Financial review

"FY25 was a strong year for Foresight as we make progress to achieving our target to double core EBITDA pre-SBP in the five years to FY29."

Gary Fraser
Chief Financial Officer

£13.2bn
AUM[1]
(31 March 2024: £12.1bn)

86.6%
Recurring revenues[1]
(31 March 2024: 86.6%)

40.4%
Core EBITDA pre-SBP margin[1]
(31 March 2024: 42.0%)

Introduction

In FY25 the Group had another successful year, achieving growth in our key performance measures. We completed the strategic acquisition of WHEB to enhance and add scale our FCM division. We had an increase in average FTE of 29 brought about by an increase in AUM but also as a function of our investment in the business to support our growth targets. We expect to achieve operating margin benefits from this increase as the business grows in areas such as institutional infrastructure for example.

	31 March 2025	31 March 2024
Period-end AUM[1] (£m)	13,195	12,144
Retail	4,519	3,741
Institutional	8,676	8,403
Period-end FUM[1] (£m)	9,559	8,397
Retail	4,314	3,545
Institutional	5,245	4,852
Total revenue (£000)	153,989	141,326
Recurring revenue[1] (£000)	133,393	122,372
Recurring revenue/total revenue[1] (%)	86.6%	86.6%
Core EBITDA pre share-based payments[1] (£000)	62,220	59,297
Core EBITDA pre share-based payments margin[1] (%)	40.4%	42.0%
Adjusted profit[1] (£000)	46,969	44,730
Total comprehensive income (£000)	32,040	24,755
Basic earnings per share (pence)	28.9	22.8
Adjusted basic earnings per share[1] (pence)	40.8	38.6
Dividend per share (pence)	24.2	22.2

1. Alternative performance measures described and explained in the appendices to the financial statements on pages 229 to 236.

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

AUM and FUM increased by 9% and 14% to £13.2 billion and £9.6 billion respectively (FY24: £12.1 billion AUM and £8.4 billion FUM). On a constant currency basis, AUM increased to £13.5 billion, with FUM at £9.7 billion.

Gross inflows of £1.3 billion include the following:

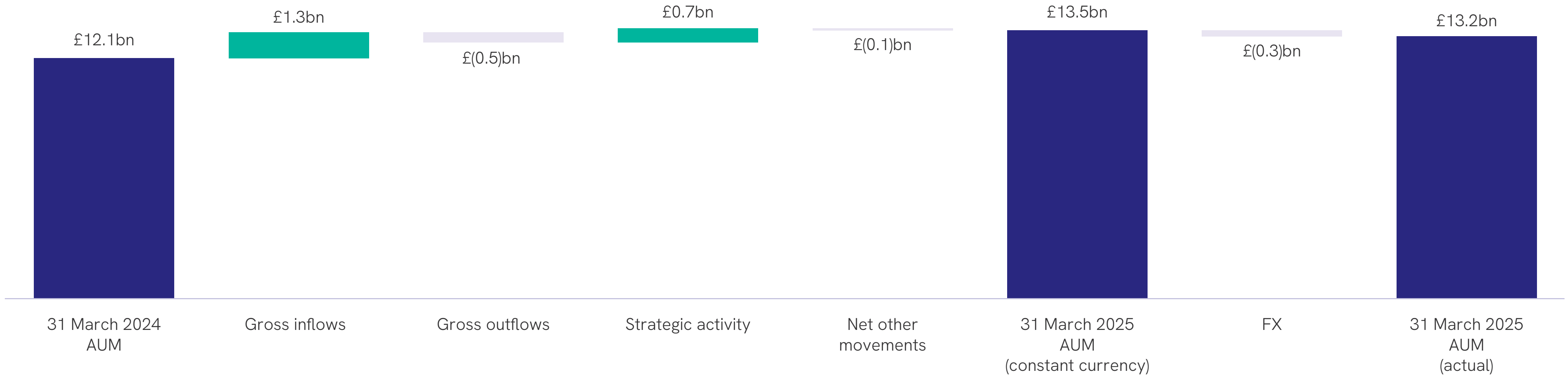
- Record fundraising of £587 million into higher margin retail vehicles, up 35% year-on-year (FY24: £436 million)
- Institutional inflows of £546 million from FEIP II fundraising, the launch of two new regional private equity funds and incremental investment from two UK local government pension schemes into Foresight Natural Capital
- Gross inflows in the FCM division of £123 million

Gross outflows of £0.5 billion arose from the following:

- In the FCM division, new and existing vehicles continued to experience listed market headwinds with outflows of £369 million
- Outflows of £116 million arising across our closed ended funds

Strategic activity of £0.7 billion arose in the FCM division from the acquisition of WHEB and appointment as sub-investment manager for the Liontrust Diversified Real Assets Fund.

Included in the Executive Chairman's statement is guidance on how the Group expects to achieve business growth and consequently AUM over the next four years. This can be found on pages 2 to 3.



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Financial performance

Alternative performance measures ("APMs")

Our key performance measure continues to be core EBITDA pre-SBP because the Group believes this reflects the trading performance of the underlying business, without the variability in the fair value measurement of the share-based payments charge. This is presented consistently with prior periods.

Introduced in FY23, the Group also presented profit before non-underlying items as an APM, which excluded non-underlying items from statutory measures and in particular removed the impact of the business combinations. This was shown in a separate column in the statement of comprehensive income. Consequently, the Group calculated earnings per share before non-underlying items.

During FY25, the Group took the opportunity to simplify its financial reporting following engagement with Shareholders and analysts and to create a performance measure that excludes the impact of business combinations and restructuring activities and provide an adjusted earnings per share measure that accurately reflects the performance of the business and can be comparable against future periods.

The impact of the simplification is to no longer present non-underlying items and, as a result, profit before non-underlying items and earnings per share before non-underlying items, as reported APMs and instead present adjusted profit and adjusted earnings per share as APMs. The columnar approach in the statement of comprehensive income has therefore also been removed. Adjusted profit bridges between statutory profit after tax and core EBITDA pre-SBP and will be used for calculation of adjusted earnings per share and the Group dividend. Adjustments to statutory profit after tax to calculate adjusted profit arise from business combinations and restructuring activities as described above.

Examples of adjustments from business combinations include amortisation of customer contracts, impairment charges, post-combination expenses for earn-outs and acquisition legal and professional costs. Examples from restructuring activities include associated legal and professional costs, redundancy payments and other non-operational staff costs. Further adjustments to reach core EBITDA pre-SBP include depreciation and amortisation, finance income and expense, tax and share-based payments. This is shown diagrammatically at the bottom of the page.

The Group has also now introduced core administrative expenses and non-core administrative expenses as APMs. Core administrative expenses are those expenses that are included in core EBITDA pre-SBP and are the operating expenses of the business. Non-core administrative expenses are those expenses which are add backs to statutory profit after tax or adjusted profit (or both). The Group believes that core administrative expenses may provide prospective investors with a meaningful supplemental measure to evaluate the efficiency of the business given the expected improvement in core EBITDA pre-SBP % used to measure business growth.

The reconciliation of statutory profit after tax, adjusted profit and core EBITDA pre-SBP for FY25 is shown on the following page and all the Group's APMs are also set out in the appendix to the financial statements on pages 229 to 236, including explanations of how they are calculated and how they are reconciled to a statutory measure where relevant.

While the Group appreciates that APMs are not considered to be a substitute for or superior to IFRS measures, we believe the selected use of these provides Stakeholders with additional information which will assist in the understanding of the business.

This review has previously used the terminology "organic" and "inorganic" for the purposes of the period-on-period analysis of financial performance. This was due to the impact of our acquisitions, where "organic" reflected the Group's core operations without the impact of acquisitions in either the current or prior period, whereas "inorganic" incorporated the results of the acquired businesses in the current or prior period. This analysis is not required for FY25 as the impact of acquisitions is no longer material to the period-on-period analysis. However, the Group will reintroduce this when necessary, e.g. in FY26 for the WHEB acquisition.

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Financial performance

Summary income statement and adjusted profit and core EBITDA pre-SBP reconciliation

	31 March 2025 £000	31 March 2024 £000
Revenue	153,989	141,326
Cost of sales	(7,790)	(7,304)
Gross profit	146,199	134,022
Administrative expenses	(106,198)	(100,939)
Other operating income	123	—
Operating profit	40,124	33,083
Other non-operating gains and losses	580	1,229
Profit on ordinary activities before taxation	40,704	34,312
Tax on profit on ordinary activities	(7,459)	(7,878)
Profit for the period attributable to Ordinary Shareholders	33,245	26,434
Adjustments:		
Business combinations		
Staff costs – acquisitions (excluding share-based payments)	1,456	427
Amortisation, reversal of impairment and impairment in relation to intangible assets (customer contracts)	9,275	6,106
Legal and professional costs – acquisition-related	399	—
Gain on business combination	—	(16)
Fair value gains on contingent consideration (incl. finance expense)	(45)	(190)
Deferred tax on acquisitions and impairment of intangible assets (customer contracts)	(2,686)	(1,558)
Foreign exchange on acquisition	—	(348)
Staff costs – acquisitions (share-based payments)[1]	3,432	11,520
Restructuring activities		
Non-operational staff costs and redundancy payments	1,568	2,355
Legal and professional – Group restructuring costs	325	—
Adjusted profit	46,969	44,730
Depreciation and amortisation (excluding amortisation in relation to intangible assets (customer contracts))	3,191	3,227
Loss on disposal of tangible fixed assets	—	5
Finance income and expense (excluding fair value gain on derivatives)	(379)	(311)
Other tax on profit on ordinary activities	10,145	9,436
Share based payments – PSP, SIP and Phantom Plan[1]	2,294	2,210
Core EBITDA pre share-based payments	62,220	59,297

1. Total share-based payments consist of staff-costs acquisitions (share-based payments) and other share-based payments totalling £5,726,000 (2024: £13,730,000). See note 8.

Financial review

Financial performance | Summary income statement and adjusted profit and core EBITDA pre-SBP reconciliation

Revenue

	31 March 2025 £000	31 March 2024 £000
Management fees	122,697	115,580
Secretarial fees	2,694	3,152
Directors' and monitoring fees	8,002	3,640
Recurring fees	133,393	122,372
Marketing fees	13,807	9,931
Arrangement fees	1,624	5,139
Performance and other fees	5,165	3,884
	153,989	141,326

Total revenue increased by c.9% year-on-year to £154.0 million (31 March 2024: £141.3 million) with high-quality recurring revenue also increasing by 9% to £133.4 million (31 March 2024: £122.4 million). Our recurring revenue percentage was 86.6%, as it was for FY24, and remained within our 85-90% target range.

Directors' and monitoring fees include additional catch-up fees negotiated in the year of £3.5 million and management fees include an additional fee of £1.5 million. Both have been discussed further in the relevant sections below. Although these amounts fall within the definition of recurring revenue, the amount expected to be generated in future years is smaller. Excluding these amounts would have reduced the recurring revenue percentage to 83.4%.

Management fees: Grew by £7.1 million, a 6.2% increase year-on-year. The increase was driven by FUM growth in our ITS product, driving an additional £7.8 million of revenue. In the Infrastructure division, additional revenue from FEIP II of £1.1 million and £0.8 million from continued deployment in FEIP I was offset by a similar reduction in revenue across Foresight Environmental Infrastructure Fund ("FGEN") and the Foresight Solar Fund ("FSFL"), our listed infrastructure funds. Both FGEN and FSFL suffered reductions in NAV arising from factors such as power price forecasts, battery revenue outlook and discount rate changes. In addition, the management fee structure of FGEN was amended on 21 June 2024 and for FSFL on 1 March 2025 to align to an increasing industry norm where a portion of the management fee is linked to market capitalisation.

Fees from asset management contracts increased by £1.0 million reflecting the increased size of the portfolio, a full year of revenue from the Wellspring acquisition and fees from FEIP I's investment in Greece. Fees in the infrastructure division also included an additional one-off management fee of £1.5 million for exceptional services provided during the year.

Management fees across the FCM division reduced by £2.0 million reflecting the continued challenging market conditions for listed infrastructure shares. The £2.0 million reduction is net after incremental revenue of £0.6 million from the WHEB funds since the acquisition date of 5 March 2025.

For the Private Equity division, growth in fees from Foresight Enterprise VCT of £0.4 million was offset by a reduction in fees from the Foresight Ventures VCT and EIS, driven by reduction in the NAV of the respective funds. For our limited partnership funds, fees were consistent year-on-year with new funds (e.g. FRIF VII – our South West Fund) offset by a reduction in fees from funds reaching the end of their life (FNF and FRIF). Fees reduce as the fund approaches the end of its term as investments are realised but there is the opportunity if certain targets are met for this reduction to (at a minimum) be offset by performance fees; performance fees have been achieved for both FNF and FRIF in FY25 as explained below.

Secretarial fees: In FY25 £0.4 million of fees have been reclassified to directors and monitoring fees although the comparative has not been restated. Otherwise, there has been a £0.1 million reduction in these fees due to the Group no longer receiving a secretarial fee from the Foresight Sustainable Forestry Company Plc following its acquisition by Foresight ITS during FY25.

Directors' and monitoring fees: Increased by £4.4 million, a 120% increase year-on-year. During the year, the Group carried out a review of the entire portfolio under management and negotiated fees for portfolio companies where fees had not been charged historically for £3.5 million. For future periods, the portfolio companies which gave rise to the £3.5 million will generate £0.2 million of revenue on an annual basis. A further increase was due to the reclassified fees from secretarial fees as explained above.

Marketing fees: Increased by £3.9 million, a 39% increase year-on-year, largely attributable to a 35% increase in the capital raised into our tax efficient vehicles.

Arrangement fees: £3.5 million lower year-on-year as a result of a number of one-off fees in FY24. Arrangement fees are more generally increasing in line with an increase in the average deal size, but we would expect fees in future periods to be more comparable with FY25 rather than FY24.

Performance fees: Increased by £1.3 million, a 33% increase year-on-year. This was largely attributable to an increase in performance fees from Foresight VCT plc and fees generated in the period from the regional fund that housed the Kingsbridge and HSL investments. Fees were also generated from two further regional funds (FNF and FRIF) and Foresight Enterprise VCT plc.

Financial review

Financial performance | Summary income statement and adjusted profit and core EBITDA pre-SBP reconciliation

Cost of sales

Cost of sales comprises insurance costs associated with our Accelerated ITS ("AITS") product (£5.8 million (31 March 2024: £5.2 million)), authorised corporate director costs payable to a third party in relation to our OEIC products (£1.3 million (31 March 2024: £1.6 million)) and asset management costs (£0.7 million (31 March 2024: £0.5 million)). The increase year-on-year is due to the continued growth of the AITS product, a full year of asset management costs associated with the Wellspring acquisition, offset by lower costs on our OEIC products due to the reduced FUM in this division.

Administrative expenses

The table below includes the new APMs of core administrative expenses and non-core administrative expenses. The introduction of these in FY25 is explained earlier in this review in the APMs section.

	31 March 2025			31 March 2024		
	Core administrative expenses £000	Non-core administrative expenses £000	Total administrative expenses £000	Core administrative expenses £000	Non-core administrative expenses £000	Total administrative expenses £000
Staff costs	62,578	3,862	66,440	54,842	4,565	59,407
Staff costs – acquisitions	—	4,888	4,888	—	11,947	11,947
Amortisation in relation to intangible assets (customer contracts)	—	2,930	2,930	—	3,211	3,211
Depreciation and amortisation (excluding amortisation in relation to intangible assets (customer contracts))	—	3,191	3,191	—	3,227	3,227
Impairment of intangible assets (customer contracts)	—	9,275	9,275	—	2,895	2,895
Reversal of impairment of intangible assets (customer contracts)	—	(2,930)	(2,930)	—	—	—
Legal and professional	6,475	724	7,199	5,908	—	5,908
Other administration costs	15,205	—	15,205	14,339	5	14,344
	84,258	21,940	106,198	75,089	25,850	100,939

Core administrative have increased by £9.2 million, a 12% increase year-on-year to support the continued growth in the business as explained in the highlights section of this review.

Staff costs increased by c.£7.7 million, up 14% year-on-year. 7% was due to wage inflation and retail sales bonuses, 6% due to increase in FTE and 1% due to other factors. Average FTE increased by 29 over the last 12 months with approximately one-third of this increase from within our Private Equity division to support the launch of our new funds and growth in FUM; a further one-third was from within our Infrastructure division reflecting the increased size of the portfolio and the remaining increases were across FCM and central functions. The increase in the retail sales bonus payable to the retail sales team is in line with the record level of fundraising. Other factors include an enhanced pension offering.

Financial review

Financial performance | Summary income statement and adjusted profit and core EBITDA pre-SBP reconciliation | Administrative expenses

Increases in other costs reflect the growth of the business, inflationary increases and increases associated with the growth in our FTE (e.g. subscriptions and IT related costs).

Non-core administrative expenses include the following:

- Staff costs of £3.9 million (31 March 2024: £4.6 million) which include share-based payments for our share plans (PSP/SIP/Phantom Plan), non-operational staff costs and redundancy payments. The reduction in the year is due to a reduction in redundancy payments
- Staff costs – acquisitions has reduced in the year due to expected payout percentages of certain earn-outs from the Infrastructure Capital acquisition reducing to zero (refer to the update on the acquisition of Infrastructure Capital later in this review). Furthermore there was a reduction in the expense of the initial share consideration due to the vesting period where one-third of the consideration vested on 30 September post-acquisition i.e. 30 September 2024 in FY25
- Amortisation in relation to intangible assets (customer contracts) reduced following impairments in FY24 and FY25
- Depreciation and amortisation (excluding amortisation in relation to intangible assets (customer contracts)) is the ongoing depreciation of our property, plant and equipment and ROU depreciation of our leased offices
- For impairment of intangible assets (customer contracts) and the reversal in FY25, please refer to the update on the acquisition of Infrastructure Capital later in this review. For FY24, the impairment charge was in respect of the Downing acquisition
- Legal and professional costs – acquisition-related and group restructuring cost mainly relates to the acquisition of WHEB for £0.4 million, the acquisition of the Downing Healthcare share class for £0.1 million, onboarding our branches in our Luxembourg AIFM and other costs for £0.2 million

Other non-operating gains and losses

This is made up of finance income and expense and other fair value changes. The decrease in the year of £0.6 million from £1.2 million to £0.6 million is mainly due to an increase in finance expenses arising from the IFRS 16 accounting for the lease extension at the Group's offices at The Shard in London.

Adjusted profit

The appendix to the financial statements on pages 229 to 236 further explains the adjustments made when calculating adjusted profit.

Adjusted profit has increased 5.1% year-on-year to £47.0 million (31 March 2024: £44.7 million).

Core EBITDA pre share-based payments ("SBP")

The appendix to the financial statements on pages 229 to 236 also further explains the adjustments made when calculating core EBITDA pre-SBP. Core EBITDA pre-SBP increased 4.9% year-on-year to £62.2 million (31 March 2024: £59.3 million) with the associated margin percentage being 40.4% (31 March 2024: 42.0%). Segmental core EBITDA pre-SBP is set out below:

	31 March 2025 £000	31 March 2024 £000
Infrastructure	39,469	35,092
Private Equity	22,290	22,621
Foresight Capital Management	461	1,584
	62,220	59,297

Taxation

The effective tax rate on statutory profit is 18.3% (31 March 2024: 23.0%). If staff costs – acquisitions are added back to statutory profit (as these costs do not give rise to any tax deduction), the adjusted effective tax rate is 16.4% (31 March 2024: 17.1%).

The Group's overall tax position is dependent on the finalisation of the tax returns of the various corporate and partnership entities in the group, including the limited partnership funds which the Group both manages and co-invests into.

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Financial position

Summary statement of financial position

	31 March 2025 £000	31 March 2024 £000
Assets		
Property, plant and equipment	2,350	2,330
Right-of-use assets	16,506	5,768
Intangible assets	53,365	61,364
Investments	5,420	4,726
Deferred tax asset	1,615	1,563
Derivative asset	—	473
Contract costs	5,763	3,375
Trade and other receivables	38,878	28,728
Cash and cash equivalents	43,252	45,004
Total assets	167,149	153,331
Liabilities		
Trade and other payables	(45,420)	(38,028)
Loans and borrowings	(380)	(509)
Lease liabilities	(19,062)	(7,262)
Acquisition-related liabilities	(5,485)	(4,830)
Deferred tax liability	(10,642)	(13,273)
Provisions	(895)	(855)
Total liabilities	(81,884)	(64,757)
Net assets and total equity	85,265	88,574

Total equity reduced in the year by £3.3 million. The Company has continued its share buyback programme, resulting in a reduction of £14.0 million in equity (being the net of shares bought back and sold in the year) together with the final dividend of £18.0 million paid on 4 October 2024 and interim dividend of £8.5 million paid on 31 January 2025. These reductions are offset by an increase in equity of £37.2 million across retained earnings, the foreign exchange reserve, the share-based payment reserve and the own share reserve. Please see the statement of changes in equity on pages 170 and 171 for a detailed breakdown of all the movements in equity during the year.

A summary of key movements in net assets are as follows:

- **Intangible assets** decreased by £8.0 million. Items that reduced the overall value were a net impairment charge of £6.3 million (refer to the update on the acquisition of Infrastructure Capital later in this review) and ongoing amortisation of £3.0 million. This was offset by an increase in intangible assets of £1.2 million due to the completion of the acquisition of the Healthcare share class of Thames Ventures VCT 2 plc ("TV2") and an increase of £1.3 million from the acquisition of WHEB. There were also capitalised software costs of £0.5 million and a foreign exchange loss of £1.6 million
- **Contract costs** increased by £2.4 million due to incremental placement fees arising from the first close of FEIP II
- **Trade and other receivables** increased by £10.2 million due to the increase in revenue and timing of invoices and cash collection
- **Trade and other payables** increased by £7.4 million due to an increase in deferred income in line with the increase in revenue plus an increase in accruals mainly in relation to staff bonuses accrual in line with the increased FTE
- **Right-of-use assets and lease liabilities** both increased due to the Group signing an extension of the leased offices in The Shard for a further ten year period. We have accounted for this lease extension as a lease modification under IFRS 16
- **Acquisition-related liabilities** were impacted by Infrastructure Capital (refer to Infrastructure Capital update) but also included a reduction for the second anniversary payment in respect of the contingent consideration arising from the Downing acquisition of £1 million and an increase in additional contingent consideration of £0.3 million from the Healthcare share class addition noted in intangible assets above
- **Deferred tax liabilities** decreased in line with the impairment and amortisation of intangible assets

Financial review

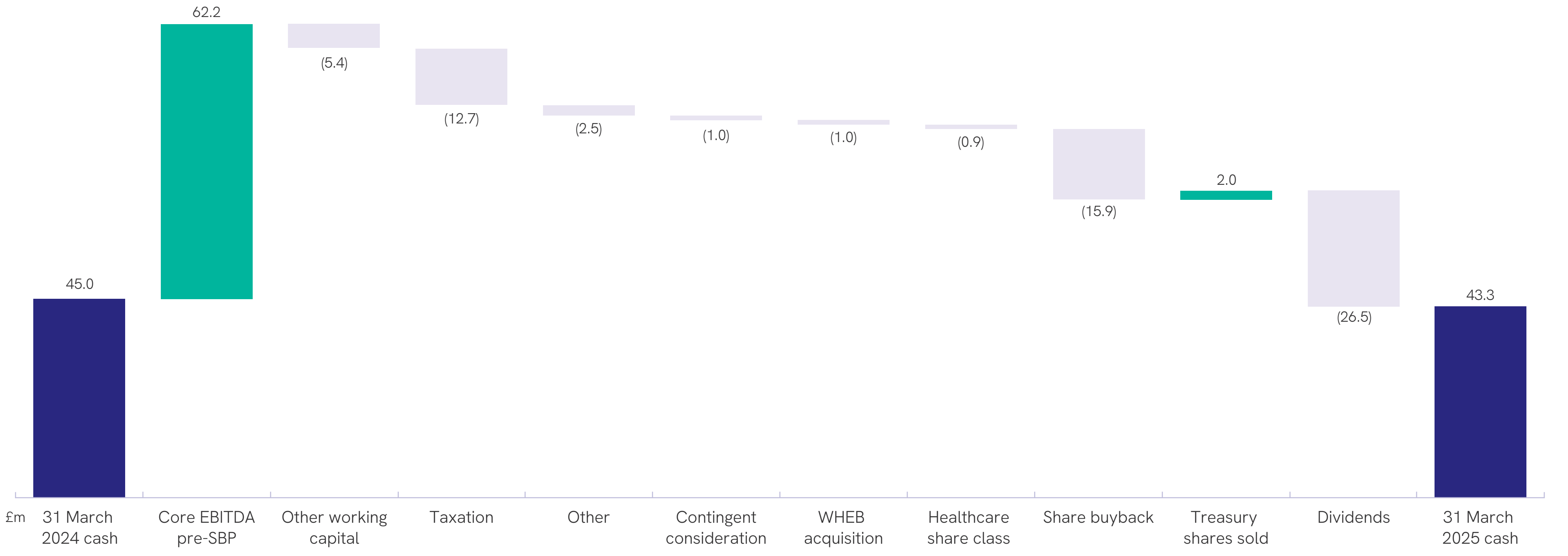
Financial position | Summary statement of financial position

Cash and cash equivalents

The cash position has decreased by £1.8 million year-on-year primarily due to the share buyback programme. The cash outflow for the buyback programme was £15.9 million whereas the comparable cash outflow in FY24 was £1.0 million. This was offset by the sale of 500,000 treasury shares for £2.0 million on 11 February 2025. Without either of these cash flows, cash would have increased by £12.1 million in line with our positive trading performance during the period and continued strong cash conversion. Operating activities generated £56.8 million (31 March 2024: £49.8 million) in cash versus £62.2 million (31 March 2024: £59.3 million) core EBITDA pre-SBP; at year end there were a number of investment advisory fees, performance fees and caught-up directors' fees, which were largely recovered in Q1 of FY26.

In addition to the share buyback programme, the strong cash position facilitated the completion of the WHEB acquisition for £1.0 million in March 2025, the acquisition of the Healthcare share class of Thames Ventures VCT 2 for £0.9 million in September 2025, plus a contingent consideration payment of £1.0 million in relation to the 2022 Downing acquisition.

Overall, we are in a position of strength, with £43.3 million in cash and cash equivalents at 31 March 2025. We continue to operate the business without any need for leverage and maintain significant headroom above our regulatory liquidity requirement.



Financial review

Financial position

Acquisition of Infrastructure Capital

The financial statements for FY25 include a net depletion of profit of £5.1 million arising from the acquisition of Infrastructure Capital (excluding the initial share consideration). The components of this net depletion are discussed below. This is an update from the Half-year Report for H1 FY25 (which had a net depletion of profit of £2.9 million) due to a reversal of the impairment charge offset by a reinstatement of the earn-out consideration payable in cash in H2 FY25.

The Group completed the acquisition in September 2022. The fair value of the identifiable assets and liabilities on acquisition included intangible assets (customer contracts) for the three main funds managed by the acquired business, namely Diversified Infrastructure Trust ("DIT"), Energy Infrastructure Trust ("EIT") and Australian Renewables Income Fund ("ARIF"). These are unlisted unit trusts in Australia where the unit holders are largely superannuation funds. The unit holders have redemption windows available to them across the three Funds at five year intervals which commenced in July 2024 for DIT, with EIT following in July 2025 and ARIF in July 2028. After the redemption window closes, the Fund has three years to generate sufficient liquidity to effect any redemptions through realisations or secondary sales of the units.

The redemption window closed for DIT in September 2024. We had modelled an expectation of redemptions into the customer contract valuations as part of our accounting for the original acquisition, but actual redemptions were higher than anticipated due to recent consolidation in the Australian superannuation market. At the same time, strong fund performance provided us with the opportunity to realise assets and optimise returns for unit holders in the nearer term; gross return since inception has been 11.5% per annum including a gross return of 17.0% for the year ended 31 March 2025. Accordingly, the Group has now reassessed the useful life of the Fund. The Group expects EIT to be in a similar position when its redemption window opens and so has also reassessed the useful life of this Fund. Consequently, the Group conducted impairment reviews to update their value in use calculation, resulting in an impairment charge of £9.3 million across both DIT and EIT in the period. This was offset by a credit to the income statement of £2.8 million through the release of associated deferred tax liabilities. As noted in the financial review for H1 FY25, there is potential for performance fees to be recognised over the remaining useful lives of these contracts. In H2 FY25 these now have more certainty so have been included in the value in use calculation, resulting in an impairment charge reversal of £2.9 million offset by a debit to the income statement of £0.9 million for deferred tax liabilities.

In addition, ARIF is well placed to benefit from the government target in Australia to grow renewable electricity generation from 35% to 82% of total electricity generation by 2030.

At each reporting period end, the Group will continue to monitor whether the indicators of impairment still exist or have increased or decreased and will update the value in use calculation accordingly.

The acquisition included contingent payments relating to earn-outs of which the Group has been estimating the expected payout percentages and expensing over the respective vesting periods. Following the DIT redemptions, the expected payout percentages of all earn-outs were assessed to be 0% and subsequently a credit to the income statement of £3.6 million was recognised, being the release of these acquisition-related liabilities. In H2 FY25 the terms and likelihood of the earn-out consideration payable in cash have been reassessed and the Group now expects the payout percentage to be 64%. Consequently, a debit to the income statement of £4.2 million has been recognised in this period, being the reinstatement of acquisition-related liabilities. The expected payout percentage of the earn-out consideration payable in shares and the performance earn-out consideration in total continue to be 0%.

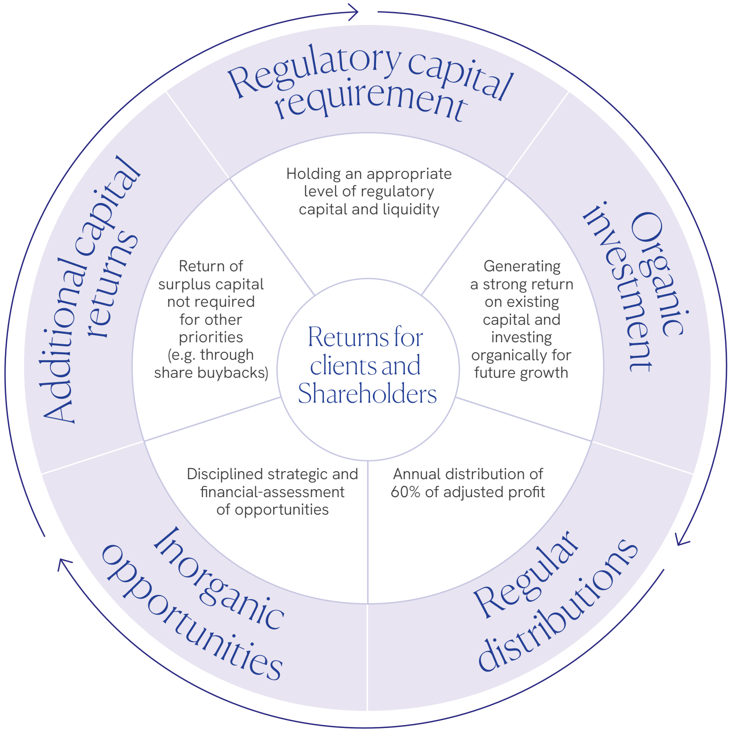
The overall impact of the adjustments described above in the statement of comprehensive income are as follows:

	H1 FY25 £000	H2 FY25 £000	Total £000
Administrative expenses			
Impairment of intangible assets (customer contracts)	(9,275)	—	(9,275)
Reversal of impairment of intangible assets (customer contracts)	—	2,930	2,930
Staff costs – acquisitions	3,559	(4,179)	(620)
Operating profit and profit on ordinary activities before taxation	(5,716)	(1,249)	(6,965)
Tax on profit on ordinary activities			
Deferred tax	2,782	(879)	1,903
Profit for the period attributable to Ordinary Shareholders	(2,934)	(2,128)	(5,062)

Financial review

Capital allocation priorities

We maintain a disciplined approach to capital allocation in order to support the following priorities:



The combination of our consistently strong free cash flow generation, and clear approach to capital allocation, enables us to effectively allocate capital to these priorities and generate value for Shareholders.

On 2 April 2025, we also completed our £17 million share buyback programme that was originally announced on 27 October 2023. On 10 April we subsequently announced a new, substantially increased, share buyback programme of up to £50 million over the next three years. This new buyback programme, in combination with our existing dividend policy will result in the return of substantially all free cash flow to Shareholders.

Dividend

As explained earlier in this review, the Group has now introduced adjusted profit as our APM on which the Group dividend will be calculated.

An interim dividend of 7.4 pence per share was paid on 31 January 2025 and to reflect the strong performance by the Group this year, the Board has recommended a final dividend payment of 16.8 pence per share be approved by Shareholders at the upcoming AGM. If approved, it will be paid on 3 October 2025 based on an ex-dividend date of 18 September 2025, with a record date of 19 September 2025. This would result in a total dividend for the year of 24.2 pence per share (FY24: 22.2 pence per share), a 9.0% increase year-on-year. The final dividend has been calculated on a payout ratio of 60% as per our policy.

We will continue to pay an interim dividend of 33% of the total dividend from the prior year in January of each year. The balance of the total dividend will then be recommended to Shareholders each year at the AGM as a final dividend, with payment planned for each October.

Going concern

The financial statements have been prepared on a going concern basis. In adopting this basis, the Directors have reviewed the financial processes and controls embedded across the business and examined the five year plan. They have considered the business activities as set out on pages 12 to 23, and the principal risks and uncertainties disclosed within this report on pages 36 to 46 and concluded that the adoption of a going concern basis, covering a period of at least 12 months from the date of this report, is appropriate.

Outlook

The progress delivered during FY25 ensures that we remain on track to achieve our medium term guidance to double core EBITDA pre-SBP by the end of FY29. This growth, alongside the return of substantially all free cash flow places the Group in a strong position to continue to create value for Shareholders.

Gary Fraser
Chief Financial Officer

25 June 2025