Notes to the financial statements

For the year ended 31 March 2025

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 London Stock Exchange in the Equity Shares (Commercial Companies) category on the Official List. 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 237 to 240.

The Group is principally involved in the provision of the management of infrastructure assets, private equity investments and OEICs for 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 five 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 47.

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.

The Group uses core EBITDA pre-SBP as its key performance measure 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 previous 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.

Notes to the financial statements

For the year ended 31 March 2025

2. Basis of preparation and other reporting matters | 2b. Alternative performance measures ("APMs")

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. As adjusted profit includes the benefits of major business combinations but excludes significant costs, this may result in adjusted profit being materially higher or lower than statutory profit.

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 the business growth. Other alternative performance measures include recurring revenues, core EBITDA pre-SBP margin, 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 229 to 236, including explanations of how they are calculated and how they are reconciled to a statutory measure where relevant.

2c. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2025. 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.

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 237 to 240.

2d. 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 2025. No material impact has been identified on the estimates and judgements made, however.

Notes to the financial statements

For the year ended 31 March 2025

3. Material accounting policies

This section sets out the material accounting policies of the Group that relate to the financial statements. Where a material accounting policy is specific to one note, the policy is described in the note to which it relates. The material 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 2024 or will become effective in later periods.

New standards, interpretations and amendments adopted from 1 April 2024

The following amendments were effective for the period beginning 1 April 2024:

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1)

These amendments have had no effect on the measurement or presentation of any items in 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.

3a. Foreign exchange

For Group entities whose functional and presentational currency is sterling, monetary assets and liabilities in foreign currencies are translated into sterling at the exchange rate ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating profit or loss.

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.

3b. Use of judgements and estimates

The preparation of the financial statements requires the Group 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, it 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 8
- Recoverable amount of intangible assets – see note 14
- Contingent consideration – see note 23
- Remuneration for post-combinations services – see note 23

Key judgements

These are as follows:

- Impairment and reversal of impairment of intangible assets – see note 14
- Identification of the relevant cash-generating unit for impairment testing – see note 14
- Contract costs – see note 17
- Determining if an acquisition constitutes a business combination – see note 31

Notes to the financial statements

For the year ended 31 March 2025

4. Revenue

Accounting policy:

The principal components of revenue which fall within the scope of IFRS 15 comprise management fees, secretarial fees, directors' and monitoring 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' and monitoring fees are generally based on a specified fixed fee agreed with the customer.

Management, secretarial and directors' and monitoring 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.

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. These valuations are then approved by the Group's valuation committee and where relevant are also approved by the independent Boards of each fund.

Notes to the financial statements

For the year ended 31 March 2025

4. 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 revenue	133,393	122,372
Marketing fees	13,807	9,931
Arrangement fees	1,624	5,139
Performance incentive fees	5,165	3,879
Other income	—	5
	153,989	141,326

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 for exceptional services provided during the year. Although these amounts fall within the definition of recurring revenue, the amount expected to be generated in future years is smaller.

The timing of revenue is as follows:

	31 March 2025 £000	31 March 2024 £000
Timing of transfer of goods and services:		
Point in time	20,596	18,954
Over time	133,393	122,372
	153,989	141,326

Contract balances are as follows:

	31 March 2025 Contract liabilities £000	31 March 2024 Contract liabilities £000
At beginning of period	(7,361)	(5,790)
Amounts included in contract liabilities that were recognised as revenue during the period	7,361	5,790
Cash received in advance of performance and not recognised as revenue during the period	(11,493)	(7,361)
At end of period	(11,493)	(7,361)

The timing of revenue recognition, billings and cash collections results in either trade receivables, accrued income (included in trade receivables) 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

For the year ended 31 March 2025

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 2025				31 March 2024			
	Infrastructure £000	Private Equity £000	FCM £000	Total £000	Infrastructure £000	Private Equity £000	FCM £000	Total £000
Revenue	95,890	50,523	7,576	153,989	84,174	47,350	9,802	141,326
Cost of sales	(4,994)	(1,232)	(1,564)	(7,790)	(4,389)	(981)	(1,934)	(7,304)
Gross profit	90,896	49,291	6,012	146,199	79,785	46,369	7,868	134,022
Administrative expenses	(69,835)	(29,889)	(6,474)	(106,198)	(64,125)	(29,601)	(7,213)	(100,939)
Other operating income	118	4	1	123	—	—	—	—
Operating profit	21,179	19,406	(461)	40,124	15,660	16,768	655	33,083
Non-operating items	395	161	24	580	733	471	25	1,229
Profit on ordinary activities before taxation	21,574	19,567	(437)	40,704	16,393	17,239	680	34,312
Non-core administrative expenses	18,239	2,779	922	21,940	19,363	5,558	929	25,850
Gain on business combination	—	—	—	—	(16)	—	—	(16)
Fair value losses on contingent consideration (incl. finance expense)	—	(45)	—	(45)	—	(190)	—	(190)
Finance income and expense (excluding fair value gain on derivative)	(344)	(11)	(24)	(379)	(300)	14	(25)	(311)
Foreign exchange on acquisitions	—	—	—	—	(348)	—	—	(348)
Core EBITDA pre-SBP	39,469	22,290	461	62,220	35,092	22,621	1,584	59,297

Notes to the financial statements

For the year ended 31 March 2025

5. Business segments

The Group has recognised an impairment charge and a reversal of impairment in respect of intangible assets (customer contracts) – see note 14. The net impairment charge of £6,345,000 is recorded within administrative expenses in the Infrastructure operating segment for the year ended 31 March 2025. The Group recognised an impairment in respect of intangible assets (customer contracts) in the Private Equity operating segment for the year ended 31 March 2024 of £2,895,000.

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

	31 March 2025 £000	31 March 2024 £000
United Kingdom	123,812	112,776
Australia	18,269	18,442
Luxembourg	8,466	6,303
Italy	750	1,128
Spain	1,034	746
Ireland	1,273	1,931
Greece	385	—
	153,989	141,326

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 2025 were £56,925,000 (2024: £43,515,000), of which £43,122,000 (2024: £33,346,000) was attributable to Infrastructure, £11,567,000 (2024: £7,822,000) to Private Equity and £2,236,000 (2024: £2,347,000) to FCM.

In accordance with IFRS 8 paragraph 33(b), non-current assets (excluding derivative assets, deferred tax assets, contract costs and trade and other receivables) by region are summarised below:

	31 March 2025 £000	31 March 2024 £000
United Kingdom	46,124	33,246
Australia	27,080	36,664
Luxembourg	3,257	2,571
Italy	297	685
Spain	363	453
Ireland	520	569
	77,641	74,188

The statement of financial position is reported to Exco on a single segment basis. No further segmental information is provided as this would not aid strategic and financial management decisions.

Notes to the financial statements

For the year ended 31 March 2025

6. Administrative expenses

	31 March 2025 £000	31 March 2024 £000
Staff costs (see note 7)	66,440	59,407
Staff costs – acquisitions (see note 7)	4,888	11,947
Amortisation in relation to intangible assets (customer contracts) (see note 14)	2,930	3,211
Depreciation and amortisation (excluding amortisation in relation to intangible assets (customer contracts)) (see notes 13, 14 and 22)	3,191	3,227
Impairment of intangible assets (customer contracts) (see note 14)	9,275	2,895
Reversal of impairment of intangible assets (customer contracts) (see note 14)	(2,930)	—
Legal and professional[1]	7,199	5,908
Other administration costs[2]	15,205	14,344
	106,198	100,939

1. Legal and professional costs include acquisition-related costs and Group restructuring costs.
2. Other administration costs mainly relate to irrecoverable VAT, computer maintenance, conferences, bank charges and sundries.

Specific administrative expenses are as follows:

	31 March 2025 £000	31 March 2024 £000
Auditor's remuneration	704	641
Net foreign exchange losses	131	124
Low-value and short-term lease expenses	41	49
Bad debt write-offs	419	—
Loss on disposal of fixed assets	—	5

Auditor's remuneration is further disclosed as follows:

	31 March 2025 £000	31 March 2024 £000
Audit services		
Statutory audit – Company	128	114
– Subsidiaries	452	397
Total audit services	580	511
Non-audit services		
Regulatory assurance services	34	22
Other assurance services	90	85
Other services	—	23
Total non-audit services	124	130
Total audit and non-audit services	704	641

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
- Other services: These services are for agreed upon procedures of the Half-year Report and assistance in responding to the letter from the FRC during the year ended 31 March 2024. No services have been provided during the year ended 31 March 2025

Notes to the financial statements

For the year ended 31 March 2025

7. Staff costs and Directors' remuneration

The average number of employees was:

	31 March 2025 Number	31 March 2024 Number
Investment management	220	207
Sales and Marketing	56	54
Administration	135	121
	411	382

Their aggregate remuneration comprised:

	31 March 2025			31 March 2024		
	Staff costs £000	Staff costs – acquisitions £000	Total £000	Staff costs £000	Staff costs – acquisitions £000	Total £000
Wages and salaries	52,450	—	52,450	45,649	—	45,649
Social security costs	5,566	—	5,566	4,876	—	4,876
Pension costs	2,328	—	2,328	1,950	—	1,950
Redundancy payments	888	—	888	1,615	—	1,615
Other staff costs[1]	2,914	1,456	4,370	3,107	427	3,534
	64,146	1,456	65,602	57,197	427	57,624
Share-based payments (see note 8)	2,294	3,432	5,726	2,210	11,520	13,730
	66,440	4,888	71,328	59,407	11,947	71,354

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 147 and 148).

Notes to the financial statements

For the year ended 31 March 2025

7. Staff costs and Directors' remuneration

Staff costs – acquisitions

The table below shows the different components of staff costs – acquisitions related to the deferred payments from the acquisition of WHEB during the year ended 31 March 2025 (see note 31) and the acquisition of Infrastructure Capital during the year ended 31 March 2023.

	31 March 2025			31 March 2024		
	Cash-settled £000	Share-settled £000	Total £000	Cash-settled £000	Share-settled £000	Total £000
WHEB						
Earn-out consideration	48	—	48	—	—	—
Infrastructure Capital						
Initial share consideration	—	4,220	4,220	—	11,066	11,066
Earn-out consideration	1,785	(588)	1,197	1,093	564	1,657
Revenue earn-out consideration	—	—	—	(306)	—	(306)
Performance consideration	(377)	(200)	(577)	(360)	(110)	(470)
Consideration subject to expected payout percentage	1,408	(788)	620	427	454	881
	1,456	3,432	4,888	427	11,520	11,947

See note 8 and note 23 for further details on the share-settled and cash-settled considerations respectively.

Notes to the financial statements

For the year ended 31 March 2025

8. 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 four annual grants of options under the plan as approved by the Remuneration Committee. The fair value of the share-based payments has been estimated using a Monte Carlo option pricing model. The number of options awarded and the assumptions used in the Monte-Carlo simulation are described within the note 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 FY25 grant would impact on the Group's profit before taxation by +/- £57,000 (2024: +/- £43,000) respectively.

Infrastructure Capital – post-combination services

The acquisition of Infrastructure Capital included the following deferred payments to be paid in shares:

- Initial share consideration
- Earn-out
- Performance earn-out

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. The expiry date when the shares are no longer subject to forfeiture and number of remaining shares outstanding is detailed in the table.

The earn-out and performance earn-out are 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 period end. The fair value of each earn-out 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 has an expected payout percentage of 0% (2024: 54%) and 0% (2024: 0%) forfeiture rate. The 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 50.00% from 30 June 2026 to 30 June 2027. There is a further clawback of the shares up to 30 June 2028 if there is a reversal in management fee revenue so that the total vesting period is to this date.

The performance earn-out has an expected payout percentage of 0% (2024: 13%) and 0% (2024: 0%) forfeiture rate. The 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 50.00% from 31 December 2026 to 30 June 2027.

Notes to the financial statements

For the year ended 31 March 2025

8. Share-based payments

Estimation uncertainty | Infrastructure Capital – post-combination services

The basis of the expected payout assessments was internal forecasts of the relevant management fee revenue. The maximum award at the end of the reporting period would result in an additional charge of the earn-out of £1,827,000 (2024: £773,000) and performance earn-out of £2,298,000 (2024: £1,690,000) and the minimum would result in a reversal of the earn-out of £nil (2024: £899,000) and performance earn-out of £nil (2024: £255,000).

	31 March 2025 £000	31 March 2024 £000
Included in staff costs (note 7)		
Performance Share Plan (equity-settled)	1,918	1,818
UK Share Incentive Plan (equity-settled)	351	337
Overseas Phantom Share Plan (cash-settled)	25	55
	2,294	2,210
Included in staff costs – acquisitions (note 7)		
Infrastructure Capital – post-combination services (equity-settled)	3,432	11,520
	5,726	13,730

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

	31 March 2025 £000	31 March 2024 £000
Equity-settled	5,701	13,675
Cash-settled	25	55
	5,726	13,730

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 2025 since Admission was 4% (2024: 3%).

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

	31 March 2025		31 March 2024	
	Number of share options	Average exercise price per share option £	Number of share options	Average exercise price per share option £
At the beginning of period	3,479,591	—	2,359,530	—
Granted	1,217,500	—	1,162,311	—
Exercised	(968,330)	—	—	—
Extinguished	(106,151)	—	(42,250)	—
Awards outstanding at end of period	3,622,610	—	3,479,591	—
Awards vested and exercisable at end of period	53,500	—	—	—

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

Notes to the financial statements

For the year ended 31 March 2025

8. Share-based payments | Performance Share Plan

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

	Expiry date	Exercise price	31 March 2025 Number of share options	31 March 2024 Number of share options
4 September 2021 (FY22 Grant)	3 September 2031	—	53,500	1,039,330
9 August 2022 (FY23 Grant)	8 August 2032	—	1,274,200	1,289,200
10 August 2023 (FY24 Grant)	9 August 2033	—	1,102,410	1,151,061
2 August 2024 (FY25 Grant)	1 August 2034	—	1,192,500	—
			3,622,610	3,479,591
Weighted average remaining contractual life of options outstanding at end of period			8.28 years	8.39 years

Fair value of options granted

The assumptions used in the Monte-Carlo simulation for the FY25 Grant were as follows:

- Starting share price of 504.00 pence (FY24 Grant: 452.60 pence) (the share price of the Company on the date of the grant)
- Annual volatility of 40% (FY24 Grant: 40%) (based on volatility of share price from IPO to grant date)
- Vesting period of three years (FY24 Grant: three years)
- Holding period of two years (FY24 Grant: two years) with associated 20% (FY24 Grant: 20%) deduction for lack of marketability (based on empirical studies)
- Exercise price of 0 pence (FY24 Grant: 0 pence)
- Risk-free rate of 4% (FY24 Grant: 4%) per annum which has been used as a discount factor (based on government bond yields)
- Annual dividend of 22.2 pence (FY24 Grant: 20.1 pence) per annum

The simulation based on these assumptions resulted in a fair value of 225.47 pence (FY24 Grant: 161.8 pence) per option.

UK 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 under this scheme during the year was as follows:

	31 March 2025 Number of shares	31 March 2024 Number of shares
At the beginning of period	291,092	218,494
Movement	94,803	72,598
Awards outstanding at end of period	385,895	291,092

Notes to the financial statements

For the year ended 31 March 2025

8. Share-based payments

Overseas Phantom Share Plan

The Overseas Phantom Share Plan (the "Phantom Plan") is similar to the UK Share Incentive Plan for non-UK employees. Certain non-UK employees may participate except those who participate in the Performance Share Plan. The Phantom 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 2025 Number of shares	31 March 2024 Number of shares
At the beginning of period	25,962	36,368
Granted	14,652	7,266
Vested	(9,854)	(8,046)
Extinguished	(778)	(9,626)
Awards outstanding at end of period	29,982	25,962

Infrastructure Capital – post-combination services

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. The movement in the initial share consideration during the year is a result of 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.

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

Grant date	Expiry date	Exercise price[1]	31 March 2025 Share options	31 March 2024 Share options
8 September 2022	30 September 2023	—	—	—
8 September 2022	30 September 2024	—	—	2,088,924
8 September 2022	30 September 2025	—	2,088,924	2,088,924
			2,088,924	4,177,848
Weighted average remaining contractual life of options outstanding at end of period			0.5 years	1 year

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

9. Other operating income

	31 March 2025 £000	31 March 2024 £000
UKSA grant income	110	—
Other	13	—
	123	—

UKSA grant income

During the year, Foresight received grant income of £0.1 million from the UK Space Agency. In collaboration with environmental geospatial consultant Frontierra, the Foresight Infrastructure sustainability team developed a platform that leverages geospatial analysis and Foresight's own spatial dataset to provide detailed, location-based insights, enabling proactive risk management and enhanced reporting capabilities specifically pertaining to climate and nature.

Notes to the financial statements

For the year ended 31 March 2025

10. Finance income and expenses

	31 March 2025 £000	31 March 2024 £000
Finance income		
Bank interest receivable	1,567	875
Gain on derivatives	81	434
Total finance income	1,648	1,309
Finance expenses		
Other interest payable	69	10
Loan interest (accrued)	29	53
Interest on lease liabilities	1,050	463
Interest on dilapidation provisions	40	38
Total finance expense	1,188	564
Net finance income recognised in the statement of comprehensive income	460	745

11. 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 reporting date.

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 25.

Notes to the financial statements

For the year ended 31 March 2025

11. Taxation

	31 March 2025 £000	31 March 2024 £000
Current tax		
UK corporation tax	8,939	6,473
Foreign tax	2,348	2,240
Adjustments in respect of prior periods (UK corporation tax)	(1,368)	(105)
Adjustments in respect of prior periods (foreign tax)	164	(193)
Total current tax charge	10,083	8,415
Deferred tax		
Origination and reversal of temporary differences	(2,624)	(537)
Total deferred tax	(2,624)	(537)
Tax on profit on ordinary activities	7,459	7,878

The difference between the actual tax charge for the year and the standard rate of corporation tax applied to profits for the year are as follows:

	31 March 2025 £000	31 March 2024 £000
Profit for the year	33,245	26,434
Add back total tax	7,459	7,878
Profit before all tax	40,704	34,312
Profit before tax at 25% (2024: 25%)	10,176	8,578
Profits not assessable to corporation tax	(530)	(622)
Profit share allocation from partnership funds	825	538
Unrecognised deferred tax	37	(48)
Adjustments to previous periods	(1,204)	92
Differences on overseas tax rate	(5,178)	(5,150)
Expenses not deductible for tax purposes	1,779	1,062
Other — share-based payments	344	311
Staff costs — acquisitions	1,210	2,952
Thin Cap adjustment	—	169
Gain on business combination	—	(4)
Total tax charge	7,459	7,878

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% (2024: 25%), as a majority of the Group's trading activities are carried out in the UK.

Notes to the financial statements

For the year ended 31 March 2025

12. 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 27 "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 8 for Performance Share Plan).

	31 March 2025 £000	31 March 2024 as restated[1] £000
Earnings		
Profit for the period for purpose of basic and diluted earnings per share	33,245	26,434
Adjustments (see note A3 in the appendices)	13,724	18,296
Adjusted profit for the period for purpose of adjusted and adjusted diluted earnings per share	46,969	44,730

	31 March 2025 '000	31 March 2024 '000
Number of shares		
Weighted average number of shares in issue during the period	116,318	116,271
Less time-apportioned own shares held	(327)	(239)
Less time-apportioned treasury shares held	(873)	(54)
Weighted average number of Ordinary Shares for the purpose of basic earnings per share	115,118	115,978
Add back weighted average number of dilutive potential shares		
Performance Share Plan	3,621	3,091
Weighted average number of Ordinary Shares for the purpose of diluted earnings per share	118,739	119,069

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 as the amount of shares potentially to be issued is not currently known.

Notes to the financial statements

For the year ended 31 March 2025

12. Earnings per share

	31 March 2025 pence	31 March 2024 as restated[1] pence
Earnings per share		
Basic	28.9	22.8
Diluted	28.0	22.2
Adjusted basic	40.8	38.6
Adjusted diluted	39.6	37.6

1. The Group is no longer presenting before non-underlying items as the Group took the opportunity to simplify its financial reporting 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. Consequently, adjusted basic and adjusted diluted earnings per share have been restated at 31 March 2024.

Adjusted earnings per share is calculated in the same way as earnings per share, but by reference to adjusted profit attributable to Shareholders.

13. 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 over two to ten years
- Short leasehold property over the term of the lease

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

For the year ended 31 March 2025

13. Property, plant and equipment

	31 March 2025			31 March 2024		
	Fixtures, fittings and equipment £000	Short leasehold property £000	Total £000	Fixtures, fittings and equipment £000	Short leasehold property £000	Total £000
Cost						
At beginning of period	1,253	6,122	7,375	917	5,690	6,607
Additions	405	624	1,029	352	438	790
Foreign exchange movement	(20)	(5)	(25)	(9)	(6)	(15)
Disposals	(629)	—	(629)	(7)	—	(7)
At end of period	1,009	6,741	7,750	1,253	6,122	7,375
Depreciation						
At beginning of period	727	4,318	5,045	381	3,704	4,085
Depreciation charge for the year	385	613	998	357	619	976
Disposals	(629)	—	(629)	(2)	—	(2)
Foreign exchange movement	(9)	(5)	(14)	(9)	(5)	(14)
At end of period	474	4,926	5,400	727	4,318	5,045
Net book value at end of period	535	1,815	2,350	526	1,804	2,330

Notes to the financial statements

For the year ended 31 March 2025

14. 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 the remaining term of investment management contract
- Brands over three years
- Computer software over four to five years

The carrying values of customer contracts (acquired), brands (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 ("CGU") to which the asset belongs. Recoverable amount is the higher of fair value less costs of disposal 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.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions regarding the performance of the assets used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised for the asset in prior years. A reversal is recognised 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

For the year ended 31 March 2025

14. Intangible assets

Key judgements:

Impairment and reversal of 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 or that a previously recognised impairment charge may be reversed. There is significant management judgement in determining the appropriate internal and external factors to consider. The Group reviewed the intangible assets at 30 September 2024 and concluded there were indicators of impairment for the customer contracts acquired in Infrastructure Capital (2024: indicators of impairment for customer contracts acquired in Downing and Infrastructure Capital). This assessment was reviewed at 31 March 2025 and the Group concluded that the conditions leading to the impairment had improved and the impairment loss recognised in H1 FY25 should be partly reversed. Further explanation is provided in the note below.

Identification of the relevant cash-generating unit ("CGU") for impairment testing

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 in order to determine the recoverable amount and carrying amount of a CGU.

Estimation uncertainty:

Recoverable amount of intangible assets

Customer contracts

The Group reviewed the intangible assets at 30 September 2024 and identified indicators of impairment in relation to the customer contracts acquired through Infrastructure Capital. As a result, an impairment loss was recognised reflecting the recoverable amount of the assets at that time. At 31 March 2025, this assessment was revisited.

Internal reporting provided evidence that the economic performance of the customer contracts was expected to exceed previous forecasts. Consequently, the Group reassessed the recoverable amount of the assets and determined that the conditions leading to the impairment had improved. In line with IAS 36, the previously recognised impairment loss has been reversed to the extent that the recoverable amount no longer supports the impairment. The recoverable amount was determined using a value in use calculation based on a discounted cash flow ("DCF") model derived from the Group's five year plan. This model excludes the impact of restructuring activities not yet committed to or significant future investments that will enhance the performance of the customer contracts. Although fair value less costs of disposal was considered, it could not be determined reliably. The recoverable amount is sensitive to key assumptions, including the discount rate, expected cash flows and growth rates used for extrapolation purposes. The key assumptions used to determine the recoverable amount of 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 Group's five year plan and do 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

For the year ended 31 March 2025

14. Intangible assets

	31 March 2025					31 March 2024			
	Computer software £000	Brands £000	Customer contracts £000	Goodwill £000	Total £000	Computer software £000	Customer contracts £000	Goodwill £000	Total £000
Cost									
At beginning of period	668	—	52,140	17,872	70,680	663	47,035	18,426	66,124
Additions	533	—	1,125	—	1,658	5	—	—	5
Business combinations (see note 31)	—	161	1,051	91	1,303	—	6,422	—	6,422
Disposals	(466)	—	—	—	(466)	—	—	—	—
Foreign exchange movement	(1)	—	(1,722)	(725)	(2,448)	—	(1,317)	(554)	(1,871)
At end of period	734	161	52,594	17,238	70,727	668	52,140	17,872	70,680
Amortisation/impairment									
At beginning of period	528	—	8,788	—	9,316	477	2,736	—	3,213
Charge for the year	37	—	2,930	—	2,967	51	3,211	—	3,262
Impairment	—	—	9,275	—	9,275	—	2,895	—	2,895
Reversal of impairment	—	—	(2,930)	—	(2,930)	—	—	—	—
Disposals	(466)	—	—	—	(466)	—	—	—	—
Foreign exchange movement	2	—	(802)	—	(800)	—	(54)	—	(54)
At end of period	101	—	17,261	—	17,362	528	8,788	—	9,316
Net book value at end of period	633	161	35,333	17,238	53,365	140	43,352	17,872	61,364

Notes to the financial statements

For the year ended 31 March 2025

14. Intangible assets

Brands

The table below shows the net book value assigned to each component of brands and the remaining amortisation period.

	Remaining amortisation period	Carrying value £000
Acquisition of WHEB (see note 31)	3 years	161
		161

Customer contracts

The table below shows the net book value assigned to each component of customer contracts and the remaining amortisation period.

	Remaining amortisation period	Carrying value £000
Acquisition of Infrastructure Capital	13.3 years	16,193
Acquisition of Downing's technology ventures business	12.3 years	8,957
Acquisition of Healthcare share class of Thames Ventures VCT 2 plc (see note below)	12.3 years	1,073
Acquisition of PiP Manager Limited	15.4 years	2,213
Acquisition of Wellspring (see note 31)	17.9 years	5,846
Acquisition of WHEB (see note 31)	5 years	1,051
		35,333

In September 2024, the Group completed the acquisition of the Healthcare share class of Thames Ventures VCT 2 plc. This was accounted for as the acquisition of a contract under IAS 38 as no substantive processes were acquired and therefore it does not constitute a business under IFRS 3 (see note 31). The Group paid £869,000 in cash plus there is a further contingent payment with an expected fair value of £256,000 which will be payable in cash over a three year period conditional on achieving certain AUM targets. The contingent payment is recognised as contingent consideration within acquisition-related liabilities (see note 23).

In March 2025, the Group completed the acquisition of WHEB (see note 31). The Group determined that it has acquired a business as the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

Impairment of intangible assets (customer contracts)

The fair value of the identifiable assets and liabilities on acquisition of Infrastructure Capital 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, followed by EIT in July 2025 and ARIF in July 2028.

After the redemption window closes, the Fund has three years to generate sufficient liquidity through realisations or secondary sales of the units.

The redemption window closed for DIT in September 2024. A level of redemptions was modelled into the customer contract valuations as part of the accounting for the original acquisition, but actual redemptions have been higher than anticipated because of recent consolidation in the Australian superannuation market. This has therefore led to the Group reassessing the useful life of the Fund. The Group expects to be in a similar position for EIT when its redemption window opens in a year's time and has therefore also reassessed the useful life of this Fund. Consequently, the Group conducted an impairment review. The recoverable amount was estimated based on its value in use using a five year forecast extrapolated over the useful life excluding performance fees as these were uncertain and discussions with investors had not begun. The EIT and DIT value in use includes cash flow forecasts only for the remaining useful lives. The Group recognised an impairment loss of £9,275,000 in the Half-year Report for the six months ended 30 September 2024.

Notes to the financial statements

For the year ended 31 March 2025

14. Intangible assets | Impairment of intangible assets (customer contracts)

The following key assumptions were applied in the value in use calculations at 30 September 2024:

	EIT	DIT	ARIF	Infrastructure Capital
Post-tax discount rate[1]	13.8%	13.8%	13.8%	—
Useful life	4 years	3 years	18 years	—
Average EBITDA margin[2]	N/A	N/A	49.3%	—
Long-term growth rate	N/A	N/A	3%	—
Recoverable amount (£000)	928	1,255	12,964	—
Carrying value (£000)	3,659	7,799	12,686	—
Impairment of intangible assets (customer contracts) (£000)	2,731	6,544	—	9,275

1. Using a pre-tax discount rate of 26.9% (Infrastructure Capital) on pre-tax cash flows does not produce a materially different result.
2. The growth rate and EBITDA margin assumptions apply only to the period beyond the formal budgeted period, with the value in use calculation based on an extrapolation of the budgeted cash flows for year five.

In the following six month period to 31 March 2025, following certain significant changes to the expected performance of DIT and EIT and finalisation of the five year plan, the Group reassessed its estimates and reversed part of the initially recognised 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 five year period and extrapolated over the useful life. There is potential for performance fees to be recognised over the remaining useful lives of these contracts which now have more certainty and are included in the value in use calculation. 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.

The following key assumptions and outputs were applied in the value in use calculations at 31 March 2025:

	EIT	DIT	ARIF	Infrastructure Capital
Post-tax discount rate[1]	13.8%	13.8%	13.8%	—
Useful life	3.5 years	2.5 years	17.5 years	—
Average EBITDA margin[2]	N/A	N/A	42.7%	—
Long-term growth rate	N/A	N/A	3%	—
Recoverable amount (£000)	2,147	2,520	12,698	—
Carrying value (£000)	759	978	11,527	—
Impairment of intangible assets (customer contracts) (£000)	(1,388)	(1,542)	—	(2,930)

1. Using a pre-tax discount rate of 26.9% on pre-tax cash flows does not produce a materially different result.
2. The growth rate and EBITDA margin assumptions apply only to the period beyond the formal budgeted period, with the value in use calculation based on an extrapolation of the budgeted cash flows for year five.

As a result of this analysis, the Group has recognised a reversal of £2,930,000 in the current year against the initially recognised impairment of the Infrastructure Capital customer contracts. The reversal of the impairment charge is recorded within administrative expenses in the statement of comprehensive income.

Notes to the financial statements

For the year ended 31 March 2025

14. Intangible assets | Impairment of intangible assets (customer contracts)

A sensitivity analysis was carried out on the customer contracts impairment models at 31 March 2025 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:

	Impact on statement of comprehensive income			
	EIT £000	DIT £000	ARIF £000	Infrastructure Capital £000
Impact of a change in discount rate assumptions on the impairment loss recognised:				
+ 2%	(75)	(64)	(325)	(464)
- 2%	80	68	—	148
Impact of a change in revenue growth assumptions on the impairment loss recognised[1]:				
+ 5%	203	217	—	420
- 5%	(203)	(217)	(558)	(978)

No indicators of impairment have been identified for the remaining customer contracts acquired at 31 March 2025.

Goodwill

The table below shows the carrying amount of goodwill.

	31 March 2025 £000
Acquisition of Infrastructure Capital[2]	10,610
Acquisition of Downing's technology ventures business	6,537
Acquisition of WHEB	91
	17,238

Goodwill is allocated between CGUs at 31 March 2025 as follows: £10,610,000 from the acquisition of Infrastructure Capital to the Infrastructure operating segment CGUs; £6,537,000 from the acquisition of Downing's technology ventures business to the Private Equity operating segment CGUs; and £91,000 from the acquisition of WHEB to the FCM 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 five year plan that was provisionally reviewed by the Board on 20 June 2025. The plan will be fully ratified at the upcoming Board meeting on 1 August 2025. 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	FCM CGUs
Post-tax discount rate[3]	13.1%	13.9%	15.4%
Terminal growth rate	2%	2%	2%
Average EBITDA margin	45.7%	41.4%	5.6%

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 five.

As a result of this analysis, there is headroom of £337.6 million (2024: £452.4 million) in the Infrastructure CGUs, £161.8 million (2024: £146.3 million) in the Private Equity CGUs and £2.6 million in the FCM CGUs and therefore no impairment has been recognised.

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

1. As no revenue growth assumptions have been applied to EIT and DIT beyond the formal budgeting process, the 5% change in revenue growth has been applied to the forecasted cash flows.
2. The goodwill arising from the acquisition of Infrastructure Capital is subject to foreign exchange movements as it is deemed to be an Australian dollar asset.
3. Using a pre-tax discount rate of 17.4% (Infrastructure), 18.3% (Private Equity) and 21.5% (FCM) on pre-tax cash flows does not produce a materially different result.

Notes to the financial statements

For the year ended 31 March 2025

14. Intangible assets

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.

15. 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. These valuations are then approved by the Group's valuation committee and where relevant are also approved by the independent Boards of each fund.

While valuations of investments are based on assumptions that the Group 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 movements in the year and a sensitivity analysis are set out below.

	31 March 2025 £000	31 March 2024 £000
At beginning of period	4,726	3,967
Additions	1,266	869
Fair value movements	75	278
Sales proceeds	(647)	(388)
At end of period	5,420	4,726

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 +/- £271,000 (2024: +/- £236,000).

16. 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 2025 £000	31 March 2024 £000
Derivative assets arising from forward currency contracts, of which:	—	473
Non-current assets	—	—
Current assets	—	473

Notes to the financial statements

For the year ended 31 March 2025

16. Derivative assets

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 2025, all forward foreign currency contracts have matured and the Group has not entered into new arrangements. Cash proceeds from derivatives of £554,000 gave rise to a gain on derivatives of £81,000 recognised in finance income (see note 10) in the statement of comprehensive income.

17. 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 expensed 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 2025 £000	31 March 2024 £000
Incremental placement agency fees, of which:	5,763	3,375
Non-current assets	4,903	2,777
Current assets	860	598

18. 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.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the statement of comprehensive income. 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 expected credit losses ("ECLs") in the current or previous period. The Group incurred a bad debt expense of £419,000 (2024: £nil).

Notes to the financial statements

For the year ended 31 March 2025

18. Trade and other receivables

Accounting policy:

Amortised cost

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

Derecognition

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

Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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

	31 March 2025 £000	31 March 2024 £000
Trade receivables	26,608	17,808
Other receivables	7,347	6,010
Prepayments	4,523	3,850
Staff advances	400	1,060
	38,878	28,728
Less non-current assets:		
Trade receivables	1,239	822
Staff advances	100	420
	1,339	1,242
Current assets:		
Trade receivables	25,369	16,986
Other receivables	7,347	6,010
Prepayments	4,523	3,850
Staff advances	300	640
	37,539	27,486

The Group 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.

Notes to the financial statements

For the year ended 31 March 2025

18. Trade and other receivables

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

	31 March 2025 £000	31 March 2024 £000
Current	23,470	14,139
Overdue		
< 30 days	55	27
30-60 days	276	322
60-90 days	391	105
> 90 days	2,416	3,215
	26,608	17,808

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

	31 March 2025 £000	31 March 2024 £000
At beginning of period	61	61
Written off during the period as uncollectible	(13)	—
Increase during the period	419	—
At end of period	467	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 Group 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' and monitoring fees, there is the possibility of financial difficulty, however these fees individually are not significant. See note 30 for management of credit risk.

19. 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 2025 £000	31 March 2024 £000
Cash at banks and on hand	25,419	32,357
Short-term deposits	17,833	12,647
	43,252	45,004

Notes to the financial statements

For the year ended 31 March 2025

20. 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 2025 £000	31 March 2024 £000
Trade payables	1,637	1,582
Accruals	19,972	16,472
Deferred income	11,493	7,361
Other payables	5,894	3,228
VAT and PAYE	2,544	3,522
Corporation tax	2,933	4,892
Partnership capital contributions	947	971
	45,420	38,028

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

All trade and other payables mature within 12 months after the reporting period. The Group 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.

21. 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 as finance expenses 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 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.

Notes to the financial statements

For the year ended 31 March 2025

21. Loans and borrowings

Loans and borrowings arose from the acquisition of PiP Manager Limited in the year ended 31 March 2021.

	31 March 2025 £000	31 March 2024 £000
Loans and borrowings, of which:	380	509
Non-current liabilities	242	388
Current liabilities	138	121

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity[2]	31 March 2025 Carrying amount[1] £000
Unsecured loan	GBP	Base rate + 2%	2027	380

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 table below summarises the maturity profile of the Group's loans and borrowings based on contractual undiscounted payments:

31 March 2025				
Total £000	Less than one year £000	One to two years £000	Two to five years £000	More than five years £000
380	138	121	121	—

31 March 2024				
Total £000	Less than one year £000	One to two years £000	Two to five years £000	More than five years £000
509	121	146	121	121

The movement on the loans may be summarised as follows:

	31 March 2025 £000	31 March 2024 £000
At beginning of period	509	3,131
Interest	29	53
Repayment – principal	(121)	(2,545)
Repayment – interest	(37)	(130)
At end of period	380	509

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

Notes to the financial statements

For the year ended 31 March 2025

22. 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.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. If the lease modification results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease. In all other cases, where the lease modification increases the scope of the lease (e.g. change in the lease term), the lease liability is remeasured using the discount rate applicable on the modification date.

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 liability of the cost is recognised as dilapidation provisions (see note 24).

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For the year ended 31 March 2025

22. Lease liabilities and 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.

During the year, the Group signed an extension of the leased offices in The Shard for a further ten year period, which included a lease incentive in the form of a rent-free period. The change in the lease term has been accounted for as a lease modification under IFRS 16. The lease liability has been remeasured, with the right-of-use asset being adjusted by the same amount.

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 2025 £000	31 March 2024 £000
Right-of-use asset		
At beginning of period	5,768	7,281
Additions	632	648
Lease modifications	12,309	48
Depreciation	(2,156)	(2,200)
Foreign exchange movement	(47)	(9)
At end of period	16,506	5,768
Lease liability		
At beginning of period	7,262	9,251
Additions	632	648
Lease modifications	12,309	—
Lease payment	(2,162)	(3,132)
Interest	1,050	463
Foreign exchange movement	(29)	32
At end of period	19,062	7,262
Current	1,146	2,897
Non-current	17,916	4,365

The lease payment in the year has been split £1,112,000 (2024: £2,669,000) of principal and £1,050,000 (2024: £463,000) of interest.

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For the year ended 31 March 2025

22. Lease liabilities and right-of-use assets

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

31 March 2025					31 March 2024				
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
27,385	2,378	1,879	8,882	14,246	8,006	3,176	2,267	1,854	709

The following are the amounts recognised in the statement of comprehensive income:

	31 March 2025 £000	31 March 2024 £000
Depreciation expense on right-of-use assets	2,156	2,200
Interest expense on lease liabilities	1,050	463
	3,206	2,663

The weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application was 6.77% (2024: 4.62%).

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 2025 was £41,000 (2024: £49,000).

23. Acquisition-related liabilities

Acquisition-related liabilities arise from the acquisitions made by the Group during the year ended 31 March 2023 for Infrastructure Capital and Downing as well as the acquisition of WHEB and the Healthcare share class of Thames Ventures VCT 2 plc which completed during the year ended 31 March 2025 (see note 31).

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 for as long-term employee benefits under IAS 19. The liabilities will be expensed over the deferral period and are included in staff costs – acquisitions.

Notes to the financial statements

For the year ended 31 March 2025

23. Acquisition-related liabilities

Estimation uncertainty:

Contingent consideration

Downing and Healthcare share class of Thames Ventures VCT 2 plc

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 and the acquisition of the Healthcare share class of Thames Ventures VCT 2 plc. The significant unobservable input is the NAV of the VCTs whose investment mandates were acquired.

For Downing's technology ventures business, the second anniversary payment of £1,012,000 was paid in September 2024. The final anniversary payment is due in September 2025. A change of +/- 5% in the NAV would result in a +/- £50,000 (2024: +/- £103,000) change in the fair value of the remaining payment(s). For the Healthcare share class of Thames Ventures VCT 2 plc, the contingent consideration will be payable over three years with the first anniversary payment due in September 2025. A change of +/- 5% in the NAV would result in a +/- £13,000 change in the fair value.

WHEB

The acquisition of WHEB included a consideration payment conditional on a performance target being met on the first anniversary completion date (see note 31). At acquisition date, management's expectation is that the target will not be met and therefore the fair value has been assessed as £nil.

Remuneration for post-combination services

Infrastructure Capital

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 significant unobservable input of the expected payout assessments is the internal forecasts of the relevant management fee revenue. The discounting uses high-quality Australia three year corporate bond rates of 3.7% (2024: 3.3%).

The earn-out consideration has an expected payout percentage of 64% (2024: 54%) and 0% (2024: 0%) forfeiture rate. The expected payout percentage of the earn-out consideration payable in cash has been reassessed from the Half-year Report for the six months ended 30 September 2024 where this was assessed to be 0%. The expected payout percentage of the earn-out consideration payable in shares has remained unchanged at 0% (2024: 54%) (see note 8 for further details). The performance earn-out has an expected payout percentage of 0% (2024: 13%) and 0% (2024: 0%) forfeiture rate. The revenue earn-out has an expected payout percentage of 0% (2024: 0%) and 0% (2024: 0%) forfeiture rate. There has been no change to the expected payout percentage or forfeiture rate of the performance earn-out and revenue earn-out from the Half-year Report for the six months ended 30 September 2024. As a result of the change in expected payout percentage during the year ended 31 March 2025, a fair value decrease of £60,000 (2024: £3,888,000) 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 £12,861,000 (2024: £7,139,000) and the minimum would result in a reversal of the respective charge of £4,179,000 (2024: £2,771,000).

WHEB

The acquisition of WHEB includes earn-out payments to be made in cash over a three year period which are accounted for as remuneration for post-combination services (see note 31). The significant unobservable input of the earn-out is the internal forecast of the EBITDA contribution of the acquisition to the Group. The discounting uses high-quality UK three year corporate bond rates of 4.2%. The earn-out has an expected payout percentage of 33%. A change in the EBITDA contribution to the maximum award at the end of the reporting period would result in an additional charge of £321,000 and the minimum would result in a reversal of the respective charge of £48,000.

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For the year ended 31 March 2025

23. Acquisition-related liabilities

	31 March 2025			31 March 2024		
	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	2,059	2,771	4,830	3,470	2,503	5,973
Additions (see note 14)	256	—	256	—	—	—
Arising in the period	—	1,410	1,410	—	4,182	4,182
Payments	(1,012)	—	(1,012)	(1,221)	—	(1,221)
Interest	75	106	181	126	133	259
Fair value movements	(120)	(60)	(180)	(316)	(3,888)	(4,204)
Foreign exchange movement	—	—	—	—	(159)	(159)
At end of period	1,258	4,227	5,485	2,059	2,771	4,830
Current liabilities	1,080	4,179	5,259	1,005	—	1,005
Non-current liabilities	178	48	226	1,054	2,771	3,825

The following are the amounts recognised in the statement of comprehensive income:

	31 March 2025		31 March 2024	
	Contingent consideration £000	Remuneration for post-combination services £000	Contingent consideration £000	Remuneration for post-combination services £000
Arising in the period	—	1,410	—	4,182
Interest	75	106	126	133
Fair value movements	(120)	(60)	(316)	(3,888)
	(45)	1,456	(190)	427

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For the year ended 31 March 2025

23. Acquisition-related liabilities

Fair value gains on contingent consideration (incl. finance expense) are recognised in the statement of comprehensive income. Remuneration for post-combination services are recognised within staff costs – acquisitions in the statement of comprehensive income (see note 7).

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 2025.

31 March 2025				31 March 2024			
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
1,290	1,104	93	93	2,140	1,070	1,070	—

The table below summarises the maturity profile of the Group's remuneration for post-combination services if the full liability had been expensed to date based on contractual undiscounted payments and current assessment of the expected payout and forfeiture rate at 31 March 2025.

31 March 2025				31 March 2024			
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
6,272	4,626	634	1,012	5,015	—	4,168	847

24. 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. See note 22 for accounting policy.

	31 March 2025 £000	31 March 2024 £000
At beginning of period	855	800
Additions	—	17
Interest	40	38
At end of period	895	855

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For the year ended 31 March 2025

25. Deferred tax assets and liabilities

Accounting policy:

Deferred tax is recognised based on differences between the carrying value of assets and liabilities for accounting purposes and their tax values (see note 11). 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.

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

	31 March 2025 £000	31 March 2024 £000
At beginning of period	(11,710)	(11,085)
Recognised in statement of comprehensive income		
Tax expense	2,624	537
Foreign exchange movement	302	319
	2,926	856
Recognised in equity		
Share-based payment reserve	60	125
Arising on business combination		
Intangible asset (see note 31)	(303)	(1,606)
At end of period	(9,027)	(11,710)

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For the year ended 31 March 2025

25. Deferred tax assets and liabilities

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

	31 March 2025					31 March 2024				
	Asset £000	Liability £000	Net £000	Credited to profit or loss £000	Credited to equity £000	Asset £000	Liability £000	Net £000	Credited to profit or loss £000	Credited to equity £000
Other temporary and deductible differences	1,615	(1,200)	415	(62)	60	1,563	(1,172)	391	(1,021)	125
Business combinations – intangible asset	—	(9,442)	(9,442)	2,686	—	—	(12,101)	(12,101)	1,558	—
	1,615	(10,642)	(9,027)	2,624	60	1,563	(13,273)	(11,710)	537	125

A credit to the statement of comprehensive income of £2.8 million has been recognised through the release of associated deferred tax liabilities on the acquired intangible assets (customer contracts) that have been impaired during H1 FY25. As a result of the reversal of impairment of intangible assets (customer contracts), a debit of £0.9 million has been recognised through the reversal of released associated deferred tax liabilities in the statement of comprehensive income during H2 FY25. See note 14 for further explanation of impairment and reversal of impairment of intangible assets (customer contracts).

26. 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 was £2,328,000 (2024: £1,950,000).

27. Share capital and other reserves

Accounting policy:

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

Notes to the financial statements

For the year ended 31 March 2025

27. Share capital and other reserves

	31 March 2025 Number	31 March 2025 £	31 March 2024 Number	31 March 2024 £
Ordinary Shares of no par value allotted				
At beginning of period	116,271,212	—	116,271,212	—
Shares issued on vesting of the Performance Share Plan	76,591	—	—	—
At end of period	116,347,803	—	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 above the nominal value being credited to the share premium account (net of the direct costs of issue). Any excess incurred from sale of treasury shares is debited or credited to the share premium account.

	31 March 2025 £000	31 March 2024 £000
At beginning of period	61,886	61,886
Premium on shares issued on vesting of the Performance Share Plan	105	—
Sale of treasury shares[1]	(550)	—
At end of period	61,441	61,886

1. During the year, the Company sold 500,000 treasury shares with a cost of £2,543,000 for £1,993,000.

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. 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 2024, 50% of the remaining shares were no longer subject to forfeiture. Consequently, a transfer of £8,103,000 (2024: £10,290,000) was made between the shares held in escrow reserve and the share-based payment reserve.

Notes to the financial statements

For the year ended 31 March 2025

27. Share capital and other reserves

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 8. The Group operates a trust which holds shares that have not yet vested unconditionally to employees of the Group.

At 31 March 2025, the total number of shares held in trust was 724,751 (2024: 513,862), including 385,895 (2024: 291,092) of matching shares at a cost of £1,844,000 (2024: £1,195,000), an increase of £649,000 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 buy back programme on 27 October 2023 to buy back 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.

The movement in treasury shares during the period are shown below:

	31 March 2025 Number of shares	31 March 2025 £000	31 March 2024 Number of shares	31 March 2024 £000
At beginning of period	236,492	967	—	—
Purchase of own shares[1]	3,720,423	15,989	236,492	967
Transfer of treasury shares on exercise of share options[2]	(891,739)	(4,133)	—	—
Sale of treasury shares[3]	(500,000)	(2,543)	—	—
At end of period	2,565,176	10,280	236,492	967

1. At 31 March 2025, 41,730 shares at a cost of £148,000 had been bought back but not paid in cash until April 2025. Total cash paid for treasury shares during the year is £15,841,000 (2024: £967,000).
2. During the year, the FY22 PSP Grant vested and 891,739 shares that were held in treasury at a cost of £4,133,000 were utilised to service the exercised options.
3. During the year, the Company sold 500,000 treasury shares with a cost of £2,543,000 for £1,993,000.

Notes to the financial statements

For the year ended 31 March 2025

27. Share capital and other reserves

Share-based payment reserve

Accounting policy:

The share-based payment reserve is used to recognise the cumulative fair value of equity-settled share-based payment transactions until such time as the related equity instruments are exercised, forfeited, or lapse. When vested share options are exercised, the cumulative amount previously recognised in the share-based payment reserve in respect of those options is transferred to retained earnings.

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 8 for share-based payments). The cumulative cost is analysed below.

	31 March 2025				31 March 2024			
	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	2,957	736	10,744	14,437	1,139	399	9,514	11,052
Additions	1,918	351	3,432	5,701	1,818	337	11,520	13,675
Transfer on exercise of share options	(1,222)	—	—	(1,222)	—	—	—	—
Shares issued on vesting of the Performance Share Plan	(105)	—	—	(105)	—	—	—	—
Transfer on vesting of initial consideration shares for Infrastructure Capital acquisition	—	—	(8,103)	(8,103)	—	—	(10,290)	(10,290)
At end of period	3,548	1,087	6,073	10,708	2,957	736	10,744	14,437
Deferred tax								
At beginning of period	191	—	—	191	66	—	—	66
Additions	60	—	—	60	125	—	—	125
At end of period	251	—	—	251	191	—	—	191
Net value at end of period	3,799	1,087	6,073	10,959	3,148	736	10,744	14,628

Notes to the financial statements

For the year ended 31 March 2025

27. Share capital and other reserves

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.

28. 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 2025 £000	31 March 2024 £000
Final dividend	17,988	18,022
Interim dividend	8,477	7,765
	26,465	25,787

Year ended 31 March 2025

- A final dividend of 15.5 pence per share in respect of the year ended 31 March 2024 was paid on 4 October 2024 with an ex-dividend date of 19 September 2024 and a record date of 20 September 2024
- An interim dividend of 7.4 pence per share in respect of the year ended 31 March 2025 was paid on 31 January 2025 with an ex-dividend date of 16 January 2025 and a record date of 17 January 2025. At the record date, the shares that were held in treasury had no entitlement to dividends

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

Dividends proposed by the Board of Directors to be approved by Shareholders (not recognised as a liability at 31 March 2025):

	31 March 2025 £000	31 March 2024 £000
Final dividend	19,571	18,022

- A final dividend of 16.8 pence per share in respect of the year ended 31 March 2025 is proposed but subject to approval by Shareholders at the Annual General Meeting and has not been included as a liability in the financial statements

29. Commitments and contingencies

There were no other capital commitments or contingencies at 31 March 2025 except as disclosed in note 22 and 23.

Notes to the financial statements

For the year ended 31 March 2025

30. 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 2025					31 March 2024				
	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	—	—	—	2,350	2,350	—	—	—	2,330	2,330
Right-of-use assets	—	—	—	16,506	16,506	—	—	—	5,768	5,768
Intangible assets	—	—	—	53,365	53,365	—	—	—	61,364	61,364
Investments at FVTPL	—	5,420	5,420	—	5,420	—	4,726	4,726	—	4,726
Derivative assets	—	—	—	—	—	—	473	473	—	473
Deferred tax assets	—	—	—	1,615	1,615	—	—	—	1,563	1,563
Contract costs	—	—	—	5,763	5,763	—	—	—	3,375	3,375
Trade and other receivables	34,355	—	34,355	4,523	38,878	24,878	—	24,878	3,850	28,728
Cash and cash equivalents	43,252	—	43,252	—	43,252	45,004	—	45,004	—	45,004
	77,607	5,420	83,027	84,122	167,149	69,882	5,199	75,081	78,250	153,331

Notes to the financial statements

For the year ended 31 March 2025

30. Financial instruments – classification and measurement

Financial liabilities

	31 March 2025					31 March 2024				
	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	1,637	—	1,637	—	1,637	1,582	—	1,582	—	1,582
Other payables and partnership capital contributions	6,841	—	6,841	16,970	23,811	4,199	—	4,199	15,775	19,974
Accruals	19,972	—	19,972	—	19,972	16,472	—	16,472	—	16,472
Loans and borrowings	380	—	380	—	380	509	—	509	—	509
Lease liabilities	19,062	—	19,062	—	19,062	7,262	—	7,262	—	7,262
Acquisition-related liabilities	—	5,485	5,485	—	5,485	—	4,830	4,830	—	4,830
Provisions	—	—	—	895	895	—	—	—	855	855
Deferred tax liability	—	—	—	10,642	10,642	—	—	—	13,273	13,273
	47,892	5,485	53,377	28,507	81,884	30,024	4,830	34,854	29,903	64,757

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 38). 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 Group's investments into Limited Partnership funds and VCT investments (see note 15) 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. A +/- 5% movement in the NAV of the underlying investments would, all other variables held constant, have resulted in an increase in the fair value in the statement of comprehensive income and net assets of +/- £271,000 (2024: +/- £236,000).

Notes to the financial statements

For the year ended 31 March 2025

30. Financial instruments – classification and measurement | Financial risk management | (a) Market risk

(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 £0.4 million of external debt at 31 March 2025 (2024: £0.5 million) related to the PiP acquisition (see note 21) which 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, 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. These contracts have now matured and the Group has not entered into any more forward contracts. See note 16 for further explanation.

The table below summarises the Group's exposure to foreign currency translation risk at 31 March 2025. Included in the table are the Group's financial assets, at carrying amounts, categorised by currency.

	31 March 2025				31 March 2024			
	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	879	—	140	1,019	418	2,583	83	3,084
Investments at FVTPL	2,860	—	—	2,860	2,140	—	—	2,140
	3,739	—	140	3,879	2,558	2,583	83	5,224

A 5% strengthening of sterling against the euro would reduce the net euro position and profit by £42,000 (2024: £122,000). 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 by £nil (2024: £123,000).

Notes to the financial statements

For the year ended 31 March 2025

30. Financial instruments – classification and measurement | Financial risk management

(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 20
- Loans and borrowings, see note 21
- Lease liabilities, see note 22
- Acquisition-related liabilities: Contingent consideration, see note 23

(c) Credit risk

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

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

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

- Holding an appropriate level of regulatory capital and liquidity
- Generating a strong return on existing capital and investing organically for future growth
- Annual distribution of 60% of adjusted profit
- Disciplined strategic and financial assessment of opportunities
- Return of surplus capital not required for other priorities (e.g. through share buybacks)

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.

For specific capital allocation matters during the year ended 31 March 2025, please see the Executive Chairman's Report on page 3 and financial review on page 35. 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 Firms 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 15.

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

For the year ended 31 March 2025

30. Financial instruments – classification and measurement | Fair value hierarchy

At 31 March 2025, the Group held the following financial instruments measured at fair value:

	31 March 2025				31 March 2024			
	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	—	—	5,420	5,420	—	—	4,726	4,726
Derivative assets	—	—	—	—	—	473	—	473
	—	—	5,420	5,420	—	473	4,726	5,199
Financial liabilities								
Acquisition-related liabilities: Contingent consideration	—	—	1,258	1,258	—	—	2,059	2,059
Acquisition-related liabilities: Remuneration for post-combination services	—	—	4,227	4,227	—	—	2,771	2,771
	—	—	5,485	5,485	—	—	4,830	4,830

Notes to the financial statements

For the year ended 31 March 2025

30. Financial instruments – classification and measurement

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 2025 Fair value £000	Valuation technique	Significant unobservable inputs	Sensitivity inputs unobservable input	Change in fair value £000
Investments at FVTPL	5,420	The fair value is based on the closing NAV of underlying investments	NAV	+/-5% on closing NAV	+/- 271
Acquisition-related liabilities: Contingent consideration	1,258	The fair value is a ratio of the closing NAV of the funds acquired to the NAV on acquisition	NAV	+/-5% on closing NAV	+/- 63
Acquisition-related liabilities: Remuneration for post-combination services	4,227				
Infrastructure Capital	4,179	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: +12,861 Min: -4,179
WHEB	48	The fair value is based on a percentage of the forecasted EBITDA contribution	Forecast	Applied a sensitivity on the maximum and minimum payment that could be made	Max: +321 Min: -48

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 15
- Acquisition-related liabilities: Contingent consideration – note 23
- Acquisition-related liabilities: Remuneration for post-combination services – note 23

Notes to the financial statements

For the year ended 31 March 2025

31. 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 consideration 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 14 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.

Key judgements:

Determining if an acquisition constitutes a business combination

When the Group purchases customer contracts through acquisitions but not the share capital of the selling entity, a judgement is made as to whether the transaction should be accounted for as a business combination or as a separate purchase of intangible assets. In making this judgement, the Group assesses the assets, liabilities, operations and processes that were the subject of the transaction against the definition of a business combination in IFRS 3.

The Group was involved with the following transactions and events during FY25:

- Acquisition of the Healthcare share class of Thames Ventures VCT 2 plc and appointment as sub-manager to Downing Healthcare Impact EIS Fund and Downing Healthcare Impact EIS Knowledge Intensive Fund respectively on 20 September 2024
- Acquisition of trade and assets of WHEB Asset Management LLP ("WHEB") on 5 March 2025

The Group has concluded that the WHEB acquisition constitutes the acquisition of a business as the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs and is therefore accounted for as a business combination (see next page). For the Healthcare share class of Thames Ventures VCT 2 plc, management have concluded that this is not the acquisition of a business as no substantive processes were acquired so is a separate purchase of intangible assets (see note 14).

Notes to the financial statements

For the year ended 31 March 2025

31. Business combinations

Acquisitions in the year ended 31 March 2025

WHEB Asset Management ("WHEB")

On 5 March 2025, the Group completed the acquisition of the trade and assets of WHEB Asset Management LLP.

WHEB is a leader in impact investing, managing a single global mid-cap equity strategy that invests in listed companies whose products and services provide solutions to key sustainability challenges. The acquisition is in line with the Group's intention to grow its sustainable investment capabilities, diversify the business and scale the FCM division.

Consideration transferred

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

	£000
Initial cash consideration	1,000
Contingent cash consideration	—
Total carrying value	**1,000**

The initial cash consideration of £1,000,000 was paid on 5 March 2025.

The contingent cash consideration is conditional on reaching a performance target on the first anniversary of the completion date. On the acquisition date, management's expectation is that the target will not be met and therefore the fair value has been assessed as £nil. The potential undiscounted amount of the future payment that the Group could be required to make under the additional consideration arrangement is either £nil or £1,000,000.

Other deferred payments

The acquisition includes further earn-out payments to be made over a three year period to specific sellers, based on EBITDA contribution to the Group. The earn-out payments require the specific sellers to remain in employment with the Group for the duration of the earn-out period. Hence, they are accounted for as remuneration for post-combination services and the expense is charged to the statement of comprehensive income over the vesting period. The earn-out will be paid in cash over a three year period capped at £5,000,000. The cost recognised in the statement of comprehensive income for the year ended 31 March 2025 for the earn-out is £48,000 (see note 7).

Acquisition-related costs

Costs of £399,000 for legal and advisory fees have been recognised in legal and professional costs (see note 6) in the year in relation to this transaction.

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)	—	1,051	1,051
Intangible assets (brands)	—	161	161
Deferred tax liability	—	(303)	(303)
Total net assets acquired	**—**	**909**	**909**

The fair value of the intangible asset above was derived from cash flow forecasts of the fees arising from the acquired business, being the fees arising from the various management contracts assumed using a 21% discount rate based on the weighted average cost of capital ("WACC") derived from a capital asset pricing model ("CAPM"). The customer contracts are being amortised over five years and the brand will be amortised over three years. The intangible assets will be amortised following the first full month since the acquisition.

Goodwill

The goodwill on the acquisition of WHEB has been recognised as follows.

	£000
Total consideration	1,000
Fair value of identifiable net assets acquired	(909)
Goodwill	**91**

Goodwill of £91,000 arises as a result of the acquired workforce, expected future growth, as well as operational synergies with the FCM operating segment post-integration.

Notes to the financial statements

For the year ended 31 March 2025

31. Business combinations | Acquisitions in the year ended 31 March 2025

Revenue and profit of WHEB

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

	£000
Revenue contribution	413
Profit on ordinary activities before taxation	39

The disclosure of the revenue and profit for the Group if the acquisition had occurred on 1 April 2024 has not been presented as the determination of these amounts is impractical, due to the fact that the entire WHEB business was not acquired and there will have been revenues and expenses not relevant to the WHEB management contracts and employees acquired.

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 pre-SBP margin on contracts that have a final expiry of May 2045.

Consideration transferred

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

	£000
Cash consideration	4,870

Cash consideration comprises an initial cash payment of £4,800,000 paid on 20 June 2024 and a 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.

	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

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.

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

Notes to the financial statements

For the year ended 31 March 2025

31. Business combinations | Acquisitions in the year ended 31 March 2024

The acquisition is reflected in the cash flow statement as follows at 31 March 2025:

	£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.

	£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.

32. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed as per basis on consolidation (see note 2c).

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 2025 £000	31 March 2024 £000
Wages and salaries	4,159	3,156
Other benefits	42	38
Share-based payments	666	425
	4,867	3,619

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 and 2025 no additional advances were made by Foresight Group LLP and £680,000 (2024: £740,000) 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 £5,000 (2024: £5,014) and £8,750 (2024: £8,774) respectively.

Notes to the financial statements

For the year ended 31 March 2025

33. 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.

34. Subsequent events

On 3 April 2025, the Group announced that it had completed the buyback programme of up to £17 million initially announced on 27 October 2023. The total shares purchased under this programme amounted to 3,993,735 shares of which 1,391,739 have been transferred out of treasury.

On 10 April 2025, the Group announced that it had appointed Joh. Berenberg, Gossler & Co KG, London to act as joint broker and to conduct a further share buyback programme of up to £50 million over the next three years.

Since 31 March 2025, a further 932,861 shares were bought back for £3.5 million. The total number of shares held in treasury is now 3,498,037.