has been expensed based on the expected payout percentage at 31 March 2024. As a result of the change in expected payout percentage at 31 March 2024 a fair value decrease of £3,888,000 (2023: £2,000) has been recognised. A change in management fee revenue target to the maximum award for each consideration at the end of the reporting period would result in an additional charge of £7,139,000 (2023: £1,858,000) and the minimum would result in a reversal of the respective charge of £2,771,000 (2023: £2,503,000).

# Notes to the financial statements continued

For the year ended 31 March 2024

## 24. Acquisition-related liabilities continued

| | 31 March 2024 | | | 31 March 2023 | | |
|---|---|---|---|---|---|---|
| | Contingent consideration £000 | Remuneration for post-combination services £000 | Total £000 | Contingent consideration £000 | Remuneration for post-combination services £000 | Total £000 |
| At beginning of period | 3,470 | 2,503 | 5,973 | — | — | — |
| Business combinations | — | — | — | 3,797 | — | 3,797 |
| Arising in the period | — | 4,182 | 4,182 | — | 2,485 | 2,485 |
| Payments | (1,221) | — | (1,221) | — | — | — |
| Interest | 126 | 133 | 259 | 133 | 20 | 153 |
| Fair value movements | (316) | (3,888) | (4,204) | (460) | (2) | (462) |
| Foreign exchange movement | — | (159) | (159) | — | — | — |
| At end of period | 2,059 | 2,771 | 4,830 | 3,470 | 2,503 | 5,973 |
| Current liabilities | 1,005 | — | 1,005 | 1,104 | 46 | 1,150 |
| Non-current liabilities | 1,054 | 2,771 | 3,825 | 2,366 | 2,457 | 4,823 |

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

| | 31 March 2024 | | 31 March 2023 | |
|---|---|---|---|---|
| | Contingent consideration £000 | Remuneration for post-combination services £000 | Contingent consideration £000 | Remuneration for post-combination services £000 |
| Arising in the period | — | 4,182 | — | 2,485 |
| Interest | 126 | 133 | 133 | 20 |
| Fair value movements | (316) | (3,888) | (460) | (2) |
| | (190) | 427 | (327) | 2,503 |

# Notes to the financial statements continued

For the year ended 31 March 2024

## 24. Acquisition-related liabilities continued

The table below summarises the maturity profile of the Group's contingent consideration based on contractual undiscounted payments and current assessment of the expected payout at 31 March 2024.

| 31 March 2024 | | | | 31 March 2023 | | | |
|---|---|---|---|---|---|---|---|
| Total £000 | Less than one year £000 | One to two years £000 | Two to five years £000 | Total £000 | Less than one year £000 | One to two years £000 | Two to five years £000 |
| 2,140 | 1,070 | 1,070 | — | 3,687 | 1,229 | 1,229 | 1,229 |

The table below summarises the maturity profile of the Group's remuneration for post-combination services based on contractual undiscounted payments and current assessment of the expected payout at 31 March 2024.

| 31 March 2024 | | | | 31 March 2023 | | | |
|---|---|---|---|---|---|---|---|
| Total £000 | Less than one year £000 | One to two years £000 | Two to five years £000 | Total £000 | Less than one year £000 | One to two years £000 | Two to five years £000 |
| 5,015 | — | 4,168 | 847 | 14,404 | 66 | 316 | 14,022 |

## 25. Provisions

### Dilapidation provisions

As part of its operating lease agreements for its various premises, the Group has an obligation to pay for dilapidation costs at the end of the lease term. The Group engages independent surveyors to carry out inspections to assess these likely dilapidations which the Group then makes provisions for.

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| At beginning of period | 800 | 933 |
| Additions | 17 | — |
| Adjustment[1] | — | (334) |
| Interest | 38 | 201 |
| At end of period | 855 | 800 |

1. The provisions were first accounted for in FY22. At that time, the provisions were not discounted which the Group corrected for in FY23 using the incremental borrowing rates used to measure lease liabilities.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 26. 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.

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.

### Key judgements:

Significant management 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.

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

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| At beginning of period | (11,085) | (583) |
| **Recognised in Statement of Comprehensive Income** | | |
| Tax expense | 537 | 1,272 |
| Foreign exchange movement | 319 | 673 |
| | 856 | 1,945 |
| **Recognised in equity** | | |
| Share-based payment reserve | 125 | 44 |
| **Arising on business combination** | | |
| Intangible asset (see note 32) | (1,606) | (12,727) |
| Other temporary and deductible differences | — | 236 |
| | (1,606) | (12,491) |
| **At end of period** | (11,710) | (11,085) |

# Notes to the financial statements continued

For the year ended 31 March 2024

## 26. Deferred tax assets and liabilities continued

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

| | 31 March 2024 | | | | 31 March 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Asset £000 | Liability £000 | Credited to profit or loss £000 | Credited to equity £000 | Asset £000 | Liability £000 | Credited to profit or loss £000 | Credited to equity £000 |
| Other temporary and deductible differences | 1,563 | (1,172) | (1,021) | 125 | 1,742 | (416) | 633 | 44 |
| Business combinations – intangible asset | — | (12,101) | 1,558 | — | — | (12,411) | 639 | — |
| | 1,563 | (13,273) | 537 | 125 | 1,742 | (12,827) | 1,272 | 44 |

## 27. Employee benefits

### Defined contribution pension plan

**Accounting policy:**

The Group operates a defined contribution 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.

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 2024 was £1,950,000 (2023: £1,245,000).

# Notes to the financial statements continued

For the year ended 31 March 2024

## 28. 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.

| | 31 March 2024 Number | 31 March 2024 £ | 31 March 2023 Number | 31 March 2023 £ |
|---|---|---|---|---|
| Ordinary Shares of no par value allotted | | | | |
| At beginning of period | 116,271,212 | — | 108,333,333 | — |
| Shares issued on acquisition of Infrastructure Capital (see note 32) | — | — | 7,937,879 | — |
| At end of period | 116,271,212 | — | 116,271,212 | — |

### Rights for Ordinary Share class

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.

### 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).

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| At beginning of period | 61,886 | 32,040 |
| Shares issued on acquisition of Infrastructure Capital – 7,937,879 shares at £3.76 per share (see note 32) | — | 29,846 |
| At end of period | 61,886 | 61,886 |

### Shares held in escrow reserve

**Accounting policy:**

The Group can issue shares to employees that are subject to forfeiture if the employee ceases to be employed by the Group for a specified time period. Such shares are recognised at cost and are presented in the Statement of Financial Position as a deduction from equity.

The shares held in escrow reserve arises from the acquisition of Infrastructure Capital and accounting treatment of the initial share consideration under IFRS 3 (see note 32). If a seller forfeited their shares, under the terms of share and purchase agreement, these shares would be proportionally allocated to the other sellers. As the good leaver sellers cannot forfeit their shares, any other forfeited shares would be allocated to the good leavers and not returned to the Company.

On 30 September 2023, 33.33% of the shares were no longer subject to forfeiture. During the year ended 31 March 2024, there was an additional good leaver whose shares were no longer subject to forfeiture. Consequently, a transfer of £10,290,000 was made between the shares held in escrow reserve and the share-based payment reserve.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 28. Share capital and other reserves continued

### Own share reserve

**Accounting policy:**

The Group operates a trust for the purpose of satisfying certain share awards to employees. Own shares held are equity shares of the Company acquired and held by this trust. Such shares are recognised at cost and are presented in the Statement of Financial Position as a deduction from equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own shares.

The Group operates a Share Incentive Plan as per note 10. The Group operates a trust which holds shares that have not yet vested unconditionally to employees of the Group.

At 31 March 2024, the total number of shares held in trust was 513,862 (2023: 342,403), including 291,092 (2023: 218,494) of matching shares at a cost of £1,195,000 (2023: £729,000), an increase of £466,000 on the prior year.

### Treasury share reserve

**Accounting policy:**

Treasury shares held are equity shares of the Company acquired and held by the Company. Such shares are recognised at cost and are presented in the Statement of Financial Position as a deduction from equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own shares.

The Company announced a share buyback programme on 27 October 2023 to buyback Ordinary Shares in the capital of the Company. The bought back shares are held in treasury and have no voting rights or entitlement to dividends.

At 31 March 2024, the total number of shares held in treasury was 236,492 (2023: nil) at a cost of £967,000 (2023: £nil).

# Notes to the financial statements continued

For the year ended 31 March 2024

## 28. Share capital and other reserves continued

### 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 together with the cumulative cost of the remuneration for post-combination services arising from acquisitions (see note 10 for share-based payments and note 32 for acquisitions). The cumulative cost is analysed below.

| | 31 March 2024 | | | | 31 March 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Performance Share Plan £000 | Share Incentive Plan £000 | Remuneration for post-combination services £000 | Total £000 | Performance Share Plan £000 | Share Incentive Plan £000 | Remuneration for post-combination services £000 | Total £000 |
| **Cost** | | | | | | | | |
| At beginning of period | 1,139 | 399 | 9,514 | 11,052 | 299 | 160 | — | 459 |
| Additions | 1,818 | 337 | 11,520 | 13,675 | 840 | 239 | 9,514 | 10,593 |
| Transfer on vesting of initial consideration shares for Infrastructure Capital acquisition | — | — | (10,290) | (10,290) | — | — | — | — |
| **At end of period** | 2,957 | 736 | 10,744 | 14,437 | 1,139 | 399 | 9,514 | 11,052 |
| **Deferred tax** | | | | | | | | |
| At beginning of period | 66 | — | — | 66 | 22 | — | — | 22 |
| Additions | 125 | — | — | 125 | 44 | — | — | 44 |
| **At end of period** | 191 | — | — | 191 | 66 | — | — | 66 |
| **Net value at end of period** | 3,148 | 736 | 10,744 | 14,628 | 1,205 | 399 | 9,514 | 11,118 |

### Group reorganisation reserve

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

### Foreign exchange reserve

The foreign exchange reserve includes all exchange differences from translating Group entities that have a functional currency different from the presentational currency of the Group.

### Retained earnings

Includes all current and prior period retained profits and losses reduced by any dividends paid.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 29. Dividends

### Accounting policy:

Final dividends are recorded in the financial statements in the period in which they are approved by the Company's Shareholders. Interim dividends are recorded in the period in which they are approved and paid.

Dividends on Ordinary Shares declared and paid during the year:

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Final dividend | 18,022 | 10,617 |
| Interim dividend | 7,765 | 5,348 |
| | 25,787 | 15,965 |

### Year ended 31 March 2024

- A final dividend of 15.5 pence per share in respect of the year ended 31 March 2023 was paid on 20 October 2023 with an ex-dividend date of 28 September 2023 and a record date of 29 September 2023
- An interim dividend of 6.7 pence per share in respect of the year ended 31 March 2024 was paid on 26 January 2024 with an ex-dividend date of 11 January 2024 and a record date of 12 January 2024. At the record date, the shares that were held in treasury had no entitlement to dividends

### Year ended 31 March 2023

- A final dividend of 9.8 pence per share in respect of the year ended 31 March 2022 was paid on 14 October 2022 with an ex-dividend date of 18 August 2022 and a record date of 19 August 2022
- An interim dividend of 4.6 pence per share in respect of the year ended 31 March 2023 was paid on 27 January 2023 with an ex-dividend date of 12 January 2023 and a record date of 13 January 2023

Dividends proposed by the Board of Directors to be approved by shareholders (not recognised as a liability at 31 March 2024)

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| Final dividend | 18,022 | 18,022 |

- A final dividend of 15.5 pence per share in respect of the year ended 31 March 2024 is proposed but subject to approval by the Shareholders at the Annual General Meeting and has not been included as a liability in the financial statements

## 30. Commitments and contingencies

On 16 February 2024, the Group signed an asset purchase agreement for the Healthcare share class of Thames Venture VCT 2 Plc. At 31 March 2024, the contract had not completed. Due to the exchange of contract the Group has a commitment of the estimated initial consideration of £0.90 million and estimated deferred consideration of £0.3 million.

There were no other capital commitments or contingencies at 31 March 2024 or 31 March 2023 except as disclosed in note 24.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 31. Financial instruments – classification and measurement

In accordance with IFRS 9, the financial assets and liabilities are classified as FVTPL or at amortised cost. The carrying amounts of financial assets and financial liabilities in each category are as follows:

### Financial assets

| | 31 March 2024 | | | | | 31 March 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Amortised cost £000 | FVTPL £000 | Total financial instruments £000 | Non-financial instruments £000 | Total £000 | Amortised cost £000 | FVTPL £000 | Total financial instruments £000 | Non-financial instruments £000 | Total £000 |
| Property, plant and equipment | — | — | — | 2,330 | 2,330 | — | — | — | 2,522 | 2,522 |
| Right-of-use assets | — | — | — | 5,768 | 5,768 | — | — | — | 7,281 | 7,281 |
| Intangible assets | — | — | — | 61,364 | 61,364 | — | — | — | 62,911 | 62,911 |
| Investments at FVTPL | — | 4,726 | 4,726 | — | 4,726 | — | 3,967 | 3,967 | — | 3,967 |
| Derivative assets | — | 473 | 473 | — | 473 | — | 648 | 648 | — | 648 |
| Deferred tax assets | — | — | — | 1,563 | 1,563 | — | — | — | 1,742 | 1,742 |
| Contract costs | — | — | — | 3,375 | 3,375 | — | — | — | 3,965 | 3,965 |
| Trade and other receivables | 24,878 | — | 24,878 | 3,850 | 28,728 | 18,662 | — | 18,662 | 3,080 | 21,742 |
| Cash and cash equivalents | 45,004 | — | 45,004 | — | 45,004 | 39,761 | — | 39,761 | — | 39,761 |
| | 69,882 | 5,199 | 75,081 | 78,250 | 153,331 | 58,423 | 4,615 | 63,038 | 81,501 | 144,539 |

# Notes to the financial statements continued

For the year ended 31 March 2024

## 31. Financial instruments – classification and measurement continued

### Financial liabilities

| | 31 March 2024 | | | | | 31 March 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Amortised cost £000 | FVTPL £000 | Total financial instruments £000 | Non-financial instruments £000 | Total £000 | Amortised cost £000 | FVTPL £000 | Total financial instruments £000 | Non-financial instruments £000 | Total £000 |
| Trade payables | 1,582 | — | 1,582 | — | 1,582 | 1,945 | — | 1,945 | — | 1,945 |
| Other payables and partnership capital contributions | 4,199 | — | 4,199 | 15,775 | 19,974 | 5,708 | — | 5,708 | 10,225 | 15,933 |
| Accruals | 16,472 | — | 16,472 | — | 16,472 | 17,504 | — | 17,504 | — | 17,504 |
| Loans and borrowings | 509 | — | 509 | — | 509 | 3,131 | — | 3,131 | — | 3,131 |
| Lease liabilities | 7,262 | — | 7,262 | — | 7,262 | 9,251 | — | 9,251 | — | 9,251 |
| Acquisition-related liabilities | — | 4,830 | 4,830 | — | 4,830 | — | 5,973 | 5,973 | — | 5,973 |
| Provisions | — | — | — | 855 | 855 | — | — | — | 800 | 800 |
| Deferred tax liability | — | — | — | 13,273 | 13,273 | — | — | — | 12,827 | 12,827 |
| | 30,024 | 4,830 | 34,854 | 29,903 | 64,757 | 37,539 | 5,973 | 43,512 | 23,852 | 67,364 |

### 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 Exco supported by the Risk Committee (see page 56). 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 2024, was £4.7 million (2023: £4.0 million).

# Notes to the financial statements continued

For the year ended 31 March 2024

## 31. Financial instruments – classification and measurement continued

### Financial risk management continued

### (a) Market risk continued

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows related to financial instruments will fluctuate because of changes to market interest rates.

The Group had only £0.5 million of external debt at 31 March 2024 (2023: £3.1 million) related to the PiP acquisition during the year ended 31 March 2021 (see note 22). £2.6 million of the debt was repaid in May 2023 and the remaining loan has a maturity of 2027. Any changes in market interest rates would not result in a material change to profit before tax.

The Group holds cash on deposit with the interest on these balances based on fixed or agreed rates. Any changes in market interest rates would not result in a material change to profit before tax.

#### (iii) Foreign exchange risk

Foreign currency risk is the risk that changes in foreign exchange rates will cause the Group to suffer losses. Due to the Infrastructure Capital acquisition (see note 32), the Group is exposed to foreign exchange transaction risk as the Infrastructure Capital activities are within Australia.

In order to mitigate the risk associated with the increase in Group cash flows arising in a foreign currency following the acquisition, the Group entered into a number of forward foreign currency contracts in September 2022. These forward foreign currency contracts are considered to be derivatives so are accounted for as financial instruments within the scope of IFRS 9 but are not designated as hedging instruments and are not subject to hedge accounting. See note 17 for further explanation of the contracts entered into.

The table below summarises the Group's exposure to foreign currency translation risk at 31 March 2024. Included in the table are the Group's financial assets, at carrying amounts, categorised by currency.

| | 31 March 2024 | | | | 31 March 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Euro £000 | Aus dollar £000 | US dollar £000 | Total £000 | Euro £000 | Aus dollar £000 | US dollar £000 | Total £000 |
| **Financial assets** | | | | | | | | |
| Cash and cash equivalents | 418 | 2,583 | 83 | 3,084 | 1,993 | — | 69 | 2,062 |
| Investments at FVTPL | 2,140 | — | — | 2,140 | 2,078 | — | — | 2,078 |
| | 2,558 | 2,583 | 83 | 5,224 | 4,071 | — | 69 | 4,140 |

A 5% strengthening of sterling against euro would reduce the net euro position and profit and loss by £122,000 (2023: £214,000). This assumes all other variables are held constant. A 5% strengthening of sterling against Australian dollar would reduce the net Australian dollar position and profit and loss by £123,000 (2023: £nil).

# Notes to the financial statements continued

For the year ended 31 March 2024

## 31. Financial instruments – classification and measurement continued

### Financial risk management continued

#### (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
- Acquisition-related liabilities: Contingent consideration – see note 24

#### (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 above A.

### 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 as per the Statement of Financial Position.

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 2024, 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 Internal Capital Adequacy and Risk Assessment process ("ICARA") in compliance with the Investment Firm Prudential Regime (IFPR).

### Fair value hierarchy

For financial instruments not traded in an active market, such as forward foreign currency contracts, the fair value is determined using appropriate valuation techniques that take into account the terms and conditions of the contracts and utilise observable market data, such as spot and forward rates, as inputs. Investments at FVTPL are the Group's co-investment into Limited Partnership funds and VCT investments managed by the Group. 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 as described in note 16.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 31. Financial instruments – classification and measurement continued

### Fair value hierarchy continued

At 31 March 2024, the Group held the following financial instruments measured at fair value:

| | 31 March 2024 | | | | 31 March 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Level 1 £000 | Level 2 £000 | Level 3 £000 | Total £000 | Level 1 £000 | Level 2 £000 | Level 3 £000 | Total £000 |
| Financial assets | | | | | | | | |
| Investments at FVTPL | — | — | 4,726 | 4,726 | — | — | 3,967 | 3,967 |
| Derivative assets | — | 473 | — | 473 | — | 648 | — | 648 |
| | — | 473 | 4,726 | 5,199 | — | 648 | 3,967 | 4,615 |
| Financial liabilities | | | | | | | | |
| Acquisition-related liabilities: Contingent consideration | — | — | 2,059 | 2,059 | — | — | 3,470 | 3,470 |
| Acquisition-related liabilities: Remuneration for post-combination services | — | — | 2,771 | 2,771 | — | — | 2,503 | 2,503 |
| | — | — | 4,830 | 4,830 | — | — | 5,973 | 5,973 |

Derivative assets have arisen from the forward foreign currency contracts entered into during the year ended 31 March 2023 and are classified as Level 2. These were fair valued using valuation techniques that incorporate foreign exchange spot and forward rates. Otherwise, financial assets and liabilities are classified as Level 3.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 31. Financial instruments – classification and measurement continued

### Transfers

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

The following table summarises the inputs and estimates used for items categorised in Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis. There have been no changes in valuation methodology during the year.

| Asset class and valuation | 31 March 2024 Fair value £000 | Valuation technique | Significant unobservable inputs | Sensitivity inputs unobservable input | Change in fair value £000 |
|---|---|---|---|---|---|
| Investments at FVTPL | 4,726 | The fair value is based on the closing NAV of underlying investments | NAV | +/-5% on closing NAV | +/- 236 |
| Acquisition-related liabilities: Contingent consideration | 2,059 | The fair value is a ratio of the closing NAV of the funds acquired to the NAV on acquisition | NAV | +/-5% on closing NAV | +/ -103 |
| Acquisition-related liabilities: Remuneration for post-combination services | 2,771 | The fair value is the current forecasted management fees divided by the management fees required to achieve the maximum earn-out multiplied by the maximum earnout payable | Forecast | Applied a sensitivity on the maximum and minimum payment that could be made | Max: +7,139<br>Min: -2,771 |

Unrealised gains and losses on Investments at FVTPL are recognised in the Statement of Comprehensive Income as fair value gains on investments. Unrealised gains and losses on contingent consideration are recognised in the Statement of Comprehensive Income as fair value gains on contingent consideration (incl. finance expense). Fair value gains and losses on remuneration for post-combination services are recognised over the vesting period as staff costs – acquisitions.

The reconciliation of opening to closing balances, significant unobservable inputs and sensitivities are disclosed in the following notes:

- Investments at FVTPL – note 16
- Acquisition- related liabilities: Contingent consideration – note 24
- Acquisition-related liabilities: Remuneration for post-combination services – note 24

# Notes to the financial statements continued

For the year ended 31 March 2024

## 32. Business combinations

### Accounting policy:

The Group recognises business combinations (including acquisitions) when it considers that it has obtained control over a business, which could be an entity or separate business within an entity (for example acquiring management contracts and hiring the team to service those contracts). 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. As per IFRS 3.B55(a) where the cost of acquisition contains payments that are automatically forfeited if employment terminates, these are accounted for as remuneration for post-combination services and not cost of the acquisition.

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 in the Statement of Comprehensive Income.

#### Goodwill

Goodwill arises through business combinations and represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a business at the date of acquisition. Goodwill is recognised as an asset and measured at cost less accumulated impairment losses (see note 15 for further explanation). Where the fair value of the identifiable assets and liabilities exceeds the cost of acquisition, a gain on business combination arises and is credited to the Statement of Comprehensive Income in the year of the acquisition.

### Acquisitions in the year ended 31 March 2024

#### Wellspring Finance Company Limited ("Wellspring")

On 20 June 2023, the Group completed the acquisition of 100% of the issued share capital of Wellspring Finance Company Limited. The principal activity of the company is that of providing outsourced management services through its 100% owned subsidiary, Wellspring Management Services Limited.

Wellspring Management Services Limited holds the asset management contracts for seven operational PFI projects in Scotland. The acquisition allowed the Group to increase recurring revenue at an attractive Core EBITDA margin on contracts that have a final expiry of May 2045.

#### Consideration transferred

The following table summarises the acquisition date fair value of each class of consideration transferred:

| | £000 |
|---|---|
| Cash consideration | 4,870 |
| **Total carrying value** | **4,870** |

Cash consideration comprises an initial cash payment of £4,800,000 paid on 20 June 2023 and further cash payment of £70,000 that was fully paid by March 2024.

#### Acquisition-related costs

Alongside the Group's acquisition, a Foresight managed fund also acquired the equity of the seven operational PFI projects. Due to the transaction structure and value to the fund, the fund bore all of the transaction and adviser costs so that the Group did not incur any acquisition-related costs.

#### Identifiable assets acquired and liabilities assumed

The fair value of the identifiable net assets acquired at the acquisition date were as follows. The Group has now concluded its purchase price allocation for the acquisition having reported provisional fair values in the Half-year Report for the six months ended 30 September 2023 and noted no change to the identifiable net assets acquired.

| | Carrying amounts £000 | Fair value £000 | Recognised amounts £000 |
|---|---|---|---|
| Intangible assets – customer contracts | 3,948 | 2,474 | 6,422 |
| Trade and other receivables | 70 | — | 70 |
| Cash and cash equivalents | 193 | — | 193 |
| Trade and other payables | (193) | — | (193) |
| Deferred tax liability | — | (1,606) | (1,606) |
| **Total net assets acquired** | **4,018** | **868** | **4,886** |

# Notes to the financial statements continued

For the year ended 31 March 2024

## 32. Business combinations continued

### Acquisitions in the year ended 31 March 2024 continued

### Identifiable assets acquired and liabilities assumed continued

The fair value of the intangible asset above was derived from cash flow forecasts of the fees arising from the seven PFI contracts using a 9% 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 19.7 years. See note 15 for further information including sensitivity analysis.

The fair value of all other net assets acquired were equal to their carrying value.

The acquisition is reflected in the Cash Flow Statement as follows at 31 March 2024:

| | £000 |
|---|---|
| Cash paid | (4,870) |
| Cash acquired on acquisition | 193 |
| Total per Cash Flow Statement | (4,677) |

### Gain on business combination

The gain on business combination on the acquisition of Wellspring has been recognised as follows. The Group reported a provisional gain on business combination in the Half-year Report for the six months ended 30 September 2023 and noted no change to the gain on business combination at year-end.

| | £000 |
|---|---|
| Fair value of net assets acquired | 4,886 |
| Less total consideration | (4,870) |
| Gain on business combination | 16 |

The gain on business combination arises due to the fair value of net assets acquired being greater than the total consideration. The consideration was negotiated without direct correlation to the value of the net assets acquired. The gain on business combination is recognised in the Statement of Comprehensive Income and as a non-underlying item (see note 8).

### Revenue and profits of Wellspring

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

| | £000 |
|---|---|
| Revenue contribution | 914 |
| EBITDA contribution | 681 |
| Profit on ordinary activities before taxation | 521 |

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 | 1,173 |
| EBITDA contribution | 848 |
| Profit on ordinary activities before taxation | 634 |

### Acquisitions in the year ended 31 March 2023

### Infrastructure Capital Holdings Pty Ltd ("Infrastructure Capital")

On 8 September 2022, the Group completed the acquisition of 100% of the issued share capital of Infrastructure Capital. Infrastructure Capital consists of the following companies:

- Infrastructure Capital Holdings Pty Limited (renamed Foresight Capital Holdings Pty Limited on 31 October 2022)
- Infrastructure Capital Group Limited (renamed Foresight Australia Funds Management Limited on 2 November 2022)
- Infrastructure Capital Services Pty Ltd
- Infrastructure Specialist Asset Management Limited
- Infra Asset Management Pty Limited

The Group acquired this business to deliver a meaningful contribution to the Group's growth, increasing AUM by £3 billion. It enables the Group to strengthen its presence in the attractive Australian infrastructure and renewables market and to diversify its revenue profile, increasingly positioning the Group internationally. Additional value is expected to be unlocked through synergies over time.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 32. Business combinations continued

### Acquisitions in the year ended 31 March 2023 continued

### Consideration transferred

The following table summarises the acquisition date fair value of each class of consideration transferred:

| | £000 |
|---|---|
| Initial cash consideration | 32,626 |
| Initial share consideration | 4,296 |
| Total carrying value | 36,922 |

Initial share consideration comprises 7,937,879 shares in the Company issued on 8 September 2022 to service A$52,500,000 of amounts due to sellers. These shares will be subject to forfeiture if a seller ceases to be employed or contracted by Infrastructure Capital during the next three years, with 100% of a seller's shares being forfeited if this occurs prior to 30 September 2023, 66.66% from 30 September 2023 to 29 September 2024 and 33.33% from 30 September 2024 to 29 September 2025. Forfeiture does not apply to good leavers, of which there were three on completion. Initial share consideration for these good leavers is included in consideration valued at £4,296,000 (1,107,527 shares) with remaining consideration of £26,496,000 (6,830,352 shares (see note 10)) debited to the Shares held in escrow reserve (see note 28). This is because the initial share consideration payable to non-good leavers is treated as remuneration for post-combination services. This remuneration expense is charged to the Statement of Comprehensive Income over the vesting period, accounted for as equity-settled share-based payments under IFRS 2. Under IFRS 2, the expense is measured at the fair value of the shares on the grant date, which was the share price of £4.08 per share converted to Australian dollars at the prevailing exchange rate with a 0% forfeiture rate. See note 10 for the movement in the initial share consideration and remuneration for post-combination services for the year ended 31 March 2024.

### Other deferred payments

The sale and purchase agreement and supplementary management incentive deed details other deferred and contingent payments to be made to sellers for the sale of the shares of Infrastructure Capital. However, these payments require the sellers to remain in employment with or contracted to the Group for the duration of the respective deferral periods. Hence, they are also being accounted for as remuneration for post-combination services and the expense charged to the Statement of Comprehensive Income over the respective vesting periods. Details of each of these elements are as follows:

| | Gross amount | | | Grant date fair value | | |
|---|---|---|---|---|---|---|
| | £000 | A$000 | Grant date | £000 | A$000 | Expected vesting date |
| Earn-out consideration | 17,595 | 30,000 | 8 September 2022 | 17,595 | 30,000 | 30 June 2028 |
| Revenue earn-out consideration | 2,933 | 5,000 | 8 September 2022 | 1,181 | 2,013 | 30 June 2023-2026 |
| Performance consideration | 14,633 | 25,000 | 8 September 2022 | 10,391 | 17,716 | 30 June 2027 |

# Notes to the financial statements continued

For the year ended 31 March 2024

## 32. Business combinations continued

### Acquisitions in the year ended 31 March 2023 continued

#### Other deferred payments continued

The consideration above will be paid in either cash and/or shares as explained below. Where consideration is paid in shares, these will be accounted for as equity-settled share-based payments under IFRS 2. Where consideration is paid in cash, these will be accounted for as long-term employee benefits under IAS 19.

- Earn-out consideration of up to A$30,000,000 was granted on the date of acquisition and is payable A$15,000,000 in cash and A$15,000,000 in shares in the Company dependent on the achievement of management fee revenue targets for the 12-month period ending 30 June 2025 and the sellers being employed or contracted by Infrastructure Capital on 30 June 2025 unless the seller is considered a good leaver. These shares will be subject to forfeiture if a seller ceases to be employed or contracted by Infrastructure Capital during the two years that follow, with 100% of a seller's shares being forfeited if this occurs prior to 30 June 2026 and 50% from 30 June 2026 to 30 June 2027. There is a further clawback up to 30 June 2028 if there is a reversal in management fee revenue so that the total vesting period is to this date.
- Revenue earn-out consideration of up to A$5,000,000 was granted on the date of acquisition and is payable A$5,000,000 in cash and is based on a revenue share mechanism for incremental asset management revenues over the period from acquisition to 30 June 2026 and the sellers being employed or contracted by Infrastructure Capital during this period unless the seller is considered a good leaver.
- Performance consideration of up to A$25,000,000 was granted on the date of acquisition and is payable A$12,500,000 in cash and A$12,500,000 in shares in the Company dependent on the achievement of management fee revenue targets for the 12-month period ending 30 June 2026 and the sellers being employed or contracted by Infrastructure Capital on 30 June 2026 unless the seller is considered a good leaver. These shares will be subject to forfeiture if a seller ceases to be employed or contracted by Infrastructure Capital during the year that follows, with 100% of a seller's shares being forfeited if this occurs prior to 31 December 2026 and 50% from 31 December 2026 to 30 June 2027.

The fair value of this consideration has been estimated at the date of acquisition (grant date) using estimated outcomes and the expected payout percentage of those outcomes. The fair value will be assessed at each reporting period. For further explanation of how fair value is calculated and the cost recognised in the Statement of Comprehensive Income for the year ended 31 March 2024, see note 10 for consideration paid in shares under IFRS 2 and note 24 for consideration paid in cash under IAS 19.

#### Identifiable assets acquired and liabilities assumed

The fair value of the identifiable net assets acquired at the acquisition date were as follows:

| | Carrying amounts £000 | Fair value £000 | Recognised amounts £000 |
|---|---|---|---|
| Property, plant and equipment | 73 | — | 73 |
| Right-of-use assets | 560 | — | 560 |
| Intangible assets – customer contracts | — | 30,551 | 30,551 |
| Deferred tax assets | 239 | — | 239 |
| Trade and other receivables | 3,890 | — | 3,890 |
| Cash and cash equivalents | 1,235 | — | 1,235 |
| Trade and other payables | (2,706) | — | (2,706) |
| Lease liabilities | (619) | — | (619) |
| Deferred tax liability | (3) | (9,165) | (9,168) |
| **Total net assets acquired** | 2,669 | 21,386 | 24,055 |

The acquisition is reflected in the Cash Flow Statement as follows at 31 March 2023:

| | £000 |
|---|---|
| Cash paid | (32,626) |
| Cash acquired on acquisition of subsidiary | 1,235 |
| **Total per Cash Flow Statement** | (31,391) |

# Notes to the financial statements continued

For the year ended 31 March 2024

## 32. Business combinations continued

### Acquisitions in the year ended 31 March 2023 continued

#### Goodwill

The goodwill arising from the acquisition has been recognised as follows:

| | £000 |
|---|---|
| Total consideration (see above) | 36,922 |
| Fair value of identifiable net assets acquired (see above) | (24,055) |
| | 12,867 |

Goodwill of £12,867,000 arises as a result of the acquired workforce, expected future growth, as well as operational and revenue synergies arising post-integration. Goodwill arising from the Infrastructure Capital acquisition is not deductible for tax purposes. The goodwill is subject to foreign exchange movements as it is deemed to be an Australian dollar asset.

#### Downing's technology ventures business

On 4 July 2022, the Group completed the acquisition of the technology ventures division of Downing LLP.

Through this acquisition, the Group acquired the investment mandates of Downing ONE VCT Plc (renamed Thames Ventures VCT 1 Plc on 7 September 2022) and Downing FOUR VCT Plc (renamed Thames Ventures VCT 2 Plc on 7 September 2022) (excluding the Healthcare share class). As an interim measure, the Group was also appointed sub-manager of Downing Ventures EIS Scheme (renamed Thames Ventures EIS Fund on 10 March 2023) (see below). These transactions gave rise to incremental AUM of c.£275 million deployed across venture capital, AIM-quoted investee companies and a small number of legacy asset-backed debt investments. These venture-focused funds, with c.12,000 investors and assets predominantly across the UK as well as in the US and Israel, are complementary to the existing funds managed by the Group's Private Equity Team. At 31 March 2024, the Group has a commitment to complete the purchase of the Healthcare share class of Thames Ventures VCT 2 Plc. See note 30.

The Group was appointed as sub-manager to the Downing Ventures EIS Scheme because its appointment as manager is subject to regulatory approval from the FCA. Once this regulatory approval is obtained, the Group will be appointed manager and the acquisition of this investment mandate will complete. Consequently, for the purposes for accounting for the acquisition under IFRS 3, the Downing Ventures EIS Scheme is excluded. The consideration for the EIS acquisition is in the form of a fee sharing ratio and therefore, the EIS AUM was not valued in the consideration. At 31 March 2024, the acquisition of this investment mandate is not complete.

#### Consideration transferred

The following table summarises the acquisition date fair value of each class of consideration transferred:

| | £000 |
|---|---|
| Initial cash consideration | 13,425 |
| Contingent cash consideration | 3,797 |
| Total carrying value | 17,222 |

Contingent cash consideration with an expected fair value of £3,797,000 is payable in cash over a three-year period conditional on achieving certain AUM targets. The fair value of this consideration has been estimated at the date of acquisition using estimated outcomes, the expected value of those outcomes and discounting this a rate of 4.6% (in line with the cost of debt in our WACC analysis plus an additional premium of 2%). As such, this has been recognised as a liability at 31 March 2023 and the fair value assessed each reporting period. The first payment was made during the current reporting period and the remaining liability fair value has been assessed at 31 March 2024. See note 24.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 32. Business combinations continued

### Acquisitions in the year ended 31 March 2023 continued

### Downing's technology ventures business continued

#### Identifiable assets acquired and liabilities assumed

The fair value of the identifiable net assets acquired at the acquisition date were as follows:

| | Carrying amounts £000 | Fair value £000 | Recognised amounts £000 |
|---|---|---|---|
| Intangible assets – customer contracts | — | 14,247 | 14,247 |
| Deferred tax liability | — | (3,562) | (3,562) |
| **Total net assets acquired** | — | 10,685 | 10,685 |

#### Goodwill

The goodwill arising from the acquisition has been recognised as follows:

| | £000 |
|---|---|
| Total consideration (see above) | 17,222 |
| Fair value of identifiable net assets acquired (see above) | (10,685) |
| | 6,537 |

Goodwill of £6,537,000 arises as a result of the acquired workforce, expected future growth, as well as operational and revenue synergies arising post-integration. Goodwill arising from the Downing acquisition is not deductible for tax purposes.

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

The assets of disposal group as held for sale related to residual cash balances in Foresight Metering Limited ("FML") and the liabilities related to accruals made for liquidator costs. FML entered into liquidation on 16 April 2020 following the sale of its subsidiary Foresight Metering Management Limited in November 2019. FML remained in liquidation as the liquidator was awaiting clearance from HMRC which was received during the period. FML made a final distribution to the Company and FML has now been dissolved.

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

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | — | 65 |
| **Total assets** | — | 65 |
| **Liabilities** | | |
| **Current liabilities** | | |
| Trade and other payables | — | (1) |
| **Total liabilities** | — | (1) |
| **Net assets and liabilities** | — | 64 |

## 34. Related party transactions

Transactions between the 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 Exco members as the key management personnel and the table below sets out all transactions with these personnel and the Directors:

| | 31 March 2024 £000 | 31 March 2023 as restated[1] £000 |
|---|---|---|
| Emoluments | 3,156 | 3,078 |
| Other benefits | 38 | 37 |
| Share-based payments | 425 | 222 |
| **Total** | 3,619 | 3,337 |

1. Emoluments for the year ended 31 March 2023 have been restated for discretionary bonuses that were incorrectly excluded from the disclosure. The restatement has increased the emoluments for the year ended 2023 by £619,000.

# Notes to the financial statements continued

For the year ended 31 March 2024

## 34. Related party transactions continued

### 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 2024, a further £nil (2023: £nil) of advances were made by Foresight Group LLP and £740,000 (2023: £760,000) of the advances were expensed.

### Management fee rebates

Gary Fraser, Chief Financial Officer, and David Hughes, Chief Investment Officer, are investors into Foresight Regional Investment III LP. Following a further close of the fund, they entered into management fee rebate agreements with Foresight Group LLP. These rebates totalled £5,014 (2023: £5,600) and £8,774 (2023: £9,700) respectively.

## 35. 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.

## 36. Subsequent events

On 17 June 2024, the Group signed an extension of the leased offices in The Shard for a further ten-year period. The Group will account for the lease extension as a lease modification and the right of use asset and lease liability will be updated in the Half-year Report for the six months ending 30 September 2024.

Since 31 March 2024, under the Company's share buyback programme, a further 142,174 shares were bought back for £621,042. The total number of shares held in treasury is now 378,666.