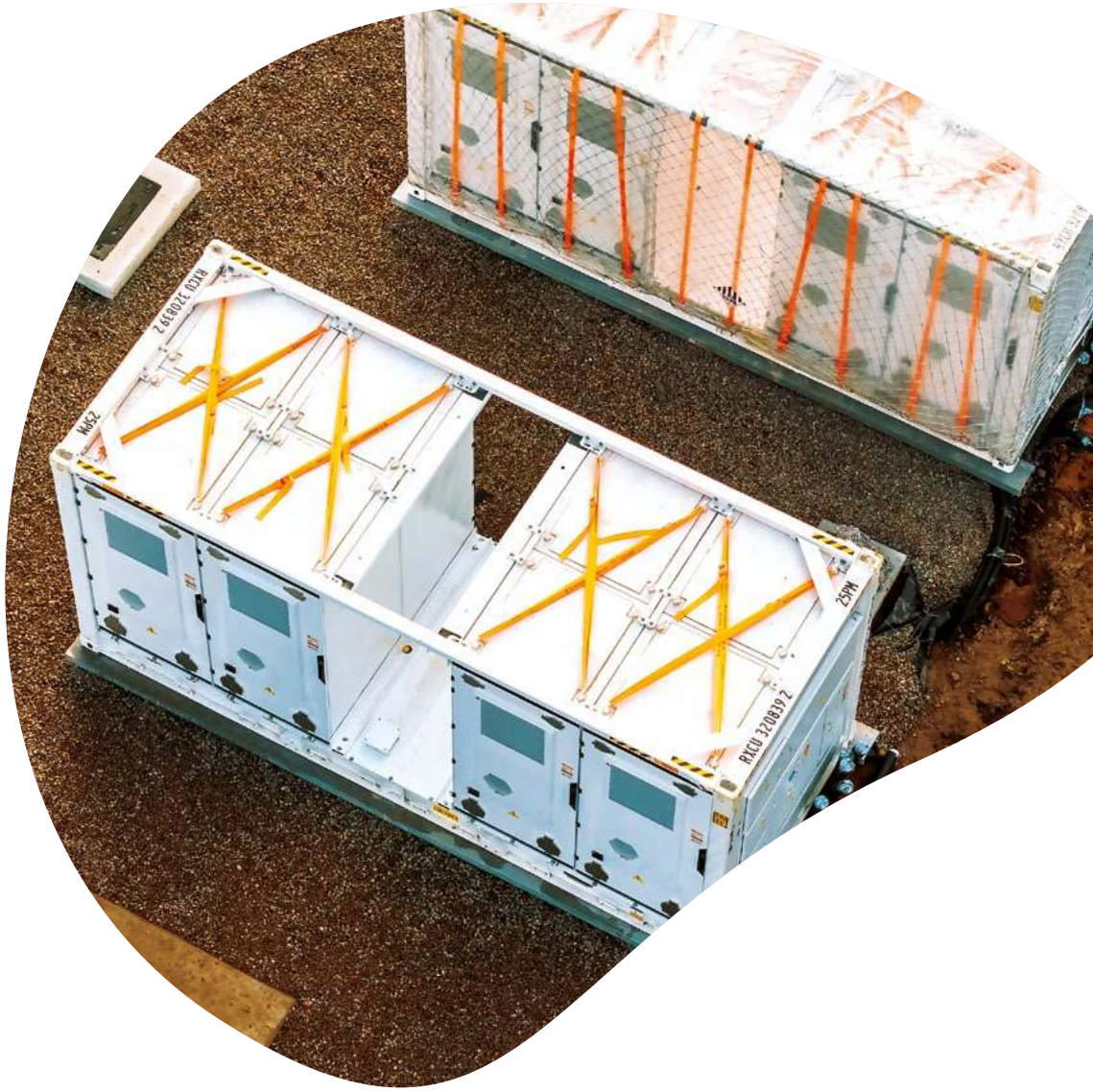
Investing in our *future*

Foresight Group Holdings Limited

Annual Report and Financial Statements
For the year ended 31 March 2025



Foresight
Invest Build Grow

Our purpose

We invest to build a *sustainable future* and grow thriving economies.

About us

Founded in 1984, Foresight is a leading investment manager in real assets and capital for growth.

Across our three divisions, Infrastructure, Private Equity and Foresight Capital Management, we invest in building cleaner energy systems, decarbonising industry and growing the economic potential of ambitious companies.

Foresight's decades of investment experience and hands-on approach help us create and maximise overall value and provide attractive returns to our diverse institutional and retail investor base across a broad range of fund strategies and investment structures.

This diversified business model and strong track record of innovating products, scaling investment funds and delivering profitable growth have demonstrated resilience, efficiency and strong financial performance through economic cycles.

Together, we are united by a shared commitment to build a sustainable future and grow thriving economies.

Our values

Ambition

Integrity

Impact

Collective success

Front cover: Battery Storage at Glendevon, Scotland, Part of Foresight's portfolio

Contents

Introduction

1 Highlights
2 Executive Chairman's statement

Strategic Report

4 Overview
11 Business Review
24 Performance and Risk
56 Sustainability

Governance

See pages 114–155

Financial Statements

See pages 156–240

Additional Information

See pages 241–248

Highlights

Over £1.1 billion of long duration capital raised organically.

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

£9.6bn
FUM[1]
(31 March 2024: £8.4bn)

£154.0m
Total revenue
(FY24: £141.3m)

87%
Recurring revenue[1]
(FY24: 87%)

£62.2m
Core EBITDA pre-SBP[1]
(FY24: £59.3m)

40.4%
Core EBITDA pre-SBP margin[1]
(FY24: 42.0%)

£32.0m
Total comprehensive income
(FY24: £24.8m)

£47.0m
Adjusted profit[1]
(FY24: £44.7m)

40.8p
Adjusted EPS[1]
(FY24: 38.6p)

1. Alternative performance measures ("APMs") have been included to better reflect the Group's underlying activities. Whilst appreciating that APMs are not considered to be a substitute for, or superior to, IFRS measures, the Group believes their selected use may provide Stakeholders with additional information which will assist in their understanding of the business. In particular, the Group believes core EBITDA pre-SBP reflects the trading performance of the underlying business without distortion from the uncontrollable nature of the share-based payments charge. Recurring revenues % is recurring revenue divided by total revenue.

Note: Certain data contained in this document, including financial information, has been subject to rounding adjustments. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. In certain statistical and operating tables contained in this document, the sum of numbers in a column or a row may not conform to the total figure given for that column or row. Percentages in tables and elsewhere in this document may have been rounded and accordingly may not add up to 100%.

"The Group's focus on managing long duration capital, combined with a multi-faceted fundraising pipeline across both institutional and retail vehicles, consistently delivers growth through economic cycles."

Bernard Fairman
Executive Chairman

In FY25 we achieved strong growth in AUM (+9%), revenue (+9%) and core EBITDA pre-SBP (+5%). The Group's focus on managing long duration capital (>90% of AUM), combined with a multi-faceted fundraising pipeline across both institutional and retail vehicles, consistently delivers growth through economic cycles. This business resilience underpins our confidence in the Group's outlook, evidenced by our recent commitment to a share buyback programme of up to £50 million over the next three years.

On track to achieve growth guidance

Last year, having nearly tripled our core profits since the Group's flotation in 2021, we announced updated guidance to organically double core EBITDA pre-SBP in the five years to the end of FY29. With over £1.1 billion of long duration capital raised in FY25, we are on track to deliver on that guidance.

Our strategies offer retail and institutional investors access to attractive investment opportunities, and at year end FY25, AUM reached £13.2 billion (rising from £7 billion at IPO). Over the next four years, further fundraising success across the Group's four diversified fundraising pillars will support continued delivery against our growth ambitions:

1. **Institutional infrastructure:** We have second vintages of two key institutional infrastructure strategies that will be seeking to capitalise on the long-term structural and regulatory tailwinds arising from global decarbonisation, energy security concerns and increasing electricity consumption requirements, particularly from AI and data centres:
   - Foresight Energy Infrastructure Partners II SCSp ("FEIP II"): A growing investor and investment pipeline is supporting the Fund's progress towards achieving the €1.25 billion final target for the second vintage of our flagship energy transition strategy, with €485 million of commitments approved to date (FEIP I closed in September 2021 at €851.4 million)
   - Foresight Natural Capital II ("FNC II"): A UK and European strategy due to begin marketing in FY26 with a target fund size of €500 million, leveraging our experience across c.£250 million of Natural Capital assets today
2. **Retail UK tax efficient products:** As a result of strong product performance and multi-year market tailwinds, we expect future annual fundraising across our business relief and VCT products to exceed the record £587 million achieved in FY25, up 35% (FY24: £436 million).

Executive Chairman's statement

On track to achieve growth guidance

3. **Institutional regional private equity:** Performance track record and strong regional LP relationships provide opportunities to launch further vintages of our regional strategy and deliver fundraising in line with our multi-year track record. This will further consolidate the Group's excellent coverage of the UK and Ireland, with 15 funds currently active, and support some of the UK's most promising smaller companies to achieve their long-term growth objectives.
4. **Public markets:** Our Foresight Capital Management ("FCM") division is targeting a return to growth following a period of listed market headwinds. The acquisition of the trade and assets of WHEB Asset Management LLP will aid this objective by providing product diversification, scale and future investment expertise.

Alongside this strong and diversified fundraising pipeline, the outer years of the remaining guidance period will also benefit from core EBITDA pre-SBP margin expansion as the business scales, and deployment-related rises to management fees. The number of funds reaching realisation phase that have the potential to earn performance fees is also expected to rise from two today to over ten by FY29.

In addition to our organic growth guidance, strategic M&A will remain an important part of our overall strategy and provides an opportunity for outperformance. We will continue to apply a disciplined approach in our assessment of these opportunities, pursuing only those that are earnings accretive.

Capital allocation

To reflect this year's increase in core EBITDA pre-SBP, and the high levels of cash generation of the Group, the Board is recommending a final dividend of 16.8 pence per share for approval by Shareholders at the upcoming AGM. When combined with our interim dividend of 7.4 pence per share (H1 FY24: 6.7 pence per share) this gives a total dividend payment for the year of 24.2 pence per share, representing a 9% increase on prior year (FY24: 22.2 pence per share). The final dividend will be paid on 3 October 2025 based on an ex-dividend date of 18 September 2025, with a record date of 19 September 2025.

During FY25, we also completed the remaining £15.8 million of our £17 million share buyback programme that we originally announced on 27 October 2023. On 10 April 2025 we subsequently announced a new, substantially increased, share buyback tranche of up to £50 million over the next three years. In the absence of executing accretive M&A, this up to £50 million share buyback programme, in combination with our attractive 60% dividend payout ratio, results in the efficient stewardship of capital through the return of substantially all free cash flow to Shareholders.

On behalf of the Board, I would like to thank all our colleagues for their valuable contributions to the success of the Group and for their continued efforts as we enter FY26.

Bernard Fairman
Executive Chairman

25 June 2025

Overview

Building *successful* investment strategies.

5 Investment case
6 Business model
7 Strategic priorities
8 Key performance indicators
10 Growth and opportunities across key markets

Mt Miller Wind Farm, Australia, Part of Foresight's portfolio

Investment case

Creating Shareholder value by delivering *consistent* growth.

1. High-quality earnings

87%
Recurring revenue

>90%
Of long duration capital by AUM

Opportunity
To drive operating leverage

Supports capital allocation:

up to £50m
Share buyback programme over three years

60%
Dividend payout ratio

2. Specialist capabilities

We know our markets:

7
Offices internationally

12
UK & Ireland regional offices

>1,000
Infrastructure opportunities reviewed annually

>3,000
SME investment opportunities reviewed annually

Over 200
Institutional LP relationships

50
Sales Professionals delivering excellent intermediary distribution across the UK

3. Market opportunity

Ideally positioned to capture the long-term structural growth trends in our key markets

Please see page 10 for further details

4. Diversified product range

AUM (%)

66%
Institutional

34%
Retail

51%
UK

49%
Non-UK

Core EBITDA pre-SBP

63%
Infrastructure

36%
Private Equity

1%
FCM

Business model

Our key influences

Our markets
See page 10

Our assets
See pages 12-23

Our workforce
See pages 95-100

Our Stakeholders' views
See pages 48-53

Our sustainability approach
See pages 56-113

Our three business divisions

Infrastructure

- Products provide direct access to a broad range of infrastructure classes, most notably addressing the significant investment opportunities resulting from the global decarbonisation, increasing electricity consumption and national initiatives to increase energy security.
- The experienced in-house global team source, develop, operate and manage these investments on behalf of our fund investors.

See pages 12-15

Private Equity

- Remain one of the most active SME investors targeting the SME equity gap in the UK and Ireland, focusing on the up to £10 million transaction sector.
- Leverage deep regional relationships and high-quality management capabilities to support and create value across our diverse portfolio through prevailing market conditions.

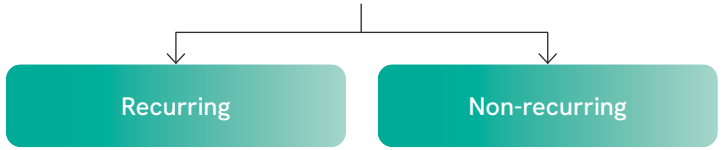
See pages 16-19

Foresight Capital Management

- Provide retail and institutional investors access to listed real assets and sustainable investment opportunities through actively managed open-ended vehicles.
- Apply Foresight's deep knowledge of private markets to opportunities in listed markets.

See pages 20-23

Revenue model



Management fees
Based on NAV or committed capital of Limited Partnership funds.

Secretarial fees
Administrative services provided to funds.

Directors' and monitoring fees
When Foresight staff are appointed as Directors of portfolio companies.

Arrangement fees
Paid on specific deals reflecting Foresight's broad transactional capabilities (capital deployment, fundraising and refinancing).

Marketing fees
Based on initial funds raised from tax-based retail products.

Performance/other fees
Performance-based income realised from certain investment exits.

85–90%
Guidance

10–15%
Guidance

Strategic priorities

To deliver on the Group's growth ambitions.

Long-term priorities

Invest

Investing in the development of existing and new products

FY25 progress:

- UK tax efficient products benefited from market tailwinds and raised £587 million (FY24: £436 million), with further products in development to address this demand
- Progressed multi-vintage institutional infrastructure strategy by securing FEIP II commitments and FNC II entering pre-marketing
- UK and Ireland regional private equity strategy continues to expand, with two new funds launched during the period, collectively raising >£100 million

See pages 12-23

Build

Scaling the Group's UK and international distribution platforms

FY25 progress:

- UK sales team delivered record fundraising across UK tax efficient products, leveraging deep Independent Financial Advisor relationships with over 6,000 partners
- FEIP II secured approved commitments of €485 million from a combination of existing and new LP relationships (FEIP I first close: €342 million)
- Post IPO, regional institutional AUM within the Private Equity division has grown 2.7x

Grow

Executing accretive M&A to accelerate growth

FY25 progress:

- The proactive execution of strategic activity increased FCM's AUM by £744 million, collectively adding product diversity, scale and future investment expertise

Medium-term growth guidance

Organically double core EBITDA pre-SBP in the five years to FY29

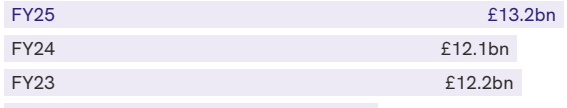
M&A remains a key part of the Group strategy to accelerate growth

Key performance indicators

Aligned to the Group's three long-term strategic priorities.

£13.2bn

AUM[1]



9% increase year-on-year

Why is this important?

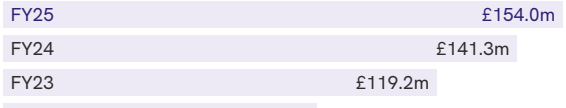
- AUM is an important KPI within the fund management industry and allows a simple, high level comparison with our peers
- AUM growth demonstrates how successfully we have implemented our strategy and how that translates to the strength of our fundraising and performance, and therefore future revenue potential

What we achieved in the year

- Total Group net fundraising of £714 million, raised organically
- Acquired £744 million through strategic activity within the FCM division

£154.0m

Revenue



86.6% recurring revenue[1] (FY24: 86.6%)

Why is this important?

- Consistent revenue growth is an integral KPI of business delivery and performance
- Monitoring the balance between recurring and non-recurring revenue is important to ensure we maintain our high quality of earnings

What we achieved in the year

- We achieved our target range of 85-90% recurring revenue, evidencing the highly predictable nature of future income
- Long duration capital that we manage remained above 90%

£62.2m

Core EBITDA pre-SBP[1]

5% increase year-on-year

Why is this important?

- We view this as the most relevant profitability measure for the Group's recurring revenue model
- Core EBITDA pre-SBP helps to inform management as to the efficiency of the business' operations and how well we are managing our cost base. Monitoring the margin supports decision-making to maximise operational leverage for the benefit of our Shareholders

What we achieved in the year

- Another year of profitable growth, up 5% in FY25
- We continue to target margin expansion as the Group scales

1. The following KPIs are alternative performance measures: Assets Under Management ("AUM") – Recurring revenue – Core EBITDA pre-SBP.

Key performance indicators

Aligned to the Group's three long-term strategic priorities.

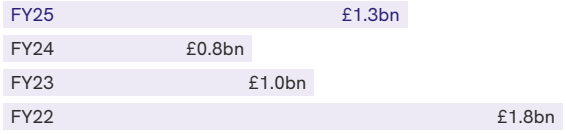
24.2p
Total dividend per share

9% increase year-on-year

Why is this important?
- Our business is highly cash generative, enabling significant dividends to be paid to our Shareholders
- We maintain a balance between returning capital to Shareholders and retaining cash within the business for future re-investment and M&A opportunities

What we achieved in the year
- Due to the growth in core EBITDA pre-SBP and a continued strong level of cash flow generation we increased our total dividend by 9%

£1.3bn
Gross fundraising[1]

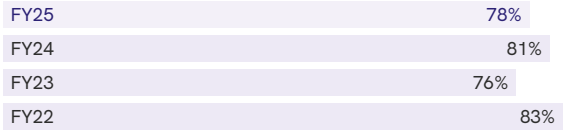


63% increase year-on-year

Why is this important?
- The rate at which we can raise funds is key to being able to capitalise on the significant deployment opportunities across the Group's key markets
- Fundraising across our range of diversified products is a key indicator of our strategies' performance, as well as the strength and depth of our investor relationships in the UK and internationally

What we achieved in the year
- Record fundraising of £587 million in higher margin retail vehicles, up 35% (FY24: £436 million)
- Institutional fundraising of £546 million across infrastructure and private equity products (FY24: £134 million)

78%
Staff engagement score



91% participation rate (FY24: 87%)

Why is this important?
- Our Staff Engagement Survey measures our employees' emotional connection to working for Foresight, their plans to stay, and motivation
- We ask employees four key engagement questions, taking the average score across those questions to obtain the overall engagement score for the survey

What we achieved in the year
- We continue to benefit from a high level of engagement from our employees, above many of our peers
- Specific Group-level and team strategies have been identified and rolled out in key areas to further improve engagement

1. Gross fundraising has replaced deployment as a Group KPI, with gross fundraising a key metric for the Group Executive Management when monitoring product demand and business growth. Deployment remains a key metric at a divisional level, with the business review section providing further detail on this metric for each division.

Significant opportunities across key markets

1. Energy transition and natural capital infrastructure[1]

Current market size
AUM (2023/24 average)

UK	Euro	Australia
£60bn	£150-200bn	£40bn
6% Foresight share	1% Foresight share	5% Foresight share

Annual investment (2023/4 average)

£5-7bn	£20-30bn	£3-4bn
+9% (CAGR 19-24)	+7% (CAGR 19-24)	+9% (CAGR 19-24)

Structural drivers
- Global decarbonisation and government energy transition commitments
- Energy security concerns
- Increasing electricity consumption requirements, particularly from AI and data centres
- Falling cost of renewables
- Changing priorities for government pushing investment demand to private capital
- Projected segment growth for enabling tech – grid infrastructure and storage

Future market growth
Estimated annual investment (2030E)

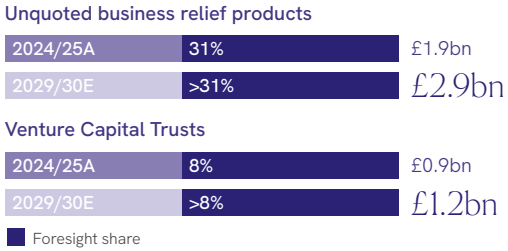
£8-11bn	£30-50bn	£4-7bn
+8% (CAGR 24-30)	+8% (CAGR 24-30)	+9% (CAGR 24-30)

Historic growth
Gross annual fundraising

Unquoted business relief products	Venture Capital Trusts
14%	8%
CAGR last 5 years	CAGR last 5 years

Structural drivers
- AIM business relief portfolio relief reduced to 50%
- Pensions subject to inheritance tax from 2027
- Sunset clause extension to 2035

Future market growth
Estimated annual fundraising



Annual investment (2024A)[4]

UK	Ireland
£2.1bn	£0.4bn
6% Foresight share	6% Foresight share

Structural drivers
- Government support for regional investment and productive assets
- Interest rates moderating as inflation decreases
- Increasing pension fund allocations

Future market growth
Historic growth in annual investment expected to be at least maintained

5%	6%
CAGR last 5 years	CAGR last 2 years

1. Source: Competitor Annual Reports, Competitor Websites, Bloomberg NEF Energy Trends Reports (2019-2025), UK Commission for Climate Change, Australian Clean Energy Council, Europe Commission, Expert Interviews, Eden McCallum Analysis.
2. Source: Eden McCallum analysis, Tax Efficient Review, AIC Reports & Press Releases.
3. Source: Eden McCallum analysis, BVCA, IVCA, British Business Bank.
4. 2024 total annual investment across growth, buyout and venture transactions of between £0.5 million to £10 million, excluding London.

Business review

Invest. Build. *Grow.*

12 Infrastructure
16 Private Equity
20 Foresight Capital Management

Members of the Foresight team

Infrastructure

FY25 highlights

- €485 million commitments approved to date into Foresight Energy Infrastructure Partners II SCSp ("FEIP II")
- Foresight Natural Capital I raised additional capital from two UK local government pension schemes which doubled their existing positions
- 11 transactions completed with a value of £164 million
- 4.1% growth in AUM

One of Europe's and Australia's most established real asset investors, focusing on the energy transition, natural capital and social, transport and digital infrastructure.

£10.2bn
Assets Under Management[2]
(FY24: £9.8bn)

£95.9m
Revenue
(FY24: £84.2m)

£39.5m
Core EBITDA pre-SBP[2]
(FY24: £35.1m)

5.0GW
Total green energy technology capacity[1]
(FY24: 4.7GW)

448
Infrastructure assets
(FY24: 438)

185+
Investment, commercial and technical professionals
(FY24: 180+)

1. As defined by the London Stock Exchange Green Economy Mark.
2. Alternative performance measures ("APMs") have been included to better reflect the Group's underlying activities. Whilst appreciating that APMs are not considered to be a substitute for, or superior to, IFRS measures, the Group believes their selected use may provide Stakeholders with additional information which will assist in their understanding of the business. In particular, the Group believes core EBITDA pre-SBP reflects the trading performance of the underlying business without distortion from the uncontrollable nature of the share-based payments charge. Recurring revenues % is recurring revenue divided by total revenue.

Infrastructure

Operational overview

Foresight's Infrastructure division is one of Europe's and Australia's most established real assets investors. We invest across 37 different technologies, focusing on the energy transition, natural capital and core infrastructure. These investment themes include sectors such as renewable generation, grid infrastructure, energy storage, social, transport and digital infrastructure.

Value proposition

- **Comprehensive investment solutions:** Offering end-to-end infrastructure investment solutions for retail and institutional investors
- **Expertise:** Leveraging a team of more than 185 professionals with extensive experience in the energy and infrastructure sectors, led by Partners with a collective industry experience of 185 years
- **Sustainability:** Prioritising investments that benefit economies, societies and the environment

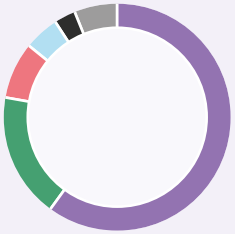
Key activities

- **Product development:** Creating bespoke investment products tailored to meet investors' needs
- **Investment origination and execution:** Investment origination and execution, including sourcing and structuring transactions
- **Asset management:** Active management of assets, including operational performance, asset optimisation, often through sustainability initiatives, commercial management and useful life enhancements

Competitive advantage

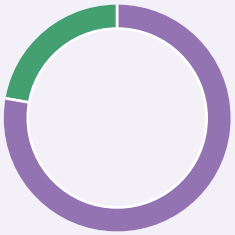
- **Focus on energy transition and natural capital:** Robust business model with long-term market opportunities supported by global decarbonisation agendas
- **Diversified portfolio:** Portfolio diversified across various stages of asset life (development, construction, operational), geography and technology type
- **International networks:** Established UK and international networks to access the best available markets and opportunities

Infrastructure AUM by theme



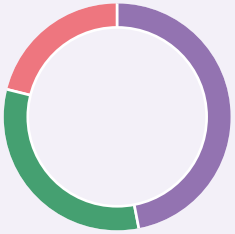
- Energy transition | 60%
- Transport | 18%
- Social | 8%
- Sustainable land and food | 5%
- Digital | 3%
- Uninvested | 6%

Infrastructure AUM by client type



- Institutional | 78%
- Retail | 22%

Infrastructure AUM by geography



- UK (300 assets) | 47%
- Australia (45 assets) | 32%
- Europe (103 assets) | 21%

Infrastructure

FY25 overview

Fundraising

We continue to explore new opportunities in the market and look to develop additional products that support decarbonisation agendas.

- A growing investor and investment pipeline for Foresight Energy Infrastructure Partners II SCSp ("FEIP II") is supporting the Fund's progress towards achieving at least the €1.25 billion final target, with €485 million commitments approved to date. The investment strategy of FEIP II is focused on long-term value creation by investing in strategic energy assets that facilitate the energy transition.
- Foresight Natural Capital I ("FNC I") raised additional capital from two UK local government pension schemes which doubled their existing positions. The new investment will be used to expand the investment pipeline and provides a strong platform ahead of the launch of Foresight Natural Capital II ("FNC II").
- Australian Renewables Income Fund ("ARIF") has seen continued support for Australia's push towards decarbonisation. Achieving Australia's energy transition goals will require significant institutional investment, presenting substantial opportunities for ARIF, which remains open to capital commitments. ARIF is planning to deploy existing capital commitments into M&A and internal development opportunities over FY26.
- Foresight Inheritance Tax Fund achieved a second consecutive year of record inflows, with £408 million allocated to infrastructure investment strategies.

Performance and capital deployment

Our divisional AUM increased by 4.1% to £10.2 billion (FY24: £9.8 billion) in the period, largely supported by a strong performance in our retail fundraising.

	FY25	FY24
Transactions completed	11	29
Value (£m)	164	359
New future deployment rights (£m)[1]	349	1,141
Total (£m)	513	1,500

1. New future deployment rights associated with transactions completed during the year.

At the year end, the division held a strong pipeline of total future deployment rights in international infrastructure of over £4 billion, across sectors including renewable generation, storage and natural capital.

Operational highlights

- FEIP I made a 267MW solar portfolio investment in Greece's renewable energy sector through a joint venture with Mirova – a global asset manager. The solar portfolio will be the largest in Greece and will power over 100,000 homes with clean energy.
- Significant construction projects have reached key milestones, with first power being achieved at Kölvallen, a 277MW Swedish wind farm, and the 85 Degrees geothermal project in the Netherlands completing drilling of four wells.
- MaresConnect, a UK-Ireland Interconnector in the FEIP I portfolio, was granted an in-principle cap-and-floor approval for its 750MW subsea link by UK's Ofgem. This is a significant development milestone which materially derisks the investment, which has now entered phase 2 of development.
- FNC I's planting programme progressed well over the year, bringing the total number of trees planted since the strategy's inception to 5.9 million.
- In Australia, development activity continues at the Kondinin Wind Farm, Hume BESS and Willo 2 Wind Farm. The Neerabup BESS is ARIF's newest priority development located next to the Neerabup Power Station located 30km north of Perth, Western Australia. The BESS development is being jointly developed by Shell and Foresight, comprising Stage 1 (120MW/480MWh) and Stage 2 (180MW/720MWh), on existing landholdings with the conveniently established 330kV grid network infrastructure.

Divestments

We pursue strategic opportunities to divest assets, where it fits with a fund or strategy's capital allocation policy.

- Foresight Environmental Infrastructure Limited (formerly JLEN Environmental Assets Group) sold 51% of a portfolio of anaerobic digestion assets for a consideration of £68.1 million – in line with its valuation. This allowed the Fund to recycle capital within the portfolio while allowing it to continue to benefit from the future growth and income generated by the anaerobic digestion portfolio.
- A further four divestments were completed during the year, achieving an expected capital return of c.£36 million.

Infrastructure

Case Study: Greek Solar Project

In July 2024 FEIP I acquired a 50% stake in a major Greek solar project. This project is a ready-to-build PV portfolio located in Central Greece and includes six PV projects with a total capacity of 267MW.

Since the closing, EPC works have been progressing. Panels and trackers have been delivered, and excavation has begun at Platanakos and Apostolara. Foresight Asset Management Limited have been contracted to provide asset management services through the construction and operation of the portfolio.

Project debt financing

A substantial debt facility commitment has been secured from local banks to finance the construction of the project. Part of the facility will fall under the National Recovery and Resilience Plan "Greece 2.0", aligning with the Green Transition pillar of the Recovery and Resilience Fund which has a favourable long-term interest rate.

Securing the debt financing demonstrates Foresight's project financing capability in Greece and aligns with the Greek government's climate and impact goals.

End-to-end investment lifecycle

This project demonstrates the full breadth of Foresight's infrastructure expertise and offering from raising the requisite capital through the investment process and into the construction and management of the asset.

Investment opportunity sourced	Foresight's extensive international network and pipeline of opportunities
Co-investment secured and opportunity acquired	Foresight's investment team secured significant co-investment following a market run process
Construction and ongoing management of investment	Foresight Asset Management (Greek division) supported by Foresight's portfolio team, managing development and current construction activities
Debt financing secured	Foresight's investment team raised project financing from local banks to support the construction

Key insights

Solar PV

35 years
Operational life
(Finish construction 2027)

267MW
Capacity

65%
Revenue for levered returns
Target 10% (with PPA)

Private Equity

FY25 highlights

- Performance underpinned fundraising, with two new evergreen institutional funds closed
- 10% growth in FUM
- One new office opened, with one opened post period end
- 14 awards won

We aim to be the capital provider of choice for smaller companies in the UK, Ireland and beyond. We provide Growth Private Equity, Venture Capital and Private Credit across a broad range of sectors and development stages, partnering with promising companies to help them achieve their ambitions and create long-term sustainable growth.

£1.8bn
Assets Under Management[1]
(FY24: £1.6bn)

£50.5m
Revenue
(FY24: £47.3m)

£22.3m
Core EBITDA pre-SBP[1]
(FY24: £22.6m)

250+
Portfolio companies
(FY24: 250+)

25
Different investment vehicles
(FY24: 23)

55+
Investment professionals
(FY24: 50+)

1. Alternative performance measures ("APMs") have been included to better reflect the Group's underlying activities. Whilst appreciating that APMs are not considered to be a substitute for, or superior to, IFRS measures, the Group believes their selected use may provide Stakeholders with additional information which will assist in their understanding of the business. In particular, the Group believes core EBITDA pre-SBP reflects the trading performance of the underlying business without distortion from the uncontrollable nature of the share-based payments charge. Recurring revenues % is recurring revenue divided by total revenue.

Private Equity

Operational overview

Foresight's Private Equity division operates strategies across Growth Private Equity, Venture Capital and Private Credit.

Our division is one of the most active UK and Ireland regional SME investors, supporting companies to scale up, expand operations and grow through the cycle. We partner with promising SMEs across all sectors and deal stages, typically targeting businesses with an annual turnover of up to £20 million. Each year we review over 3,000 business plans and are currently supporting more than 250 businesses.

We offer a variety of fund structures to facilitate investment by both institutional and retail investors. By undertaking multiple fundraising initiatives each year, we avoid risks associated with binary fundraising, enabling us to deliver incremental and consistent inflows into our retail funds and capitalise on the fundraising opportunities available to us across our institutional funds.

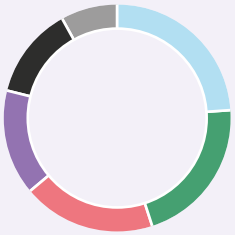
Deployment across Growth Private Equity, Venture Capital and Private Credit investments is driven by the team's experience and differentiated and growing local network of advisers across the UK and Ireland. The team includes over 55 investment professionals across a total of 12 offices in the UK and Ireland, following the opening of the Bristol office post period end. This is alongside international networks. In addition, we provide Private Credit to alternative secured lending companies, which principally service the UK SME market.

Existing Foresight offices

Divisional AUM split

- Growth Private Equity | £1.1bn
- Venture Capital | £0.4bn
- Private Credit | £0.3bn

Portfolio split by carrying value



- Technology | 24%
- Business services | 21%
- Private credit | 19%
- Healthcare | 15%
- Industrial and manufacturing | 13%
- Consumer | 8%

Private Equity

FY25 overview

- We have successfully completed a £100[1] million final close of the Foresight South West Fund, opening an office in Bristol, with an office in Exeter to be opened post period end. This further enhances our UK regional footprint.
  - The Fund was initially launched with a cornerstone £40 million investment from Devon Pension Fund and has subsequently secured a further £40 million investment from Avon Pension Fund.
- Foresight was appointed to manage the £20 million South Yorkshire Growth Equity Fund on behalf of South Yorkshire Pension Fund.
- Over the course of FY25, we have made a total of 22 exits across the division, including:
  - **Kingsbridge:** This exit of the largest private hospital group in Northern Ireland followed a period of strong sustainable growth since Foresight's initial investment in 2019. Kingsbridge now has over 1,000 staff across its four hospitals and 11 sites. The exit delivered exceptional returns to investors
  - **HSL:** Between 2015 and 2023, Foresight invested a total of £9.4 million in HSL. Over this period, HSL delivered a seven-fold increase in revenues to almost £60 million and scaled operations, with employee numbers rising from approximately 30 to 175. Foresight's investment in HSL delivered returns ranging between 2.5x to 8.5x across Foresight's four invested funds
  - **ABL Health:** Foresight invested in ABL in 2018 to enable the management team to accelerate its growth by expanding its regional coverage and range of wellbeing services. During Foresight's investment, sales and EBITDA increased by c.150%. This exit generated a 4.1x cash-on-cash return for investors in Foresight's first fund dedicated to the North West
- 3.4x average exit multiple track record across growth and buyout investments.[2]
- Majority of funds are tracking to deployment targets.
- Our division's strong performance continues to be recognised by the market, with 14 awards won over the course of FY25.

Funds raised

£167m[3]
Growth Private Equity
(FY24: £145m[3])

£13m
Venture Capital
(FY24: £66m)[4]

£102m
Private Credit
(FY24: £72m)

Division investment vehicles

15
Growth Private Equity Funds
(FY24: 14 funds)

8
Venture Capital Funds
(FY24: 7 funds)

2
Private Credit Funds
(FY24: 2 funds)

Capital deployed

£115m
Growth Private Equity
(FY24: £102m)

£27m
Venture Capital
(FY24: £24m)

£113m
Private Credit
(FY24: £118m)

Mergermarket BRITISH PRIVATE EQUITY AWARDS 2024 Winner

GROWTH INVESTOR 2024 AWARDS WINNER ESG CHAMPION OF THE YEAR

eisa enterprise investment scheme association EISA AWARDS 2024 WINNER EISA IMPACT AWARD

1. Including funds already under Foresight management.
2. Growth and buyout private equity track record since 2010, excluding assets from distressed fund mandates awarded post investment.
3. Excluding funds already under Foresight management
4. Includes the launch of IFW Foresight Equity Finance Fund after Foresight was chosen to manage a £50 million equity finance fund for the Investment Fund for Wales.

Private Equity

Case Study: Hospital Services Limited ("HSL")

Founded as a family business in 1962, HSL is a specialist distributor of diagnostic medical devices, surgical equipment and consumable products. HSL is headquartered in Belfast and has offices across Dublin, Meath and Derby. The business [illegible] and private hospitals across Northern Ireland, [illegible]blic of Ireland and Great Britain, with over 500 [illegible] facilities supported in 2024.

[illegible]rney with Foresight began in 2015 with an initial [illegible]ion investment. A further £4.9 million was invested [illegible] the years 2021 and 2023 by Foresight's Northern [illegible]Fund and the AIB Foresight SME Impact Fund.

[illegible]esight's investment period HSL has delivered a [illegible]ease in revenues to almost £60 million, of [illegible]imately 75% are generated in Ireland, and [illegible] with employee numbers rising from [illegible] 175.

[illegible]ds seen strong organic growth and has made eight strategic bolt-on acquisitions, most notably in Ireland. MDI Medical was acquired in 2021, transforming HSL into a market-leader in the healthcare distribution sector in Ireland and the UK. Fleetwood Healthcare was then acquired in 2023 with the support of the AIB Foresight SME Impact Fund.

The senior management team was also significantly bolstered over the years. HSL has made significant strides in improving governance and sustainability, reflecting Foresight's commitment to supporting sustainable growth. With the appointment of Christopher Langley as non-executive Chair in 2015, who brought significant healthcare and listed company experience, HSL improved its commercial focus and implemented new clinical governance and health and safety processes. Following the 2023 investment by the AIB Foresight SME Impact Fund, HSL conducted its first carbon emissions audit to identify the main drivers of emissions and establish an emissions reduction plan.

Foresight's investment in HSL delivered returns ranging between 2.5x to 8.5x across Foresight's four invested funds, depending on the respective entry date, and is an excellent example of our unique commitment to investing in, building and growing companies across Great Britain, Northern Ireland and the Republic of Ireland.

Key insights

Medical equipment distribution and servicing

Belfast
Offices in Dublin, Meath & Derby

x7
Increase in revenue over investment period

175
Employees up from 30 on initial investment

Foresight Capital Management

FY25 highlights

- Completed the acquisition of the trade and assets of WHEB Asset Management, with integration underway
- Appointed sub-investment manager and sub-distributor for the Liontrust Diversified Real Assets Fund
- Existing funds adopted the "Sustainability Focus" label

We leverage Foresight's more than 40 year heritage to provide access to real assets and sustainable investment opportunities in listed markets.

£1.2bn
Assets Under Management[1]
(FY24: £0.7bn)

£7.6m
Revenue
(FY24: £9.8m)

£0.5m
Core EBITDA pre-SBP[1]
(FY24: £1.6m)

7
Differentiated investment strategies
(FY24: 4)

31
Professionals
(FY24: 12)

1. Alternative performance measures ("APMs") have been included to better reflect the Group's underlying activities. Whilst appreciating that APMs are not considered to be a substitute for, or superior to, IFRS measures, the Group believes their selected use may provide Stakeholders with additional information which will assist in their understanding of the business. In particular, the Group believes core EBITDA pre-SBP reflects the trading performance of the underlying business without distortion from the uncontrollable nature of the share-based payments charge. Recurring revenues % is recurring revenue divided by total revenue.

Foresight Capital Management

Operational overview

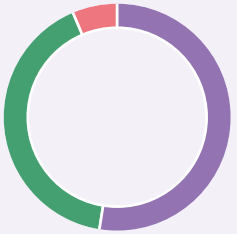
FCM is the public markets division of the Group, with Assets Under Management of £1.2 billion. The division offers seven investment strategies across sustainable equity, real assets and multi-asset strategies, which investors can access through open-ended funds domiciled in the UK, US, Ireland, Luxembourg and Australia. Following the acquisition of the trade and assets of WHEB Asset Management and the Liontrust Diversified Real Assets Fund during the year, the team's product offering has expanded into sustainability impact and multi-asset strategies. At year end, 94% of the funds managed are in sustainable or impact equity strategies.

Our teams of specialist listed securities professionals follow a sustainable, active and bottom-up investment process. Our investment approach is to target listed companies at the leading edge of global sustainable development that offer potential for value accretion.

We seek to invest in businesses that are at the forefront of driving change and making a tangible difference. To achieve this, we follow a rigorous process to ensure that we continue to identify those companies in growth markets that can also offer ongoing resilience, especially during periods of macroeconomic uncertainty.

FCM's strategy is founded on diversifying its business and capabilities to more effectively meet investor demand, enhance long-term financial resilience and advance its commitment to sustainable and impact investing. In parallel, FCM is continuously optimising its operational workflows to position itself as a highly scalable division within the Group.

AUM by investment strategy as at period end



- Equity | £0.6bn
- Listed Real Assets | £0.5bn
- Multi-Asset | £0.1bn

Foresight Capital Management

FY25 overview

- During the year FCM continued to execute its strategy with operational and financial discipline. We remained focused on delivering investment outperformance for investors against a backdrop of market volatility, higher interest rates and geopolitical risk.
- We are making progress in diversifying our business and expanding the product offering for our investors, through active strategic initiatives. Specifically, in the financial year we announced and completed the acquisition of the trade and assets of WHEB Asset Management. Please see page 23 for detail.
- We were appointed sub-investment manager and sub-distributor for the Liontrust Diversified Real Assets Fund, with the Fund due to transfer to Foresight in the coming year. The fund manager has also joined Foresight, bringing 18 years of investment management experience and multi-asset capabilities to the division. The Fund is expected to benefit from Foresight's distribution and investment capabilities over time and the additive capabilities expand FCM's scope for product development.
- FCM's existing funds successfully adopted the "Sustainability Focus" label under the voluntary FCA Sustainability Disclosure Requirement ("SDR") labelling regime in the UK. Separately, prior to acquisition, the WHEB funds were among the first to receive approval from the FCA to adopt the "Sustainability Impact" label, reflecting their leadership in the sustainable investment market.

Performance

Against a volatile market backdrop and significant headwinds, net outflows across new and existing FCM strategies totalled £(246) million, including gross inflows of £122 million and broadly flat NAV performance. However, divisional AUM increased to £1.2 billion (FY24: £0.7 billion) following the execution of proactive strategic activity which added £744 million and provides product diversity, investment expertise and scale.

Strategy	Inception date	12 month TSR[3]	TSR since inception[3]
FP Foresight UK Infrastructure Income Fund	4 December 2017	1.00%	12.67%
FP Foresight Global Real Infrastructure Fund[1]	3 June 2019	4.57%	16.13%
FP Foresight Sustainable Real Estate Securities Fund	15 June 2020	(2.04)%	(7.07)%
FP Foresight Sustainable Future Themes Fund	28 March 2022	(10.09)%	(7.89)%
FP WHEB Sustainability Impact Fund[1]	30 April 2012[2]	(15.23)%	157.49%
FP WHEB Environmental Impact Fund	8 December 2021	(11.71)%	(25.98)%
Liontrust Diversified Real Assets Fund	5 August 2014	2.95%	20.47%

1. Return figures relate to UK domiciled vehicles in GBP.
2. The FP WHEB Sustainability Impact Fund was originally launched on 8 June 2009. Effective re-launch as at 30 April 2012 after the portfolio was transitioned to a new investment process by a new investment team.
3. Total shareholder return.

Foresight Capital Management

Case Study: Strategic Acquisition of WHEB Asset Management

Strengthening Foresight's leadership in sustainable and impact investing

In March 2025, Foresight completed the strategic acquisition of the trade and assets of WHEB Asset Management LLP, a pioneer in listed equities impact investing. This acquisition marks a significant step forward in the Group's strategy to broaden its sustainable investment capabilities and strengthen its presence in public markets, complementing its market-leading position in private market real assets.

Over nearly two decades, WHEB has built a respected franchise around a high-conviction global equity impact strategy, driven by its mission to advance sustainability and create prosperity through positive impact investments. The investment team focuses on identifying companies that are providing scalable solutions to critical environmental and social challenges, while also delivering attractive, long-term financial returns. The investment team look for businesses that have superior growth prospects and are well positioned to benefit from the transition to a zero-carbon and more sustainable economy.

WHEB's investment philosophy is structured around five environmental themes: cleaner energy, environmental services, resource efficiency, sustainable transport and water management, and four social themes: education, health, safety and wellbeing.

The team integrates rigorous thematic research with bottom-up financial analysis, embedding sustainability considerations throughout the entire investment process. This dual lens is a key differentiator and ensures that positive impact lies at the core of each investment thesis.

As both active and impact investors, the team engages with portfolio companies and the broader financial system to promote and improve standards in sustainable investing. Their global equity mid-cap strategy, first launched in 2005, reflects a long-standing conviction that impact is a structural driver of sustainable growth. By focusing exclusively on companies that provide solutions to critical environmental and social challenges, WHEB identifies businesses with strong growth prospects that are well positioned to benefit from the global transition to a zero-carbon and more sustainable economy.

The strategy is accessible through a range of fund vehicles across the UK, Europe and Australia, as well as via separately managed accounts for institutional investors. In 2021, WHEB launched a variant of its core strategy, the WHEB Environmental Impact Fund, which focuses exclusively on environmental themes.

In 2024, its FP WHEB Sustainability Impact Fund became the first listed equity fund to receive the Sustainability Impact label under the FCA's new SDR labelling regime, underscoring the strategy's credibility and alignment with regulatory best practices. The team has won multiple awards for impact reporting and wider communications. Their proprietary "impact calculator", which enables clients to calculate the positive impact associated with their specific level of investment, was launched in 2016 and has been replicated across the industry. Similarly, WHEB were the first listed equity fund to publish an Impact Report, something that is now standard practice across the industry.

The acquisition of WHEB reflects a deep strategic alignment around purpose-driven investing. By integrating WHEB's proven capabilities in listed equities with Foresight's strengths in public and private markets, we are uniquely positioned to offer a comprehensive, multi-asset sustainable investment proposition. This milestone reinforces our commitment to delivering measurable impact alongside financial performance, creating long-term value for clients, society and the environment.

Key insights

Sustainable investments

Global
UK, Europe and Australia

4
Social themes: educational, health, safety and wellbeing

5
Environmental themes: cleaner energy, environmental services, resource efficiency, water management, sustainable transport

Members of the Foresight team

Performance and risk

Growing *attractive,* risk-adjusted returns.

25 Financial review
36 Risks
47 Viability statement
48 Stakeholders
54 Section 172(1) statement

Members of the Foresight team

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

Gary Fraser
Chief Financial Officer

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

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

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

Introduction

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

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

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

Financial review

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

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

Gross inflows of £1.3 billion include the following:

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

Gross outflows of £0.5 billion arose from the following:

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

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

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

Financial review

Financial performance

Alternative performance measures ("APMs")

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

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

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

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

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

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

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

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

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

Financial review

Financial performance

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

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

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

Financial review

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

Revenue

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

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

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

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

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

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

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

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

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

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

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

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

Financial review

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

Cost of sales

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

Administrative expenses

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

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

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

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

Financial review

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

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

Non-core administrative expenses include the following:

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

Other non-operating gains and losses

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

Adjusted profit

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

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

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

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

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

Taxation

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

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

Financial review

Financial position

Summary statement of financial position

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

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

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

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

Financial review

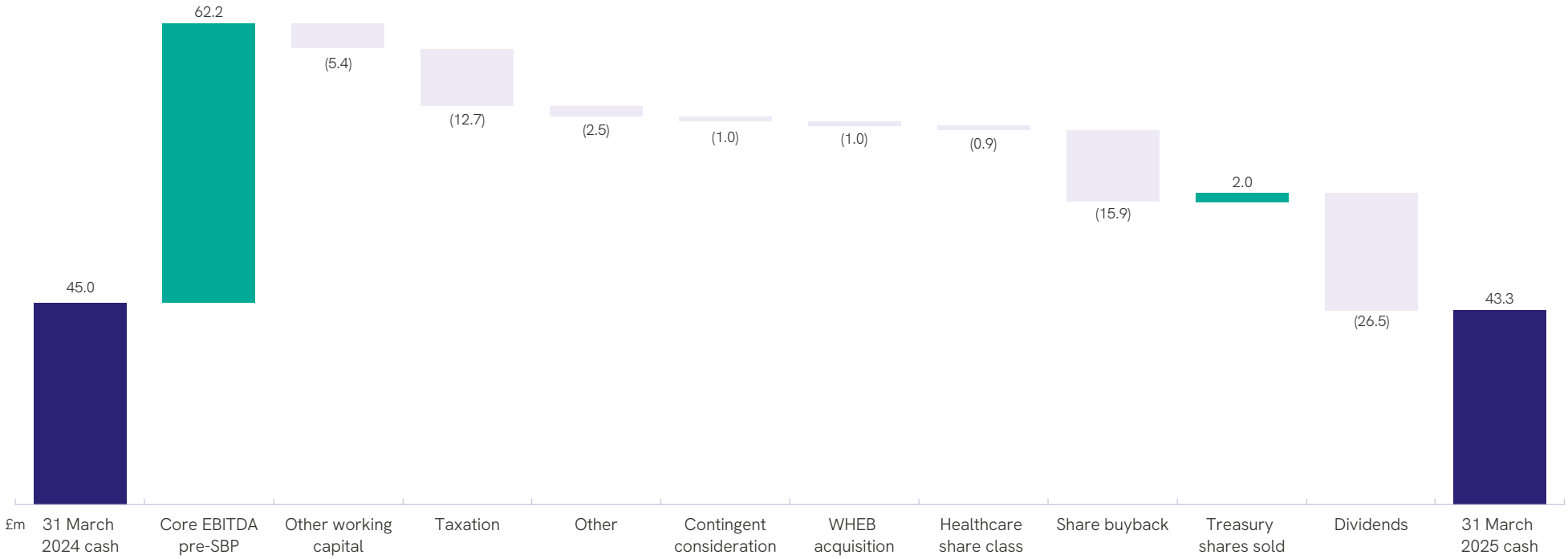
Financial position | Summary statement of financial position

Cash and cash equivalents

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

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

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



Financial review

Financial position

Acquisition of Infrastructure Capital

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

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

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

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

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

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

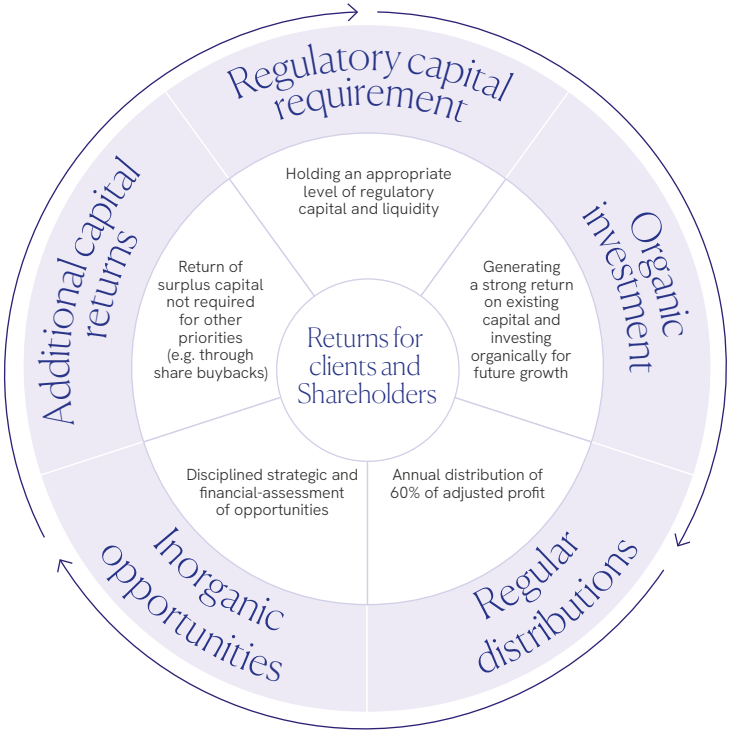
The overall impact of the adjustments described above in the statement of comprehensive income are as follows:

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

Financial review

Capital allocation priorities

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



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

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

Dividend

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

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

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

Going concern

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

Outlook

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

Gary Fraser
Chief Financial Officer

25 June 2025

Risks

Risk strategy

An effective risk management strategy is essential for the Group to achieve its objectives. Foresight's Risk leadership team are responsible for the risk culture across the Group and the effective implementation of our risk management frameworks.

Foresight receives the majority of its revenue from management fees for the investment products and services it provides. The risk management function supports the integrity and effectiveness of those products and services to provide a stable platform for further growth in the businesses and the returns for our Shareholders. Foresight's revenues and shareholder value are principally driven by the opportunities afforded from infrastructure and renewable energy asset investment management and investment in non-listed companies.

Foresight's risk strategy is implemented by the Chief Risk Officer, the regional Heads of Risk Management and the risk sponsors for departments where specialists with experience in particular risks reside, such as Information Security, Financial Crime, Conduct and Sustainability.

Risk highlights – Geopolitical risks, business continuity and disaster recovery

We monitor our exposure to geopolitical risks and perform scenario analyses to work through potential consequences.

Geopolitical tension can create problems for our supply chains. Some of the regions have historically been active in the market for venture technologies, some ongoing conflicts have corollary if not direct effects on our businesses. The actual and potential conflict zones for 2025-26 (Israel, China/Taiwan and Russia/Ukraine) will likely see increases in sanctions activities which would precipitate changes to operational workflows.

Tariffs on Chinese "green technology" imports by the United States may precipitate a shift in the global supply chain and put pressure on industries based in Europe.

Risk governance

Risk management governance starts with the Board of Foresight Group Holdings Limited ("Foresight", "Group") which both directly and through its Audit & Risk Committee ("ARC"), and the Executive Committee ("Exco"), oversees our approach to managing our risks through our Enterprise Risk Management framework. Exco is responsible for the annual review and approval of our risk appetite statement. The risk appetite statement describes the levels and types of risk we are willing to accept in order to achieve the objectives included in our strategy and business plan, while remaining in compliance with regulatory requirements.

Foresight accepts a certain amount of risk inherent in the activities and these include liquidity, market, credit, operational, cybersecurity, legal, compliance, conduct, regulatory and reputational risks.

As a provider of regulated services, Foresight is required to document its risk appetite in relation to its entities within the Group. These considerations are set out in the risk appetite statement and such decisions are made at Board and Exco level. Foresight's risk appetite statement sets out the level and types of risk that it is willing to assume to achieve its strategic objectives and business plan.

Member of the Foresight team

Risks

Risk governance

Risk is aggregated across businesses, themes and functions as directed by the Executive Committee, to provide risk reporting for the Group and the qualitative and quantitative bases for determining the risk appetite for the firm. Exco is responsible for endorsing the policies and procedures within the Group framework and motivating the business to take calculated risks.

Risk mitigation and risk transfer are risk management activities performed by the second line and first lines of defence. Responsibilities are set out in the Group's three lines of defence ("3LOD") policy. The Board has authorised Exco to manage the day-to-day operation of the Group, which includes the performance of the risk management function. Exco has formal oversight of all matters in relation to the operations of the business, governance and risk.

The Risk function maintains the risk policies and risk procedures with clearly defined roles and responsibilities across the Group monitored through the Audit & Risk Committee, as well as the Risk Committee ("RC"). The RC is chaired by the Head of Risk, Jonathan Parsons, who is responsible for the risk management function, including updating the Executive Committee and Members' Board on risk-related matters of the business. The RC is guided by its own terms of reference and makes recommendations to the Executive Committee and Members' Board on any actions it considers are needed.

The Board believes the Group has an effective framework to identify, manage, monitor and report the risks the firm is or might be exposed to, or pose or might pose to others, and operates adequate internal control mechanisms, including sound administration and accounting procedures.

Risk culture

By fostering a strong risk culture, Foresight's businesses can seize opportunities, mitigate threats and create a sustainable path for long-term success.

We continue to enhance our Risk and Control Self-Assessment ("RCSA") activities as part of our process of supporting the Group's risk culture. The RCSA process is a core part of our risk management framework and helps us manage risk across the Group. The Risk team meets with the heads and risk owners of the businesses and core functions on a monthly basis to assess emerging and evolving risks. These meetings also provide exposure and training on our Enterprise Risk Management platform as we continue our migration from our former RCSA processes towards more regular assessments as part of day-to-day business activities.

RCSAs are used to identify inherent risks arising from activities conducted by businesses and functions across the Group. We record and assess the controls in place to mitigate risks as well as the risks themselves, which enables us to maintain ongoing oversight of the overall risk profile of the Group.

Risk management framework

Foresight has established an Enterprise Risk Management ("ERM") framework to support a comprehensive, integrated approach to risk management across the Group. The ERM framework enables the risk management processes through which we identify, assess, monitor and manage the risks we assume in conducting our activities.

The Risk function is responsible for ensuring that Foresight's ERM framework provides the Board, our executive committees and our risk committees with a consistent and integrated approach to managing risks according to the risk appetite.

The Group operates a three lines of defence ("3LOD") model with risk management oversight owned by and managed within the second line of defence ("2LOD"). The Audit & Risk Committee of the Group receives quarterly reports on the risk profile of the UK, Luxembourg and Australian entities from the Head of Risk for Foresight Group LLP.

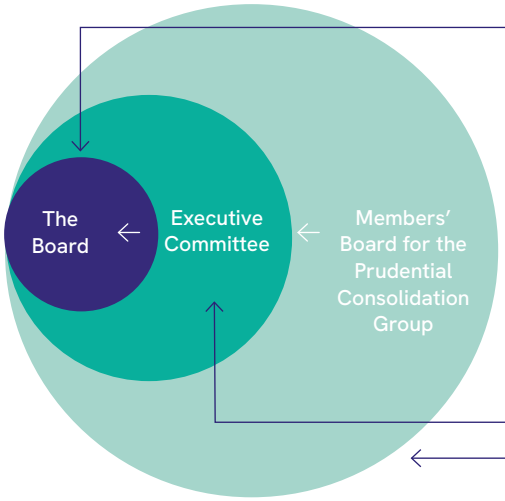
Our first line of defence consists of our revenue-producing units, our Technology & Data team, Group Finance and certain other corporate functions. The first line of defence is responsible for its risk-generating activities, as well as for the design and execution of controls to mitigate their risks.

The second line of defence consists of our Risk and Compliance functions. These provide independent assessment, oversight and challenge of the risks taken by our first line of defence, the effectiveness of the control environment as well as leading and participation in the Risk Committee.

Our third line of defence is performed externally. Further to guidance from the Board, an Internal Audit strategy was set out in FY25. Internal Audit will be responsible for independently assessing and validating the effectiveness of key controls, including those within the risk management framework. Internal Audit will provide timely reporting to the Audit & Risk Committee of the Board and Senior Management and will support the activities for the implementation of Provision 29 of the 2024 revision to the UK Corporate Governance Code, relating to the effectiveness of internal controls.

The 3LOD model promotes the accountability of first line risk takers, provides a framework for effective challenge by the second line of defence and empowers independent review from the third line.

Risks



- Accountable for the overall adequacy and effectiveness of the Group-wide risk framework and the Group's risk culture
- Delegates responsibility for risk management to the Executive Committee

- Responsible for the overall adequacy and effectiveness of the Group-wide risk framework
- Approves risk policies and procedures, risk roles and responsibilities
- Sets "tone from the top" and establishes tangible risk appetite and strategy
- Monitors risk reporting and ensures actions are taken to mitigate risk

- Responsible for the overall adequacy and effectiveness of the Firm-wide risk framework
- Approves Firm risk policies and procedures, risk roles and responsibilities
- Stewardship of "tone from the top"
- Monitors risk reporting and ensures actions are taken to mitigate risk

- Verification of the adequacy of the Group's Risk framework
- Non-executive challenge of the overall adequacy and effectiveness of actions taken by the Risk Committee

Third line of defence

- Primary responsibility for ensuring adequate control environment and adherence to risk policies and procedures
- Primary responsibility for managing investment risk in accordance with fund mandates
- Input into risk identification and scoring managed by Risk function
- Notification and escalation of losses and incidents
- Provision of data for risk reporting

First line of defence

- Periodic reviews of integrity and adequacy of risk reporting
- Independent review of adherence to risk policies/procedures
- Recommendations and verification of implementation for detailed process and control improvements
- Tracking and reporting of incidents, losses and breaches

- Day-to-day responsibility for implementation of risk framework
- Risk identification, scoring and prioritisation with input from first line of defence
- Preparation of risk reporting
- Implements and monitors risk policies and procedures
- Advises on risk impact of regulatory issues/other external changes
- Loss/incident analysis
- Monitoring of investment limits

Second line of defence

Risks

Risk appetite

As a provider of regulated services, Foresight is required to document its risk appetite in relation to its entities within the Group. Foresight's risk appetite statement sets out the level and types of risk that it is willing to assume to achieve its strategic objectives and business plan.

The risk appetite statement is an articulation of the aggregate level and types of risk that the Group is willing to accept, or avoid, in order to achieve the business objectives of the Group. It includes qualitative statements, quantitative measures expressed in relation to earnings, capital, concentration, liquidity, risk measures and other relevant measures (individual business or functional area appetite statements) as appropriate.

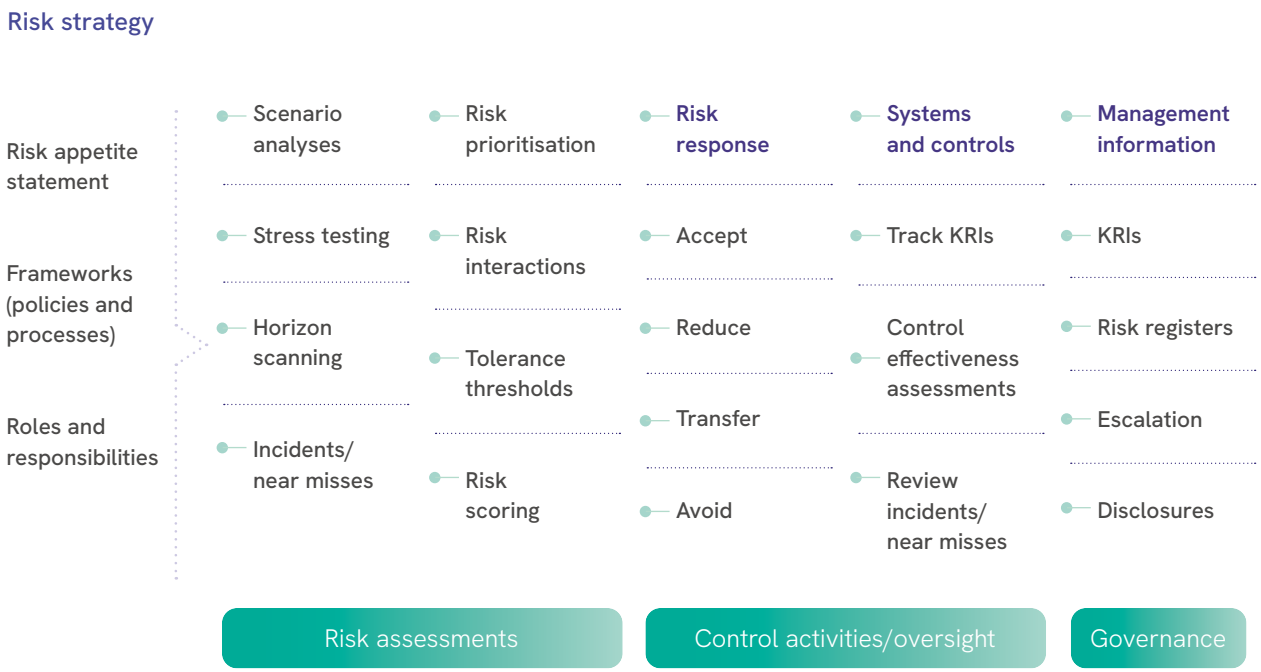
The Group uses staggered risk limits (early warning indicators ("EWIs") and hard limits) as appropriate for each risk metric to monitor compliance with the approved risk appetite covering business and strategic risk, market risk, credit risk, operational risk, legal and regulatory risk, financial crime risk, conduct risk and information security risk.

Risk position versus risk appetite is reviewed annually, with any changes to key metrics reviewed, challenged and adopted by the Board, if appropriate, through the risk appetite framework.

Risk management process

To assist the businesses and departments identify, understand and manage our risks, Foresight promotes a process to identify, measure, manage, monitor and report that is based on the process set out in the ISO 31000 standard and supported by our ERM platform.

Key components of Foresight Group LLP's Enterprise Risk Management process



Risks

Cyber risk – Information security and technology infrastructure

Cyber risk represents a significant risk across the Group since, apart from direct exposure, there are risks to many of the underlying infrastructure portfolio assets themselves. The risks of facility failure arising from attacks by hostile state or state-adjacent groups on renewable energy facilities has increased and precipitated a review of our risk assessment and control effectiveness.

The Group Technology and Data team leverages a wide array of leading technology solutions and industry best practice to maintain a secure perimeter and detect and respond to threats in real time. Additionally, Senior Management (including the Executive Committee) are actively engaged and regularly updated on the extent of the threat, the mitigations in place to counter this threat, and the business continuity and response plans in place to manage cyber incidents. The Information Technology Steering Committee and the Risk Committee provide oversight of the management of cyber risk. Cyber risk is a standing agenda item of the Risk Committee. Our Technology and Data team tests our cyber defences regularly through simulated cyber-attacks (penetration testing). These exercises feed into a significant programme of work to continue to enhance the integrity and security of our digital estate. The Board is focused on the evolution of our cyber capabilities as part of our operational resilience and updates on the emerging and evolving cyber threat landscape are provided.

With respect to the operational resilience of our service providers, we are also focused on the risk that hackers might find a way into the Group's systems through a compromised third party. We include a detailed IT security assessment as part of our due diligence process on such providers and the outcome of this assessment feeds into the third-party risk assessment and is a significant factor in the decision to proceed with or retain the business relationship.

Cyber and information security remains a key risk due to the prevalence and increased sophistication of cyber-attacks. The emergence of simple Artificial Intelligence ("AI") tools has had a significant impact on the quality of phishing emails and therefore phishing attacks are becoming harder to recognise. Foresight continues to monitor these threats regularly alongside employee engagement with cybersecurity training. The cybersecurity training covers the latest phishing techniques to ensure our staff stay abreast of the latest attack techniques. Regular test emails have proved beneficial and enable Foresight to understand what areas required additional training across the business.

Cybersecurity risk management process

Our cybersecurity risk management processes are integrated into our overall risk management processes. Foresight has an Information Security Officer and a framework to identify, assess, document and mitigate threats as well as prevent, detect and respond to security incidents. The Risk team, which reports to the Chief Risk Officer, provides oversight and challenge of the Cybersecurity Programme and assesses the operating effectiveness of the programme against risk appetite-approved operational risk limits and thresholds.

Our process for managing cybersecurity risk includes the critical components of our Enterprise Risk Management framework as well as a comprehensive training and education programme, to prepare our staff to recognise information and cybersecurity threats and respond accordingly. A number of important controls and activities support the framework, including robust identity and access management, real-time monitoring of our network for known vulnerabilities and signs of unauthorised attempts to access our data and systems, as well as vendor management within our third-party risk management which includes cybersecurity and business resiliency assessments on vendors.

In conjunction with third-party service providers, we perform risk assessments to gauge the integrity of our security arrangements, to estimate our risk profile and to assess compliance with relevant regulatory requirements.

Foresight performs periodic control effectiveness assessments through our internal risk and control self-assessment process, as well as a variety of external technical assessments, including external penetration tests and "red team" engagements where third parties test our defences. The results of these risk assessments, together with control performance findings, are used to establish priorities, allocate resources, and identify and improve controls. We use third parties, such as outside forensics firms, to augment our cyber incident response capabilities.

During 2025, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations or financial condition.

Our Information Security Officer and all Senior Management within the Technology and Data team have relevant expertise in the areas of information security and cybersecurity risk management.

Risks

Sustainability risk management

The success of our business depends on our ability to generate attractive risk-adjusted returns for our investors while meeting our sustainability objectives.

A more detailed description of our climate risk assessment is included in the TCFD Report. Sustainability and operational resilience are synonymous. If our business activities are not sustainable, they will not be resilient, and this is as true of the impact of our social and governance activities as much as it is of our environmental or climate-related impact.

The Group Risk function ensures that there is a robust framework in place to identify and manage sustainability risks and opportunities as well as improve Board visibility of our activities. The management of the risks arising from our sustainability objectives focuses as much on the opportunities as the threats. Supporting a diverse range of financial products designed to satisfy our customers' sustainable investment objectives necessitates enhanced oversight not only of the investment process but also the marketing and promotion of those products.

Sustainability, within which we include environmental, social and governance ("ESG") practices, has become an important business driver over the last decade for most firms and is a key driver for Foresight. Foresight also focuses on wider environmental issues, such as nature and biodiversity, firstly because these form a core part of our sustainability strategy and secondly because we expect the regulator to follow the same path with Taskforce for Nature-related Financial Disclosures ("TNFD") as it did for TCFD; voluntary disclosures become mandatory through the adoption into the rulebooks.

The Board requires assurances that significant ESG risks have been identified, are measured and managed, and that Group businesses have enhanced their first line of defence risk management activities to integrate climate risk management.

The Risk function has enhanced its set of Key Risk Indicators for the risk appetite statement to monitor our progress towards our ESG objectives.

Our "social" risks are clearly a responsibility for all staff and our People & Sustainable Culture team continue to improve the data collection and analytical capabilities that will enable us to report most of the metrics mentioned in a recent FCA discussion paper and make sure that we can evidence our commitment to diversity and inclusion.

Regulatory and legal risk, particularly with respect to the integrity of sustainability claims (including the risk of "greenwashing") is a feature of most top ten risk lists for product manufacturers and distributors. Foresight's sustainability focus necessitates additional controls and careful scrutiny of all of our sustainability claims in digital and print media. We expect that enforcement activity relating to sustainability claims will be a significant feature of the regulatory landscape over the short to medium term.

Reputational risk

Foresight Group's growth strategy and value to its Shareholders depends on its sustainability credentials and, as such, the Board recognises that the controls in place to mitigate associated risks such as greenwashing and "impact washing" need to be robust and receive additional focus. Foresight Group communicates with clients through a variety of media channels, as we support the marketing and promotion of our products across a wide set of markets and jurisdictions. The Board recognises the importance of being able to substantiate our sustainability claims wherever they are made, beyond the threshold standard of "fair, clear and not misleading". The Head of Risk is a member of the Sustainability Committee and is responsible for the oversight of sustainability risk management activities across the Group.

Operational resilience

Foresight's ERM framework is designed to improve our operational resiliency, which is defined as our ability to deliver products and services with no discernible disruption or harms to clients by adapting and responding effectively to challenges through periods of volatility and change.

Operational resilience covers the control frameworks that prevent risks becoming issues in normal and stressed market conditions, as well as business continuity and disaster recovery situations during which some of those controls may not have been sufficient and additional activities are needed to minimise disruption.

The Business Continuity Plan ("BCP") is the process by which events categorised as "emergencies" are managed. The BCP is in place to ensure that our regulated activities can continue more-or-less uninterrupted given a variety of scenarios that would otherwise cause them to stop. The BCP may be activated upon cyber-attacks, terrorist assault on or nearby office locations, or the next pandemic. The Disaster Recovery Plan ("DRP") is the process by which events categorised as "crises" are managed. This is activated when there is a catastrophe, including, but not limited to, property destruction and/or loss of life.

Our BCP is tested by an external firm on an annual basis, on site, with the engagement of the Emergency Response Team and other senior managers. Our performance is discussed at the Risk Committee with recommendations provided to Exco with the report.

Risks

Operational resilience

For situations where operational resilience is not sufficient, analysis is performed using severe but plausible scenarios that may result in the Board of FGHL and Exco determining that Foresight Group LLP, as the MIFIDPRU Investment Firm and principal regulated entity, must cease its regulated activity and surrender its permissions, such that Foresight Group LLP is no longer authorised under Part 4A of FSMA 2000.

Internal Capital Adequacy and Risk Assessment ("ICARA")

Our Prudential Consolidation Group is comprised of our principal regulated entity, Foresight Group LLP, and its subsidiaries. The Group is in scope of the FCA's Investment Firms Prudential Regime ("IFPR"). The regulation is implemented through the MIFIDPRU rulebook which came into force on 1 January 2022. As well as capital and liquidity requirements, the rulebook sets out governance requirements and revised remuneration standards that apply to the Collective Portfolio Management Investment firm but also represent best practice for the Group. In October 2024, the ICARA was approved by the Executive Committee.

Financial crime risk assessment

Foresight Group must ensure that there are adequate systems and controls in place to manage any potential financial crime ("FC") risks within the business and combat the potential misuse of its services and products in the furtherance of FC.

The Group aims to meet its responsibilities in carrying out its activities in accordance with the laws and regulations of the UK and the overseas jurisdictions in which it operates. The Group and its subsidiaries must comply with FC laws and regulations related to, but not limited to, money laundering, terrorist financing, financial sanctions, proliferation financing, fraud, anti-bribery and corruption, market abuse and tax evasion.

The Group has established a framework to manage FC risk effectively and proportionately, underpinned by five key pillars: Governance, Risk Assessment, Due Diligence & KYC ("Know Your Customer"), Training & Awareness and Monitoring & Surveillance. These pillars go across all three lines of defence; however, the key second line of defence ("2LOD") activities undertaken to deliver this framework for Foresight are as follows:

Governance	Risk assessment	Due diligence & KYC	Training & awareness	Monitoring & surveillance
The Money Laundering Reporting Officer ("MLRO") is responsible for oversight of Foresight Group LLP's ("Foresight") compliance with the FCA's rules as well as systems and controls to manage FC risk. The Group Head of Compliance and Head of Compliance UK meet weekly with the MLRO to provide updates on the Compliance Function including FC matters affecting Foresight and reports to the Members' Board and Executive Committee.	An annual risk assessment specific to each of the principal regulated Foresight entities is produced. Identification of inherent risks, controls and an assessment of residual risk areas requiring focus to ensure all financial crime risks are identified, understood and managed/mitigated.	Initial risk-based KYC due diligence on prospective and existing clients, investors, transactions and counterparties is supported by periodic risk-based KYC reviews, with enhanced initial and periodic reviews where there is a higher financial crime risk (e.g. PEPs). In addition to the 1LOD quality assurance reviews, the 2LOD reviews a sample of KYC files via the compliance monitoring programme ("CMP").	Annual financial crime training for Foresight employees is supported by periodic FC refresher training via e-Learning and classroom sessions, as well as regular communications on topics such as how to escalate issues to Compliance.	Reporting of potential higher-risk circumstances, issues and breaches to the Risk Committee and the Executive Committee which includes the MLRO. Reporting of suspicious activity to the MLRO in accordance with the Anti-Financial Crime Guide. Periodic review and assessment of the Firm's FC monitoring systems and controls in accordance with the compliance monitoring programme.

These pillars are supported by policies and procedures including the AML Policy and Anti-Financial Crime Guide, Anti-Bribery & Corruption Policy, Anti-Market Abuse Policy, Anti-Tax Evasion Policy and Record Keeping Policy.

Risks

Conduct risk

Foresight Group defines conduct risk as the risk from improper behaviour or judgement by our employees, associates or representatives that results in negative financial, non-financial or reputational impact to our clients, employees, the firm and/or the integrity of the markets. This is a Group-wide definition and sets the foundation for the conduct risk framework. Confirming appropriate standards of conduct is a key aspect of the Group's culture.

In order to manage conduct risk, we take the following approach, aligned with the Group ERM processes:

Identify and analyse	Define potential key areas of conduct risk
Mitigation	Operation and assessment of existing management controls (processes, procedures and documents) that are key in ensuring the sound conduct of the business
Monitoring and management	Analysis of potential gaps and formulation of remediation recommendations where appropriate
Reporting	Discussion of content and potential actions with Senior Management

We look to identify potential conduct risks through regular review of the key risk areas across the business. We evaluate any conduct breaches and put in place mitigating measures to avoid further occurrences.

As the conduct risk framework continues to mature, we are reducing the opportunity for behaviour that could result in harms to our clients, harms to the integrity of the financial markets and harms to the Group itself.

Members of the Foresight team

Risks

Principal risks

Principal risks are the key risks currently faced by the Group, which are recognised as having significant and potential impacts ranging from the short to the long term.

Risk	Description	Consequences	How we manage this risk	Impact
Business risk – fundraising	Our ability to effectively raise funds is essential for business growth and meeting strategic objectives. Fundraising risks involve challenges in attracting investor capital due to economic uncertainty, market volatility, shifts in investor preferences and competition.	If Foresight is unable to raise sufficient capital, this may result in missed investment opportunities, reduced market competitiveness and could potentially impact our long-term financial viability.	Foresight fundraises through a variety of channels, actively engages with our investors and continuously innovates our product offerings. Our investor relations teams proactively monitor investor sentiment.	Low Medium **High**
Business disruption and system failure	This risk involves interruptions to our critical business systems, technology infrastructure and operational capabilities, potentially due to cyber-attacks, IT system failures or physical disruptions.	Operational downtime, compromised client services, financial loss and reputational damage could occur if sufficient frameworks are not in place to support the services Foresight provides.	We have robust business continuity plans and cybersecurity defences. Foresight undertakes regular system testing, both internally and with external parties. Incident management processes and dedicated response teams are established to rapidly restore operations.	Low Medium **High**
Strategic risk – asset concentration	Asset concentration risk arises from holding a significant portion of our Assets Under Management in specific markets, sectors or investment strategies, increasing vulnerability to economic or market downturns and policy shifts.	Policy shifts, for example in energy subsidy regimes or fiscal policy, could significantly impact overall investment performance, asset values and revenue.	Foresight regularly monitors and manages asset diversification, with limits and controls on exposures. Our Investment Committee evaluates asset allocations to ensure prudent diversification across portfolios.	Low **Medium** High
Regulatory change and compliance	Regulatory compliance risk involves failure to adhere to laws, regulations and industry standards, potentially due to evolving regulatory environments, complexity in cross-border activities or ineffective internal controls.	Non-compliance could lead to fines, legal action, regulatory scrutiny, reputational harm and operational disruptions.	Foresight maintains a robust compliance framework, with regular training, compliance monitoring programmes, and proactive engagement with regulators. Dedicated compliance teams ensure adherence to existing regulation and guidance and support the regulatory change programmes.	Low **Medium** High
Operational resilience	Operational resilience involves the ability to prevent, adapt, respond to, recover and learn from operational disruptions, including technological, operational or external events.	Poor resilience may lead to significant operational downtime, financial losses and damaged client confidence.	Foresight has a comprehensive operational resilience framework, which includes scenario testing and incident response processes, including enhancements to our resilience capability arising from events and near-misses.	Low **Medium** High

Increase Trending up Decrease No change

Risks

Principal risks

Risk	Description	Consequences	How we manage this risk	Impact
People	People risk concerns Foresight's ability to attract, retain and develop skilled and motivated employees, essential for delivering strategic goals and maintaining business continuity.	Talent shortages, low morale or high turnover rates can disrupt operations, impact business performance and impair service quality.	We invest in employee engagement initiatives, development programmes, competitive compensation strategies and succession planning to retain critical talent and support career growth.	Low Medium High
Sustainability	Sustainability risk encompasses environmental, social and governance ("ESG") factors, including climate change, impacting our investment portfolios and business reputation.	Failure to adequately integrate ESG considerations can lead to reputational harm, investor dissatisfaction, regulatory non-compliance and possible fines, climate litigation and investment under-performance.	Foresight integrates ESG criteria into investment decisions and processes, and applies its sustainability analyses to maintain transparency in ESG reporting and align with emerging global sustainability standards.	Low Medium High
Conduct and culture	Conduct and culture risks relate to inappropriate behaviours, inadequate cultural alignment, or unethical practices within our organisation.	Misconduct or a weak corporate culture could lead to regulatory sanctions, reputational damage, loss of client trust and financial penalties.	Foresight's robust conduct risk framework, clear ethical guidelines, regular training, whistleblowing procedures and strong leadership engagement foster a culture of integrity and accountability.	Low Medium High

Increase Trending up Decrease No change

Risks

Emerging/evolving risks

Emerging and evolving risks are risks that carry a higher degree of uncertainty around their impact and likelihood. The Risk function prepares regular reports for the Board setting out scenarios and their potential impact on our assets and our operational resilience.

Risk	Description	Consequences	How we manage this risk
Third-party risks ↗	Third-party risks involve potential threats stemming from our reliance on external service providers, vendors and partners.	Widespread adoption of third-party platforms by Group functions can create critical dependencies. Failures or security breaches by third parties could result in service interruptions, financial losses, regulatory breaches and reputational damage.	We implement rigorous due diligence, continuous monitoring, robust contractual agreements, and establish clear accountability for third-party relationships, alongside contingency planning to minimises disruptions. We also plan for the unavailability of critical systems as part of our digital operational resilience.
Geopolitical risk ↑	Geopolitical risks continue to surface resulting from global political tensions, conflicts, trade disputes and changes in international relationships.	Heightened geopolitical risks can lead to market volatility, operational disruptions, asset impairment and adverse impacts on global investment portfolios. Rapidly escalating tensions could have a significant impact on our supply chains.	We conduct regular geopolitical risk assessments, scenario planning and proactive portfolio diversification. Our teams closely monitor geopolitical developments and adjust investment strategies to mitigate impacts.
Artificial Intelligence ↑	Alongside the many opportunities, Artificial Intelligence ("AI") represents a risk to the profitability and competitive advantage of the Group.	Misuse or poorly calibrated AI engagement could lead to biased decision-making, regulatory violations, loss of data, client and counterparty trust and financial losses.	Foresight's Risk and Compliance team's oversight over the implementation of AI-supported platforms and processes as part of an accountability and control framework to reduce the risk of harms to Foresight and its clients through adoption of this technology.

↑ Increase ↗ Trending up ↓ Decrease → No change

Viability statement

In accordance with the UK Corporate Governance Code, the Directors have carried out a comprehensive and robust assessment of the Group's prospects and viability.

Process and period for assessing viability

The Directors have assessed the Group's viability over a five year period to 31 March 2030, taking account of the Group's current financial position and the potential impact of our principal risks.

The Group's long-term prospects are primarily assessed through the strategic and financial planning process. The main output of this process is the Group's five year plan (increased from a three year plan to promote business longevity), which is produced by the Finance Team with detailed input from team heads across each area of the business. The Executive Committee and Group Board review and challenge the plan.

The assessment of the Group's viability requires the Directors to consider the principal risks that could affect the Group, which are outlined on pages 36 to 46. The Directors review the principal risks regularly and consider the options available to the Group to mitigate these risks, to maintain the Group's ongoing viability.

As part of the Internal Capital Adequacy and Risk Assessment process ("ICARA"), stress testing is performed on the Group's five year plan, which considers the impact of one or more of the key risks crystallising over the assessment period. Severe but plausible downside scenarios applied to the plan included:

- 50% lower fundraising
- 10% reduction in valuation of the funds managed by the Group
- 25% lower deployment
- A combination of the three scenarios above

Having reviewed the results of the stress tests, the Directors have concluded that the Group would have sufficient resources in each scenario and that the Group's ongoing viability would be sustained. The shift in recent years to a more recurring revenue model, with c.85-90% recurring revenues from evergreen or long-term funds, means the Group has a stable baseline profitability. Under all the scenarios above, the Group remains profitable and in the event of any of these happening, mitigating actions would be taken to protect and enhance this profitability further.

As of 31 March 2025, the Group balance sheet was strong. The cash balance at year end was £43.3 million and this financial position provides confidence that the Group has sufficient financial resources for the foreseeable future.

Viability statement

Based on the results described above, the Directors confirm they have a reasonable expectation that the Group is well positioned to manage its operations and meet its liabilities as they fall due, over the five year period they assessed.

The Directors also consider it appropriate to prepare the financial statements on the going concern basis.

Pages 4 to 113 constitute the Strategic Report, which was approved by the Board on 25 June 2025 and signed on its behalf by:

Jo-anna Nicolle
Company Secretary

Stakeholders

The Board recognises the fundamental roles our Stakeholders play in achieving the Group's long-term success and generation of value for Shareholders.

This section provides an overview of our engagement with Stakeholders over the financial year.

Stakeholder engagement is extremely important to ensure the resulting outcomes of the Group's operational, investment and strategic decisions are sustainable and positive. Through active engagement, we are able to foster relationships and collaborations, enhancing the quality of our interactions. This enables us to gain valuable insights and better comprehend the potential implications our business decisions may have on our Group and/or Stakeholders. Consequently, we ensure that we are sufficiently and appropriately informed to effectively manage any negative impacts with a strong commitment to finding satisfactory solutions for all affected parties.

This section provides some insight to the Stakeholder engagement that has taken place over the financial year. Much of the engagement is undertaken by and for the Board, via the Group's management across the various business areas. Where this is the case, management feed back to the Board either directly or via Board reporting.

The Board strategy day, which takes place on an annual basis with the Executive Committee and other members of Senior Management, provides an opportunity for the Board to question and receive direct feedback from those present and to receive reports from those not in attendance. This, along with a networking day at which the Non-Executive Directors meet with senior managers across the business, also enables open discussion on various key matters and provides updates on market conditions and industry trends and changes (please also see pages 128 and 129 for more details).

Details of the Board's activities over the year can be found on pages 128 and 129, and our Section 172(1) statement on pages 54 and 55 provides an overview of how the Board has discharged its statutory obligations.

Additionally, details of key Stakeholder group engagement are provided on the following pages.

Stakeholders

Our Shareholders

Current and future

Description

Our Shareholders are the owners of our Company.

Focus

- To provide transparency and clarity in disclosures and communications generally
- To safeguard and improve market position
- To ensure the market, Shareholders and other Stakeholders are kept informed

How we engaged

- Ongoing engagement programme for existing Shareholders and potential new Shareholders to meet with the Company's Executive Directors and divisional management
- Attended sell side conferences for the UK and European institutional investor market
- Utilised the Investor Meet Company platform to communicate directly with retail investors
- Liaised with proxy voting agencies regarding AGM resolutions to ensure sufficient transparency and explanations and to understand voting trends
- Engaged with our house corporate brokers to review market best practice for the communication of new medium-term guidance
- Supported additional sell side analysts in their initiation of research coverage of the Company

Outcomes

- New medium-term guidance launched as part of FY24 results, with FY25 results providing further granularity
- Following investor feedback, simplified FY25 financial disclosure
- Increased sell side analyst research coverage of the Company

Our People

Partners and colleagues

Description

Our people are our most valuable assets, and their development and wellbeing are key to our success.

Focus

- To improve opportunities for people development
- To improve engagement and retention
- To improve diversity and inclusion

How we engaged

- Completed the Annual Staff Engagement Survey and Employee Forum to gain employee feedback
- Launched Wellhub, a wellbeing and fitness platform providing subscriptions that are cost effective and support fitness, mindfulness, therapy, nutrition, and sleep
- Relaunched our Company values with dedicated workshops and values champions from across the business taking ownership for embedding the values across the Company
- Embedded 360-degree feedback within the appraisal process, ensuring individuals get well rounded feedback from across the business
- Opened our ELEVATE programme to external participants for the first time since the programme was launched
- Held three manager training workshops during the year aimed at those that are new to people management to provide the foundations of being successful manager
- Held eight Insights Discovery Training workshops across four teams to help individuals understand themselves and colleagues better, leading to improved communication, collaboration, and overall team dynamics. More workshops are planned with other teams
- Active engagement with WHEB and FCM teams as regards the WHEB acquisition and follow-up check-in exercise to gain feedback on the integration process

Outcomes

- 91% response rate to staff survey, scoring 78% for engagement. Noted both areas of strength and areas for improvement so that actions can be identified and addressed
- 30% of our people globally have subscribed to Wellhub in the two months since launch
- 26 females across Senior Manager, Associate Director, Director and Managing Director have participated in ELEVATE with 100% stating they had learnt new skills that will enhance their impact in their roles
- 28 people have attended the LEAD sessions across both in-person and online sessions
- Skills series – An initiative comprised of interactive workshops designed to equip employees with essential knowledge and practical, transferable skills. In the last year we had four workshops with 92 participants. 100% of attendees strongly agreed that they will transfer the knowledge and skills gained to their day-to-day roles
- Evolution of our annual manager training. 100% of participants said this session either met expectations or exceed them
- 100% of participants of the Insights Discovery Training workshops rated both the experience and value of workshops as good or excellent
- Successful integration of the WHEB staff though inter-functional collaboration ensuring a smooth transition. Also feedback will help ensure improve the process for any future acquisitions

Stakeholders

Our Clients, Investors and Financial Advisers ("FAs")

Description

Understanding the needs of our clients and customers is important to our long-term success. For our retail products, our sales are via our FA network and it is important for us to build strong relationships with them.

Focus

- To ensure that our sales and investor relations operations are compliant with applicable regulations
- To ensure our staff are appropriately trained to deliver a high standard of customer service
- To ensure we understand the needs of our clients, investors and FAs for our products and services
- To provide training to our FAs and build our FA network

How we engaged

- Carried out a customer survey with certain FAs to gain feedback for improvement
- Feedback from the sales and investor relations teams via Board reporting and direct presentations to the Board
- Reporting to and meetings with sales and investment teams' senior management regarding:
  - Expanding the distribution of products and services
  - Potential business product development opportunities
- Sales and investor relations team engagement with FAs as regards the portal service and products
- Engaged target market surveys to assess advice provided to FAs' clients about our products

Outcomes

- Distribution of products in the US and engagement of placing agents to identify sales opportunities in other countries
- Portal roll-out to FAs bringing operational efficiencies and increased security over personal data
- Target market surveys results assist with the provision of training to FAs

Our Communities

Description

We recognise the importance of contributing to our communities through volunteering, working with local schools, community investment and forming longer-term partnerships.

Focus

- To ensure that the investment teams have appropriate tools and controls in place to assess community impact, aligning with the UN Sustainable Development Goals (also referred to as "SDGs")
- To support staff in their charitable activities
- To promote Foresight's external reputation by supporting communities local to our business locations across the Group

How we engaged

- Engaged with schools in London and Nottingham in less privileged areas and an intern from the Amos Bursary (please see case study on page 53)
- Held staff events for the purpose of raising funds for charity
- Supported our listed funds to donate monies to facilitate educational activities
- Organised the Frontier Connect Forum, which took place over two days and was held at the Eden Project for institutional investors, advisers, banks and NGOs

Outcomes

- Pupils of the schools we engage with have access to understand our business and explore employment opportunities
- Staff activities raised £18,000 for the Open Bionics Foundation, which helped to fund bionic limbs for three children in the UK whose families were unable to afford them
- School visits to our renewable generation assets
- The outcomes of the Frontier Connect Forum are described in the case study on page 52

Stakeholders

Our Suppliers and Service Providers

Description

Our service providers enable us to enhance our internal capabilities, strengthen business continuity and satisfy legal and regulatory requirements and so are essential in ensuring high standards and efficiency in both our operations and our funds.

Focus

- To ensure due diligence is carried out at onboarding and periodically thereafter
- To ensure a robust selection process for new service providers
- To ensure active management and day-to-day contact and adequate oversight

How we engaged

- Service providers were reviewed against our business standards and applicable regulatory obligations to manage and monitor risk
- Oversight of service providers including due diligence visits to a selection of service providers in accordance with a risk-based approach and Board update on material issues and risks via compliance and risk reporting
- Hosted service providers' own due diligence visits where the business has completed information and documentation requests and held meetings with the service providers
- Maintained day-to-day contact with our service providers via the operations teams, who manage these relationships

Outcomes

- As a result of our due diligence visits to and from our service providers, we have improved the processes between the business and the service providers for operational effectiveness and enhanced service delivery
- We continue to ensure our service providers operate at a satisfactory standard
- Where relevant, we made minor recommendations to the service providers such as changes to processes and procedures and continuing training
- Updated our Third-Party Risk Management and Outsourcing Policy

Government, Regulatory and Industry Bodies

Description

As an investment management group, we are subject to financial services regulation in the jurisdictions in which we operate. We are also subject to the decisions made by government that may affect our business.

Focus

- To ensure our various authorisations, registrations and licences are maintained
- To maintain an open and transparent relationship with our regulators
- To ensure we maintain our memberships and signatory status of the industry bodies important to our business
- To engage with local governments to influence decisions affecting our industry and business

How we engaged

- Engaged with the FCA re consultation on cost disclosures for listed closed ended investment companies
- Meetings with UK Government departments in relation to emerging policy relevant to Foresight
- Direct engagement with UK Sustainable Investment and Finance Association ("UKSIF")
- Signatory to the UN PRI re the EU's proposed omnibus legislation concerning the sustainable finance framework
- Engagement with The Good Economy and other publications and hosting networking meetings to share knowledge, enable mutual learning and promote institutional investment across the UK
- Signatory to Pensions for Purpose
- Signatory to the Investing in Women Code and participation in a tender to manage a dedicated fund for female-led and mixed businesses

Outcomes

- Foresight achieved a five-star rating from UN PRI and signing the UN PRI statement re the omnibus legislation, signed the joint statement issued by Eurosif, IIGCC and the UN PRI
- The FCA proposed a simpler and more flexible cost disclosure system for closed end investment companies tailored to the UK and exemplifying how our engagement helped bring about positive change
- UKSIF's consultation response aligned to Foresight's views, ongoing discussions with UKSIF re SFDR and SDR which fed into their discussion with the policymakers while also providing Foresight with valuable insight about the views of other investors
- Through engagement with The Good Economy, Foresight was recognised as contributing to the Greater Manchester Pension Fund's impact portfolio and the wider place-based investment conversation, as well as facilitating meaningful discussion between local authority leaders and local government and impact oriented institutional fund managers
- Pensions for Purpose engagement resulted in Foresight having exposure to large events, training programmes and Impact Lense Research
- Participation in initiatives promoting women in business and improving potential for the success of female entrepreneurs

Stakeholders

Case Study: Frontier Connect Forum

Frontier Connect Forum

Hosted in partnership with The Eden Project, the Frontier Connect Forum was a two-day, solutions-focused event designed to catalyse investment into sustainable infrastructure and nature. It brought together experts across sectors to develop actionable strategies for tackling some of the most pressing global challenges – from the energy transition to nature restoration.

Background

Climate urgency is at an all-time high. Global bodies such as the IPCC have made it clear: we are not moving fast enough. To meet the Paris Agreement goals and mitigate environmental and economic risks from extreme weather and biodiversity loss, targeted investment is urgently needed.

But capital mobilisation faces major barriers. Recognising this, we evolved our annual Sustainability Forum into the Frontier Connect Forum – an immersive gathering focused on answering a critical question:

How do we mobilise capital at scale into sustainable infrastructure and nature by 2030?

Two days of cross-sector collaboration

Held at The Eden Project, the Forum convened a diverse group of stakeholders – institutional investors, commercial banks, policymakers, NGOs, scientists, and innovators for collaborative think tanks, strategic discussions, and solution-focused pitches.

The agenda centred on three high-priority themes:

- Energy Transition
- Decarbonisation Beyond Power
- Nature & Natural Capital

Key participants included representatives from Foresight, The Eden Project, Lawyers for Nature, Pero Nature Finance, Coal Pension Trustees Services, Innovate UK, Astrid [illegible], Investec, Worthwhile Capital Partners, TPT, PT Investment Management, Helaba, and London CIV.

Key outcomes

The think tanks and pitch sessions generated concrete ideas for unlocking capital at scale. These insights were captured in a targeted post-event memo, which is now informing government policy conversations. Highlights include:

- Viable finance mechanisms for natural capital investment
- Cross-sector investment models to scale decarbonisation
- Strategies for aligning public and private funding to accelerate the energy transition

A catalyst for action

To ensure outcomes extended beyond the event, we produced a comprehensive post-event package, including:

- Six professionally produced highlight videos
- A tailored follow-up campaign
- A dedicated Frontier: Listen podcast episode

The Forum strengthened key relationships and reinforced Foresight's leadership in sustainable finance.

[illegible] to continue to Eden [illegible] Scheme and features in The Times through a major [illegible] correspondent, affirming our role as a trusted [illegible] and industry influencer.

A government-focused summary memo is now supporting policy development, while the event laid the foundation for ongoing activations through 2025 and beyond.

Why it matters

The Frontier Connect Forum showcased the power of convening the right voices to accelerate climate action. It positioned Foresight not only as an investor, but as a facilitator of real-world impact – enabling capital deployment and knowledge exchange to drive the net-zero transition.

"It was reassuring to see what could be achieved in such a short amount of time with the right people and a little pressure."

James Cameron, Entrepreneur

Through our ongoing partnership with The Eden Project, we aim to scale this platform globally, accelerating meaningful change where it's needed most.

Watch the Highlights:

- Nature Highlights
- Energy Transition Highlights
- Decarbonisation Beyond Power Highlights
- Listen to the Frontier: Listen episode

Stakeholders

Case Study: Foresight Careers Day – The Amos B

Aiming to inspire and empower the next generation of professionals, Foresight hosted a careers day from its charity partner, The Amos Bursary for its inaugural careers day. The organisation supports high-achieving students of African and Caribbean heritage, giving them insights into a broad range of career pathways within the investment and sustainability sectors. The initiative forms part of Foresight's Thrive strategy and its continued commitment to improving diversity, equity and inclusion.

Led by Stevie Stowell (People and Sustainable Culture Associate) and Mohamed Munye Abrar (Business Development Associate), we welcomed eighteen students to an immersive careers day. Colleagues from across the business volunteered to run interactive sessions, panel discussions and networking opportunities, sharing personal career stories and offering practical advice.

The day also included open conversations, allowing Foresight professionals to learn from students' ambitions, aspirations and experiences.

The day was a meaningful exchange of ideas and experiences, reinforcing Foresight's commitment to talent development. It deepened the organisation's partnership with The Amos Bursary, following the launch of a formal internship programme in 2023. Feedback from participants highlighted how the sessions broadened their understanding of the investment industry and inspired confidence in pursuing professional goals. The event also strengthened internal engagement, with volunteers across the business expressing pride in contributing to the future talent pipeline.

Section 172(1) statement

Foresight Group Holdings Limited is incorporated under Guernsey law, which does not have a statutory equivalent to Section 172(1) of the Companies Act 2006 ("s172"). However, the Board is committed to complying with the UK Corporate Governance Code (the "Code") and, as required under Provision 5, has undertaken to act in a manner consistent with s172 and give consideration to the matters set out in s172 when making decisions and providing oversight and leadership of the Group.

To illustrate how the Board has considered the matters set out in s172, the adjacent table highlights some of the key decisions and actions taken by the Board over the course of the year.

These decisions include alignment with the Group's strategy, the interests of our Stakeholders and employees, and the impact of the Group's operations on the community and environment.

Other examples of how the Board has considered the matters set out in s172 can be found in our Stakeholders section on pages 48 to 53.

As a result, the Board considers that it has promoted the success of the Group in compliance with s172 in a manner consistent with the Group's purpose, values and strategy, having due regard to the Group's ongoing regulatory responsibilities.

Examples:

• The formalisation of a capital allocation approach, to provide certainty to our Shareholders as to how capital is allocated, together with changing to having a five year plan in place of a three year plan to promote business longevity. • The acquisition of the trade and assets of WHEB Asset Management LLP, the appointment as sub-manager and sub-distributor to the Liontrust Diversified Real Assets Fund business, and the raising of new institutional funds into Foresight Natural Capital Ltd added £800 million to Group AUM, extended the Group's product range and provided various other business opportunities. • The launch of FEIP II extended the Group's product range and increase in AUM. • The extensions to the buyback programme.	• As shown in the Stakeholders section on pages 48 to 53, the Board and Senior Management acting for the Board have engaged with various Stakeholders over the course of the financial year.	• Foresight produces an annual ISAE 3402 report, which is reviewed by BDO. A similar report is also produced and reviewed in Australia. • Foresight acts on feedback from its clients and fund investors and complies with the conduct regulations in all of the regulated jurisdictions in which it operates.
Read more in: Financial Review Strategic Report	Read more in: Business Review	Read more in: Audit & Risk Committee Report Stakeholders

Section 172(1) statement

Examples:

- Alison Hutchinson, the Board's workplace representative and Chair of the Employee Forum, continued to provide updates to the Board on the Forum's discussions.
- The Group also held its annual employee survey to gain feedback and identify areas for improvement.

Read more in:

Sustainability

- The Group completed a double materiality analysis ("DMA") at the start of FY25 which identified material impact areas including aspects of the environment and communities. Each of these material topics are reported on within the Sustainability section of the Annual Report.
- The Group employs a Sustainability team to ensure that we identify risks and opportunities in relation to the environment and communities at the point of investment and throughout the investment lifecycle.

Read more in:

Sustainability

- As can be seen in each AGM Notice, Shareholder votes on certain resolutions may only be passed if there is a majority of independent votes, i.e. the votes of the parties to the Relationship Agreement are excluded. This is via dual voting and independent-only voting.

Read more in:

The AGM Notice

Alison Hutchinson CBE, Senior Independent Non-Executive Director at Foresight

Sustainability

We invest in the transition to a *sustainable* economy.

57 Sustainability
58 Sustainability governance
61 Sustainability strategy
66 Environment TCFD
95 Social
108 Governance
110 Sustainability strategy
111 Indices

Hume Hydro, Australia, Part of Foresight's portfolio

Sustainability

Introduction

Over the past year, we have made significant strides in delivering on the sustainability commitments we set out in our previous report, closing out several key initiatives that reflect our dedication to responsible growth. These achievements were made possible through the collective efforts of our teams and Partners, even as our business continued to expand both organically and through strategic acquisitions. This progress underscores our belief that sustainability and growth are mutually reinforcing.

Looking ahead, we remain focused on driving positive change and aligning with global standards where appropriate. This year, we've advanced our climate-related disclosures in line with the TCFD in addition the disclosure has been aligned with ISSB, enhancing transparency and accountability across our operations. As we continue to scale, we are embedding climate resilience and sustainability into our strategy – ensuring that our growth is not only resilient but also responsible.

General disclosures

Basis of preparation

The scope of consolidation of the sustainability disclosures aligns with Foresight Group's financial reporting.

Frameworks and data selection

This report is aligned with the ISSB Standards.

The content within the Environmental section of this report has been prepared in accordance with the TCFD requirements.

Following a Group wide double materiality assessment conducted in 2024 based on the framework provided by the EU Corporate Sustainability Reporting Directive ("CSRD") and the associated European Sustainability Reporting Standards ("ESRS"), we have chosen to follow the ESRS structure in this report as these standards are widely recognised and a key reference point for many of our European investors.

Emissions data

The WHEB acquisitions and Liontrust Diversified Real Assets Fund are included in emissions from the date of acquisition with the exception of Scope 3 financed emissions which excludes Liontrust.

The TCFD section of this report provides detailed explanations on how the emissions data has been prepared, covering Scopes 1, 2 and 3.

Foresight's employee data

Employee data has been reported based on actual headcount. Figures represent either as at year end, 31 March 2025, or cover the period from 1 April 2024 to 31 March 2025. No estimates have been made in the compilation of the data.

Value chain

Data supplied from the value chain:

- Ethixbase data is the primary platform used within our Infrastructure division, enabling interrogation of counterparties and suppliers against a comprehensive list of more than 800 global enforcement, sanctions and watch lists
- Other sustainability-related data is taken directly from our investments (assets and portfolio companies) through Board and Fund reporting processes, including the use of online reporting platforms and publicly available data (Bloomberg data and MSCI data)

External review

Carbon emissions data (excluding Scope 3 financed emissions) are audited with limited assurance by **Turley Associates Ltd**, an independent third party.

Sustainability governance

This section sets out the processes and controls put in place to monitor, manage and oversee sustainability matters.

Board

The Board of Foresight Group Holdings Limited ("FGHL") has ultimate responsibility for sustainability for the Group, including climate-related issues. The Board is kept informed on sustainability matters via the Board reporting provided by the Sustainability team as well as other teams across the Group. This helps to ensure the Board is kept up to date on the Group's sustainability work, including its resilience and responsiveness to evolving sustainability challenges and opportunities. Alison Hutchinson, who is the Senior Independent Non-Executive Director, is the Board's sustainability representative and liaises regularly with the Group's Sustainability Leads.

Audit & Risk Committee

In accordance with the terms of reference for the Board's Audit & Risk Committee, the Sustainability team provides it with reports for consideration at its meetings. The Audit & Risk Committee reports to the Board on such matters, making recommendations, where appropriate, for the Board's decision and direction.

Executive Committee

The Group's Executive Committee provides strategic oversight of the Group's sustainability activities, ensuring alignment with broader business objectives and climate related commitments. Elizabeth Scorer, Head of Corporate Affairs, holds the overall responsibility for the Group sustainability function, to whom the Group's Head of Sustainability Operations reports. Both also have direct access to Alison Hutchinson.

Sustainability Committee

The Executive Committee appointed the Sustainability Committee to undertake the following key responsibilities:

- Recommend and oversee the implementation of Foresight Group's sustainability strategy
- Guide and advise Foresight Group's approach to sustainable investing (also known as "responsible investment") and corporate social responsibility (also known as "responsible business")
- Identify, review and manage the outputs of the Committee and working groups
- Monitor performance of key material topic areas in regard to materiality evaluation and reporting. This includes climate-related matters, such as overseeing the development of effective systems to monitor and report on risks and opportunities arising from climate change

The Sustainability Committee reports directly to the Executive Committee via its Chair and Vice Chair, and operates both independently and through working groups appointed to undertake certain work/tasks. During the financial year, the Committee appointed a new Chair: Group Chief Investment Officer and a new Vice Chair: Head of Corporate Affairs. The remaining members, all Director level and above, represent key areas of the business including the Infrastructure, Private Equity and FCM Divisions, Marketing, Governance, Risk, Sustainability and People and Sustainable Culture.

Working groups

Since the end of the financial year, a review of the permanent working groups was undertaken. This resulted in streamlining the number of working groups down to three and updating their respective mission statements and memberships. Each working group consists of representatives from various business areas within Foresight as relevant to the purpose of the Group.

To ensure the performance of the working groups is monitored and reported to the Sustainability Committee, they are each chaired by the Group Head of Sustainability Operations.

- **Environmental:** focusing on climate and nature-based activities of the investment divisions and corporate business
- **Social:** working to better understand human rights and labour rights in the value chain in relation to the activities of the investment divisions and corporate business
- **Sustainability Reporting and Regulations:** focusing on compliance with laws and regulations, including requirements for sustainability communication and recommending opportunities for enhancing our reporting strategy

The Sustainability team is responsible for co-ordinating the strategic and operational sustainability work within Foresight Group.

Sustainability team

The Sustainability team is comprised of a number of sustainability professionals, including the Head of Sustainability Operations, who manage the day-to-day sustainability operations. The Team has close contact with the Group's Governance, Risk and Compliance teams, and provides support to the Group's sales/fundraising activities. The team provides written reports directly to the Board and the Head of Sustainability Operations may at times present directly to it.

Sustainability governance

Policies

During FY25 we established four new policies and refreshed two existing policies. These updates take account of the output of our double materiality analysis and investor demands, as well as changes in regulatory and voluntary frameworks. These are:

- **Sustainability Policy**
- **Responsible Investment Policy**
- **Sustainable Sourcing Policy**
- **Environmental Policy**
- **Human Rights Policy**
- **Group Code of Conduct**

Our policies cover the jurisdictions in which we operate and set out our baseline approach to the respective subjects. Where required, we will develop tailored approaches to allow for nuances across the jurisdictions and investment strategies at Foresight.

The **Sustainability Policy** sets out Foresight Group's high-level vision and commitment to identify and take steps to address material sustainability matters across our business operations. We are committed to take actions that decrease negative impacts, mitigate risk and capture opportunities.

To achieve this goal, this policy sets out the minimum standards for how we identify and manage these matters, across all our divisions, aligning with our strategic priorities and long-term objectives.

These standards cover our approach to mitigating the environmental impact of our operations; promoting the wellbeing, safety, equity and inclusion of our employees, workers across our value chain and the communities we operate in or influence; working towards positive outcomes for our customers and end-users; and upholding strong governance practices throughout our organisation.

The **Responsible Investment Policy** sets out Foresight Group's high-level vision and commitment to integrating material environmental, social and corporate governance issues into the full lifecycle of our investment decision-making processes including due diligence, portfolio management and exit processes. Where consistent with our fiduciary responsibilities, we apply the six UN Principles for Responsible Investment, recognising this as part of our duty to act in the best long-term interests of our investors and Shareholders. This policy integrates with the divisions' investment processes and includes a Group-wide investment exclusions list.

The **Sustainable Sourcing Policy** sets out Foresight Group's approach to sustainable sourcing by taking steps towards ensuring sourcing is from suppliers aligned with the standards of labour, human rights, environmental and sustainable conduct set out by the UN Global Compact. The policy implementation will prioritise suppliers based on their contract size, our overall spend and risk profile.

Principles of Responsible Investment

Signatory of: PRI Principles for Responsible Investment

As a globally recognised benchmark for responsible investing, our PRI scores demonstrate the importance of integrating environmental, social and governance ("ESG") factors across all facets of our investment processes. Strong scores increase our credibility with investors, Stakeholders and regulators, enabling us to attract capital, while remaining accountable for our sustainability commitments.

Our results:

We were delighted with our results from the latest PRI assessment which showed 5 star scores across all modules completed, demonstrating our robust approach to responsible investing.

- Policy Governance and Strategy: 93% (★★★★★)
- Direct – Listed Equity (Active Fundamental): 96% (★★★★★)
- Direct – Private Equity: 95% (★★★★★)
- Direct – Infrastructure: 96% (★★★★★)
- Confidence-Building Measures: 100% (★★★★★)

PRI look-ahead:

While we are proud of these results, we anticipate changes in the PRI question set and weightings and will work to adapt to these changes and position ourselves as a leader in responsible investing. Robustness in data collection will be a key factor in this as the industry moves rapidly towards greater levels of assurance. We remain committed to maintaining our reputation by ensuring transparency and integrity in our approach to reporting.

Sustainability governance

Policies

The **Environmental Policy** outlines the measures Foresight is implementing to manage environmental risks and opportunities within our investment processes and operations. The policy focuses on addressing environmental matters that were identified as material in our double materiality analysis. These include climate change, pollution, water, biodiversity and resource use and the circular economy.

Foresight's **Human Rights Policy** outlines our commitment to respecting human rights, including labour rights and those of our value chain workers. It promotes mitigating negative impacts, ensuring due diligence processes are based on the UNGPs and OECD Guidelines for Responsible Business Conduct and emphasises the importance of working with suppliers to ensure that workers in our value chain also have safe, healthy and supportive work environments.

In addition, Foresight has adopted a **Group Code of Conduct**. Foresight is committed to act in a responsible manner and this Code describes the manner in which we want and expect our business to be conducted, and how our Stakeholder relationships are to be managed. To achieve that, this Code:

- Describes our culture, purpose and values as well as the standards for our behaviour and how we should make decisions
- Serves as our main policy on ethics and by complying with its principles, provides an ethical compass
- Provides general principles and guidance on how we should act and what we should do when we undertake our business activities

Furthermore, Foresight's Infrastructure division requires that new contracts adhere to an infrastructure-specific supplier code of conduct.

Members of the Foresight team

Sustainability strategy

FY25 commitment review

Foresight made 18 formal sustainability commitments for FY25[1], as outlined in the FY24 Sustainability Report. Progress on the commitment themes is as follows:

Investment processes

These commitments focused on enhancing due diligence processes across our three investment divisions and the corporate function. They primarily address improvements in response to the outputs of the double materiality analysis conducted in 2024, regulatory requirements and human rights considerations across the portfolio. During the year we made progress including updating our approach to materiality assessment, the development of a human rights action plan through our human rights working group and updates to our investment processes.

Risk

This commitment required the integration of the double materiality analysis into the Group Enterprise Risk Management framework ("ERM"). The risks identified as material have been integrated into the Group's ERM software solution and allocated a specific individual risk owner. Risk owners will be provided with training on the ERM software and, where appropriate, follow up training on risk identification and assessment. This will enable each risk owner, with support from the Risk team, to effectively monitor, manage and mitigate the risks for which they are responsible.

Governance

Throughout the year, we have significantly enhanced the Group's sustainability resources and published a Group Code of Conduct. In March 2025, we introduced our inaugural Responsible Investment Policy, which spans all three investment divisions. This policy integrates our investment processes and includes a Group-wide investment exclusions list.

Our people

The Group has continued to work towards our diversity and inclusion objectives within our own workforce. To further support the business as it continues to grow, the Group has expanded the Executive Committee and now includes female representation.

Climate

In FY25 we delivered against three key commitments covering climate scenario analysis, fund-level TCFD reporting and assessing the feasibility of carbon reduction targets and transition plans. Different methodologies are used for each asset class and results are presented separately within our climate disclosure (TCFD Report). Our Infrastructure division continued with their existing methodology, working with S&P Climanomics on annual TCFD-related climate risk and scenario analysis. We utilised climate risk assessment reports for four FCM funds using the MSCI Climate Value at Risk methodology and we plan to improve coverage where we can for our investment trusts. A process to assess climate risk and financial materiality has been incorporated in the investment process for our Private Equity division, enabling managers to evaluate physical and transition risks and assign impact scores.

All funds were assessed to identify those in scope of full public disclosure or "on demand". For the "on demand" funds, a TCFD reporting template has been developed.

FGEN has committed to net zero and has developed a transition plan which is now publicly available. This is currently Foresight's only fund with such a commitment. At the Group level, we continue to assess and compare net zero methodologies, with the intention to initiate and develop our Group-wide approach to net zero. This is likely to be a phased approach, beginning with our operational Scope 1 and 2 emissions. External investor groups are providing guidance, though the Net Zero Asset Managers Initiative has paused activities for a programme review. Inclusion of climate-related KPIs in remuneration strategies is linked to establishing carbon reduction targets, which will be detailed as part of our net zero recommendations.

Regulatory

These relate to the review and enhancement of investment due diligence processes and specific sustainable finance requirements (UK SDR, EU SFDR and sustainability claims rules).

Progress has been made in the Private Equity division's investment process. Additionally the FCM division received UK SDR Focus Labels.

We will continue to hold ourselves to account, ensuring we build in resilience for our business through effective regulatory horizon scanning.

1. For full list of commitments see page 242.

Sustainability strategy

Value chain overview

Foresight Group operates across three investment divisions and a corporate business, each with its distinct value chain. Key participants involve investors, assets, sub-contractors, suppliers of equipment and raw materials, purchasers and users of products. Our value chains are integral to our operations and were considered in our double materiality analysis. This analysis emphasised the importance of our value chains throughout the investment lifecycle.

Investment lifecycle and human factors

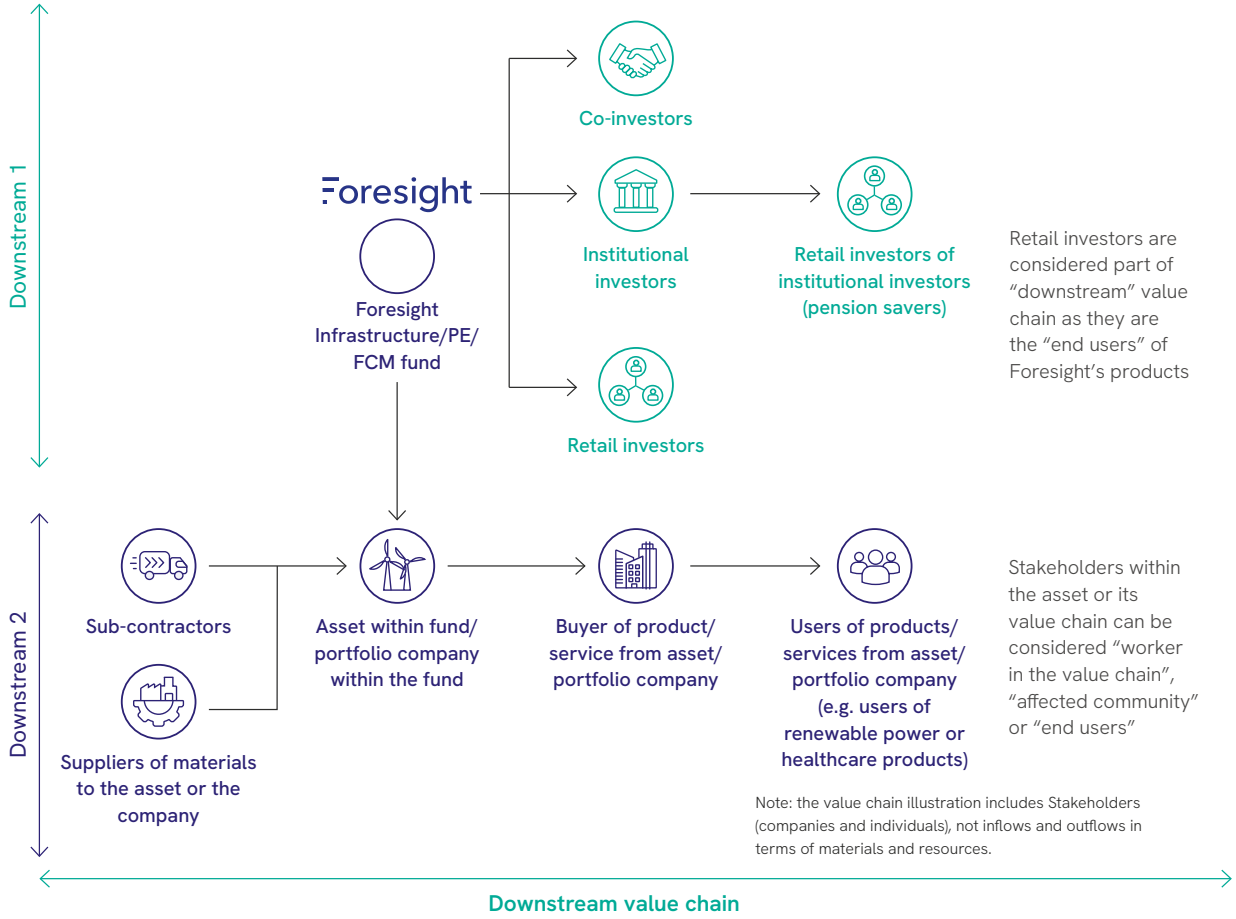
As part of our double materiality process last year, an independent third-party adviser evaluated our value chains focusing on the investment lifecycle and on human factors such as workforce and community impacts. This evaluation is a critical component of our due diligence processes which is supported by multiple tools and platforms to ensure a comprehensive review:

- **World Check:** Utilised across the business for standard due diligence checks
- **Ethixbase:** Specifically used by our Infrastructure division for enhanced ESG due diligence on higher-risk counterparties
- **Third-party DD:** Enables us to deep dive into risks and impact areas further down the value chain

Continuous improvement and future goals

We recognise there is much more to do to fully understand Foresight Group's value chain across our tier 1 and tier 2 suppliers. By gaining deeper insights into these areas, we aim to better identify and address potential risks, ensuring a more sustainable and responsible approach to our business operations.

Foresight investment streams' downstream value chain



Note: the value chain illustration includes Stakeholders (companies and individuals), not inflows and outflows in terms of materials and resources.

Sustainability strategy

Double materiality analysis

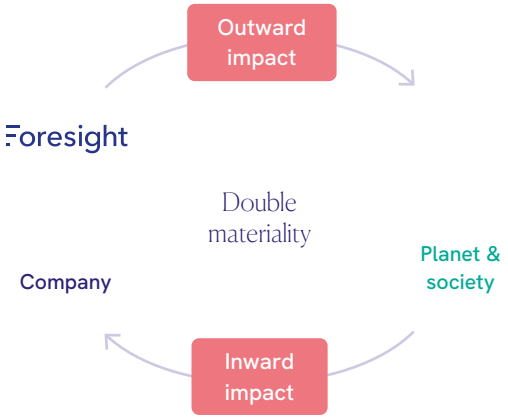
As reported in our last Sustainability Report, Foresight conducted a double materiality analysis in FY24. Our double materiality analysis approach is based primarily on the European Sustainability Reporting Standards ("ESRS") and also meets International Sustainability Standards Board ("ISSB") requirements.

The analysis was completed for each of the investment divisions, as well as the corporate entity. This process included assessing our own activities and considering our value chains.

The first step of the double materiality analysis involved a high level mapping exercise of our value chain and identifying our key Stakeholders, such as investors and employees.

With support from an independent third party, we conducted dialogues and surveys with key Stakeholders to understand their perspectives on sustainability. These dialogues were performed in accordance with the AA1000 Stakeholder Engagement Standard ("SES"). Understanding the concerns and priorities of our Stakeholders is important for determining which ESG factors are the most material.

We have assessed the environmental and social impacts based on both Foresight's internal operations as well as the geographical and sectoral exposure of our portfolio companies and assets, and their value chains. It involved analysing energy consumption, waste generation, greenhouse gas emissions, labour practices and community relations.



To conclude whether a sustainability topic was material from an impact perspective, we considered whether Foresight's impact is actual or potential, negative or positive, on people or the environment in the short, medium and long term. Additionally, for each identified impact, we have assessed the scale, scope, reversibility and likelihood over the short, medium and long term. We then assigned a total impact score to the topic.

The next step was evaluating the financial implications of ESG factors. This included assessing the magnitude of financial effects of the potential risks associated with climate change, resource scarcity, value chain workers or regulatory changes related to sustainability, among others.

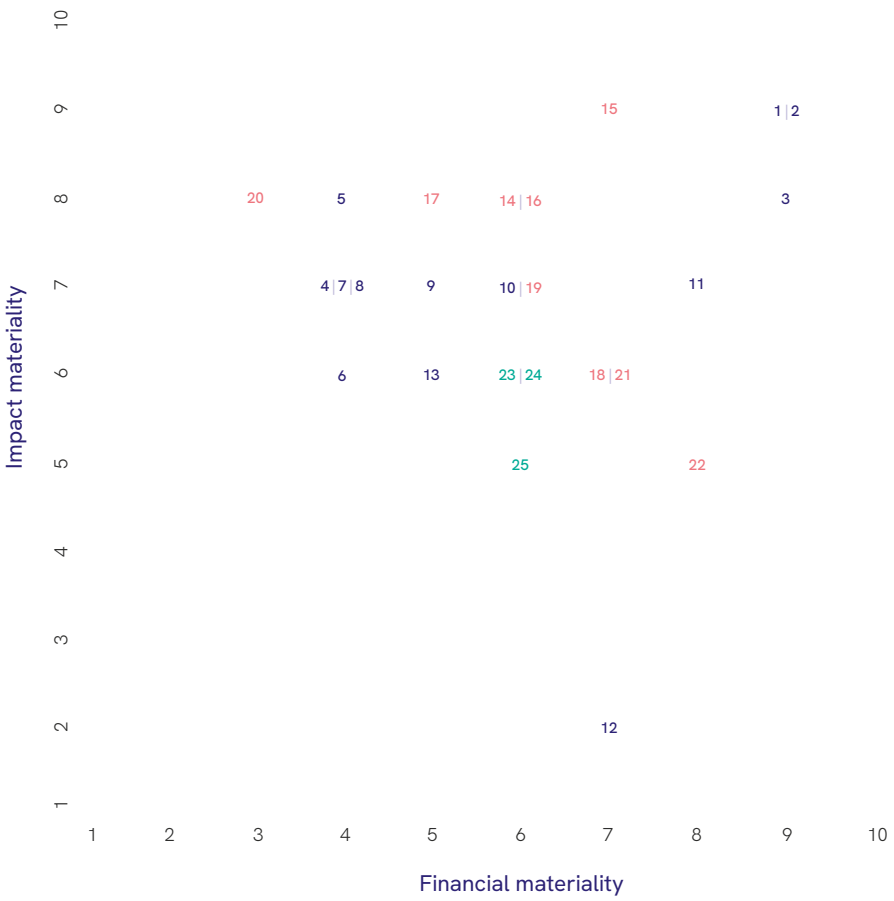
These were considered in the context of their likelihood. Furthermore, the assessment also involved identifying opportunities to improve efficiency, reduce costs and gain a competitive advantage through sustainable practices. We then assigned a total financial materiality score to the matter.

The results were presented to the Executive Committee, highlighting the sustainability topics most relevant for the Group, our portfolio companies and assets, their value chains and our investors. The key issues that emerged from the analysis have been taken into account during the formulation of our FY26 sustainability strategy.

The final outputs are shown on the heatmap on page 64, clearly identifying the most material matters.

Sustainability strategy

Double materiality analysis heatmap



Key: Environmental Social Governance

Environmental

Climate Change

1. Climate change adaptation (+) (R) (O)
2. Climate change mitigation (+) (–) (R) (O)
3. Energy (–) (R)

Pollution

4. Pollution of air (–)
5. Pollution of water (–)
6. Pollution of soil (–)
7. Substances of concern (–)
8. Substances of very high concern (–)

Water and marine resources

9. Water (–)

Biodiversity and ecosystems

10. Impacts on the extent and condition of ecosystems (–) (R)

Resource use & circular economy

11. Resources inflows, including resource use (–) (R)
12. Resource outflows related to products and services (–) (R)
13. Waste (–)

Social

Own Workforce

14. Working conditions (+) (–) (R) (O)
15. Equal treatment and opportunities for all (+) (–) (R) (O)

Workers in the value chain

16. Working conditions (+) (–) (R)
17. Equal treatment and opportunities for all (+) (–)
18. Other work-related rights (+) (–) (R)

Affected communities

19. Communities' economic, social and cultural rights (+) (–) (R) (O)
20. Rights of indigenous communities (+) (–)

Consumers & end-users

21. Information-related impacts for consumers and/or end-users (+) (–) (R)
22. Social inclusion of consumers and/or end-users (+) (–) (R)

Governance

Business conduct

23. Corporate culture (+) (–) (R) (O)
24. Protection of whistle-blowers (+) (–) (R) (O)
25. Corruption and bribery (+) (–) (R) (O)

Key: Impact: (+) Positive (–) Negative | Risk/Opportunity: (R) Risk (O) Opportunity

Environment

Climate change

Material impact, risks and opportunities

The double materiality analysis concluded that the most material risks and opportunities for Foresight Group are climate change mitigation and adaptation, and the use and production of energy, which are relevant in the short, medium and long term. Results of the analysis for Foresight Group are presented below:

E1 - Climate change: Sub-topic	Material impact	Positive or negative	Risk or opportunity
Climate change adaptation	Yes	⊕	Risk and opportunity
Climate change mitigation	Yes	⊕ ⊖	Risk and opportunity
Energy	Yes	⊖	Risk

With a large focus on wind and solar assets in its Infrastructure Division Foresight contributes positively to climate change mitigation by supporting the transition to low-carbon energy systems. These technologies play a critical role in reducing carbon emissions and displacing fossil fuel-based electricity generation.

However, we recognise that our investments – whether in infrastructure assets, listed or private companies – can be associated with negative environmental impacts. These may include high energy use and emissions during the production and construction phases for infrastructure assets, as well as the reliance on virgin materials and resource-intensive processes across supply chains.

Further details on climate-related risks and opportunities can be found in the TCFD pages in this report.

Policies related to climate change

As previously communicated, Foresight has adopted several policies which highlight our commitment to progressively embed climate considerations in operations and investment decisions. Further details of these can be found under the Sustainability Governance section.

Sustainability Reporting: SMEs

In the Private Equity Division we have upgraded our sustainability reporting platform to enhance user experience and for the first time, enable the calculation of Scope 3 emissions. This upgrade introduces a dynamic dashboard, allowing our portfolio to easily track and monitor progress. Additionally, a resource library has been included to support continuous improvement for companies and provide training on sustainability topics. Impressively, 100% of the portfolio using the platform submitted data for Scope 1 and 2 emissions, although PCAF is still used for those not yet on the platform. While 51% of the portfolio on the platform fully completed Scope 3 emissions reporting, which was recommended but not mandatory, we aim to improve this with further engagement.

Construction of Kölvallen Wind Farm, Sweden, Part of Foresight's portfolio

Environment: TCFD

TCFD Compliance statement

As per UKLR 6.6.6R(8) our climate-related financial disclosures are consistent with the TCFD recommendations issued in June 2017 and recommended disclosures, except for the 'partial compliance' areas outlined in the summary table below. Where we identify gaps in the depth and maturity of our disclosures and implementation efforts we have provided explanations and outlined the actions we are taking to close these gaps. Our aim is to provide a meaningful insight into how climate-related considerations are being fully embedded across our business.

Thematic area	Recommended disclosure	Planned Implementation Enhancements	Location
Governance Disclose the organisation's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities	Climate-related matters are currently addressed within the broader context of sustainability. Management's role in assessing and managing climate risks is similarly embedded within wider environmental initiatives. We are now taking steps to strengthen and formalise climate governance, in line with TCFD expectations. Planned actions include delivering targeted training for Board members, formalising climate-related responsibilities within management, enhancing Board oversight through regular updates supported by relevant metrics and introducing climate as a standalone item on the Board agenda.	Section: Sustainability Governance pages 58 to 60 and 68
	Describe management's role in assessing and managing climate-related risks and opportunities		
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Foresight made significant progress in FY25 by conducting quantitative scenario analysis for its Infrastructure and FCM portfolios, as well as qualitative scenario analysis for a portion of the Private Equity portfolio. Building on these efforts, we are now advancing the integration of these insights into investment decision-making, risk management frameworks and strategic planning. Planned actions include identifying how climate-related variables influence key financial drivers – such as revenues, operating costs, capital expenditure, and asset valuations – and incorporating these factors into our valuation and forecasting models. We anticipate continued progress towards full alignment with TCFD recommendations between FY26 and FY28.	Section: TCFD Report – Strategy pages 69 to 83
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning **(partial compliance)**		
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario **(partial compliance)**		

Environment: TCFD

Thematic area	Recommended disclosure	Planned Implementation Enhancements	Location
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks.	Describe the organisation's processes for identifying and assessing climate-related risks	We have made meaningful progress in FY25 with the incorporation of climate risks into risk registers and enhancements to risk classification tools. The focus now is on embedding these practices more consistently across all divisions and throughout the investment lifecycle, making them a practical and routine part of how investment and portfolio managers assess and manage risk. Integration of climate risks into the Enterprise Risk Management ("ERM") framework is ongoing, with continued efforts to align risk registers and processes across funds and business units to support effective Group-level oversight.	Section: TCFD Report – Climate Risk Management page 84
	Describe the organisation's processes for managing climate-related risks		
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management		
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Foresight Environmental Infrastructure ("FGEN") became the first fund to voluntarily set a net zero emissions target in FY25, marking an important step in our climate commitments. We continue to evaluate the feasibility of Group and fund-level carbon reduction, net zero or other climate-related targets. Currently, climate-related KPIs are not incorporated into Board or Executive remuneration policies. For areas where alignment is still partial, we expect to make further progress toward full TCFD alignment between FY26 and FY28.	Section: TCFD Report – Metrics and targets pages 85 to 89
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks		
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets **(partial compliance)**		

Environment: TCFD

Climate risks and opportunities

Foresight recognises that climate change presents both risks and opportunities that can have a material impact on our business.

While we do face some physical climate-related risks to our own operations – such as potential disruption to our offices from coastal flooding risk, particularly in London and Sydney – these are limited and less significant than the climate risks we are exposed to through our investment portfolios.

Physical and transition climate risks have the potential to materially impact the financial performance and long-term resilience of our investment portfolios. Physical risks can directly damage assets, disrupt operations or increase maintenance and insurance costs. Transition risks can alter the competitive landscape and render certain business models obsolete. These risks can influence valuations, increase operational costs or reduce future growth potential, ultimately affecting investor returns.

Conversely, the transition to a low-carbon economy creates opportunities for value creation through innovation, efficiency and investment in climate solutions.

Given Foresight's strong focus on climate solutions and renewable energy assets, we are well positioned to capitalise on emerging opportunities while also reducing vulnerability to transition risks.

Understanding and managing climate risks and opportunities is crucial for safeguarding the long-term value of our portfolio.

In the following sections, we outline our approach in accordance with the TCFD framework, covering governance, strategy, risk management and the relevant metrics and targets related to climate change.

Governance

Board governance

The Board's oversight of climate-related issues, including how relevant Committees and working groups contribute to informed decision-making, is addressed in detail in the Sustainability Governance section earlier in this report. That section outlines the structured processes in place to keep the Board regularly informed and engaged on climate-related risks and opportunities, ensuring effective integration of these considerations into the Company's broader governance framework.

While the Group has not yet set formal net zero targets, the Board remains engaged in evaluating evolving regulatory, market and investor expectations around decarbonisation.

Role of investment managers

Investment managers are playing an increasingly important role in integrating climate considerations into investment analysis and decision-making. The Sustainability team continues to lead the day-to-day management of climate-related issues, with a focus on strengthening processes, identifying gaps and leveraging emerging data and tools. These efforts are designed to support and empower investment managers to take on greater responsibility for managing climate-related risks and opportunities over time.

While data availability and methodologies continue to evolve – and investment teams are at varying stages of integrating climate into their workflows – the Sustainability team continues to support and collaborate with them to deepen understanding of climate impacts and enhance portfolio resilience.

As the Group's climate strategy matures, governance arrangements will continue to evolve to support clearer accountability, cross-functional co-ordination and integration of climate considerations into investment and risk oversight practices.

"At Foresight Group, we recognise that understanding and managing climate risk is not only a regulatory imperative, but a strategic priority. As the Board's sustainability representative, I see increasing momentum in how climate considerations are being incorporated into decision-making across the business. While this is an ongoing journey, we are taking important steps to strengthen our governance and risk frameworks in response to climate challenges. These risks – and the opportunities they bring – can affect all three of our divisions, and staying ahead of them is essential to protecting long-term value for our investors and contributing meaningfully to the low-carbon transition."

Alison Hutchinson, CBE
Senior Independent Non-Executive Director

Environment: TCFD

Strategy

Introduction

Foresight's climate strategy reflects the diverse nature of our business. While all divisions share a common commitment to understanding and managing climate-related risks and opportunities, they adopt different climate risk strategies and scenario analysis methodologies. This tailored approach ensures that the outputs are decision-useful and aligned with the specific characteristics of each asset class.

Infrastructure assets often have long lifespans and are more exposed to physical climate risks requiring location specific and longer-term physical risk assessments. In contrast, listed equities are more sensitive to market dynamics, regulatory shifts and investor sentiment, making transition risk scenarios – such as changes in carbon pricing or policy – potentially more relevant. Due to data limitations[1], varying equity stakes and levels of influence, private equity investments in small and medium-sized enterprises often call for more qualitative or tailored approaches.

The following tables present the key physical and transition risks and opportunities identified. These manifest in different ways and over different time horizons and sectors. The tables have been completed based on the results of risk assessments and scenario analyses. Methodologies and detailed findings are explored in detail in the following pages.

1. These include limited data on geolocations for all company sites and limited public disclosure from investee companies on climate risks and opportunities.

Glendevon Battery Storage, Scotland, Part of Foresight's portfolio

Environment: TCFD

Strategy

Overview of Group's exposure to physical risks

Physical risks						
Division	Main hazard/risk	Vulnerable geographies and sectors	Methodology and risk range	How the risk could manifest	Time horizon	Mitigation and resilience
Infrastructure	Water stress and temperature extremes	Risks concentrated in a subset of assets in the Australian portfolio and our very small agriculture portfolio (less than 0.1% of the divisional AUM).	**S&P Climanomics, Relative Annual Average Loss ("RAAL")** Assets subject to high aggregated physical risk (>10% in the central scenario by 2050) account for 4% of the portfolio's value, based on weighted average exposure. This number increases to 11% when adding assets subject to moderate physical risk (>5%), driven primarily by water stress and temperature extremes.	• Australian assets, primarily hydropower and natural gas plants, are exposed to water stress and extreme temperatures due to the country's inherently dry climate, high baseline temperatures and increasing variability in rainfall. • Agriculture assets are more sensitive to changes in water availability and heat extremes, which can reduce crop yields, strain irrigation systems and increase maintenance and insurance costs.	M L	• Despite moderate to high exposure for a subset of assets, the portfolio shows a low aggregated RAAL in the central scenario, with AUM-weighted financial losses equivalent to 1.27% per year between 2050 and 2059. • Geographic and technology diversification across the division, including within the Australian portfolio, helps mitigate exposure to localised physical climate risks.
FCM	Droughts and prolonged river low flow	Physical risks concentrated on infrastructure and real estate assets in GRIF and FIIF. Geographically diversified: Europe, the UK, the US and the Asia-Pacific region.[1]	**MSCI, Climate Value-at-Risk ("VaR")** Physical Risk Climate VaR of -7.3% for FIIF, and -9.9% for GRIF in the central scenario (funds cumulative loss in value by 2100 due to physical climate risks).	• Prolonged droughts and reduced river flow can lead to operational disruptions and increased costs in industries reliant on water for cooling, agriculture and manufacturing.	S M	• Exposure is counter-balanced by positive technology opportunities VaR (valuation impact due to exposure to low-carbon technologies). • Portfolio diversification across geographies and technologies reduces exposure to localised climate events and sector-specific vulnerabilities.
Private equity	Flooding (fluvial, pluvial and coastal) and droughts	UK and Ireland.	In-house qualitative assessment.	• More frequent and intense storm events can impact SMEs in low-lying or urban areas, leading to damage to premises, stock or equipment, loss of access for staff and customers, and increased insurance costs. • Summer droughts can cause water shortage, reduce agricultural yields, affect power generation and cooling processes.	S M	• Most of our VC and PE investments are in SMEs, where most value lies in intellectual property, human capital, relationships with customers and suppliers, resulting in limited direct exposure to physical climate risks.

1. GRIF stands for Foresight Global Real Infrastructure Fund and FIIF stands for Foresight UK Infrastructure Income Fund.

Key: S Short (0-5 years) M Medium (5-10 years) L Long (+10 years)

Environment: TCFD

Strategy

Overview of Group's exposure to transition risks and opportunities

Transition risks and opportunities | Group (Infrastructure, FCM, Private Equity)			
Risk/opportunity type	How the risk/opportunity could manifest	Time horizon	Mitigation and resilience
Regulation	**Opportunities:** A supportive policy environment to renewables and climate solutions helps to de-risk investment, lower financing costs and expand market opportunities. **Risks:** Higher-carbon parts of the portfolio face increased regulatory risk from tightening climate policies. Simultaneously, inconsistent climate and energy policies (including subsidy cuts, delays in grid reforms or shifts in direction following changes in government) can disrupt revenue models and investment planning for renewables.	S M	• Low exposure to carbon-intensive assets as percentage of AUM reduces exposure to regulatory risks and stricter climate policies (e.g. carbon taxes, emissions limits, clean energy mandates). • EU policy support continues to drive the expansion and competitiveness of renewable energy across the region.[1]
Litigation/Reputation	**Opportunities:** Proactive alignment with emerging climate and nature regulations can build trust, reduce risk and improve access to capital if disclosures are accurate, transparent and aligned with best practices. **Risks:** New regulatory frameworks and stringent reporting requirements raise expectations for transparency and increase compliance costs, as well as reputational or litigation risks if disclosures are perceived as insufficient or inaccurate.	S M	• Recent growth of the Sustainability team allows us to strengthen internal processes, review new standards and frameworks, monitor regulatory developments and improve data quality.
Market (e.g. carbon pricing and fluctuating energy prices)	**Opportunities:** Carbon pricing and high energy prices can boost the competitiveness and profitability of renewables, increasing demand for stable and flexible renewable energy assets. **Risks:** Low energy prices directly reduce revenues for renewable assets operating under a merchant model or selling into wholesale markets. Volatile prices make investment planning and forecasting more difficult, increasing perceived risk for investors overall. The most carbon-intensive parts of the portfolio may see rising operational costs and shrinking margins as carbon pricing increases.	S M	• Proactive use of power price forecasting alongside a diversified approach to energy offtake and procurement (PPAs, merchant, subsidy support, etc.) across the Infrastructure portfolio limits over-exposure to market fluctuations. • Low exposure to carbon-intensive assets as a percentage of AUM reduces exposure to carbon pricing risk.
Technology	**Opportunities:** Climate transition accelerates innovation in energy storage, grid integration and digital optimisation. **Risk:** The development and rapid deployment of more efficient technologies at scale may reduce the competitiveness of older assets, potentially diminishing their value, shortening their operational life or increasing the risk of stranded assets.	S M L	• A renewable-focused infrastructure portfolio is well positioned to benefit from technology-driven opportunities. • Our listed and private equity funds are equipped to invest across a broad range of opportunities, including early-stage technology companies.

1. https://europa.eu/newsroom/ecpc-failover/pdf/ip-25-1337_en.pdf.

Key: S Short (0-5 years) M Medium (5-10 years) L Long (+10 years)

Environment: TCFD

Strategy

Infrastructure

ESG due diligence pre and post investment

The Infrastructure division is strengthening its approach to climate risk and sustainability by aligning more closely with the emerging set of widely accepted investor, regulatory and sustainability frameworks. Meanwhile, the division's proprietary Sustainability Evaluation Tool ("SET"), which historically supported the evaluation of ESG and climate-related factors as part of pre-investment due diligence, has been re-designed to act primarily as a tool for ongoing monitoring of these considerations within portfolio management.

Where appropriate, alignment with these frameworks may require the engagement of third-party service providers. As an example, as of FY26, climate-related due diligence and monitoring will be conducted using a third party that applies advanced climate models and datasets to assess both acute and chronic physical risks in alignment with the EU Taxonomy's Climate Risk and Vulnerability Assessment ("CRVA").

These assessments are intended to form the basis for long-term climate risk monitoring and will serve as a reference point for ongoing risk management. They will be owned by Portfolio Managers, who also work closely with site operators and counterparties to monitor climate-related impacts on asset performance and develop mitigation plans.

To strengthen internal capabilities, the division is also piloting a new geospatial risk platform developed with Frontierra, designed to generate location-based insights into climate and nature-related risks. Following development, the platform is now undergoing initial testing and implementation across the Infrastructure Investment and Portfolio Management teams in FY26.

Infrastructure climate risk framework

Since 2022, Foresight has undertaken scenario modelling of its Infrastructure portfolio. In FY25, the Infrastructure Division once again used the Climanomics platform, which relies on the Shared Socioeconomic Pathways ("SSPs") generated by the Intergovernmental Panel on Climate Change ("IPCC") as the basis for its analysis[1].

The methodology uses asset-level geographic co-ordinates, emissions, asset type, valuations and sector classifications to evaluate the exposure of each asset to eight climate hazards (coastal, pluvial and fluvial flooding, drought, temperature extreme, tropical cyclone, water stress, wildfire and landslide) and five transition risks (carbon pricing, litigation, technology, reputation, market).

Geolocation is essential for infrastructure, as similar assets can face vastly different climate risks depending on where they are situated. Their long lifespans also increase exposure to cumulative impacts like water stress, temperature extremes and coastal flooding, making location-specific insights vital for targeted adaptation.

Core results are presented in terms of relative risk: the percentage of an asset's value that is estimated to be at risk from physical or transition risks. For instance, a relative risk of 5% by 2050 means that, on average, the expected financial loss from climate risk is equivalent to 5% of the asset's value across the decade (e.g. 2050-2059).

In our assessment, SSP2-4.5 is chosen as the central scenario as it reflects the most probable pathway based on current policies, commitments and climate trajectories.

Results are presented with a particular focus on the 2050-2059 period, reflecting both global net zero commitments by mid-century and the expected lifespan of many of our assets[2].

1. SPG_S1_Climanomics_Methodology.pdf.
2. The Climanomics assessment covered 547 assets, including those in development, pre-construction, construction, commissioning and operational stages, with a total asset value of $9.84 million. Including assets at all stages is essential for a comprehensive climate risk assessment, which explains the higher asset count compared to earlier figures in this report. The total asset value cited here – as a proxy for AUM – is lower than the previously reported division AUM, primarily because it excludes fund-level debt, reflects proportional ownership rather than full asset value for managed assets, and uses Net Asset Value (excluding investor commitments) for certain funds.

Environment: TCFD

Strategy | Infrastructure

Overview of climate scenarios

Scenario	Description
SSP1-2.6 (Low climate change scenario)	Aggressive mitigation in which total GHG emissions reduce to net zero by 2050, resulting in a global average temperature increase of 1.3–2.4°C by 2100. This is consistent with the goals of the Paris Agreement.
SSP2-4.5 (Medium climate change scenario)	Aggressive mitigation in which total GHG emissions stabilise at current levels until 2050 and then decline to 2100, resulting in a global average temperature increase of 2.1–3.5°C by 2100.
SSP3-7.0 (Medium-high climate change scenario)	Limited mitigation scenario in which total GHG emissions double by 2100, resulting in a global average temperature increase of 2.8–4.6°C (this averages to 3.6°C).
SSP5-8.5 (High climate change scenario)	Low mitigation scenario in which total GHG emissions triple by 2070 and global average temperatures increase by 3.3–5.7°C ("worst-case" scenario).

Climate resilience

Physical risks

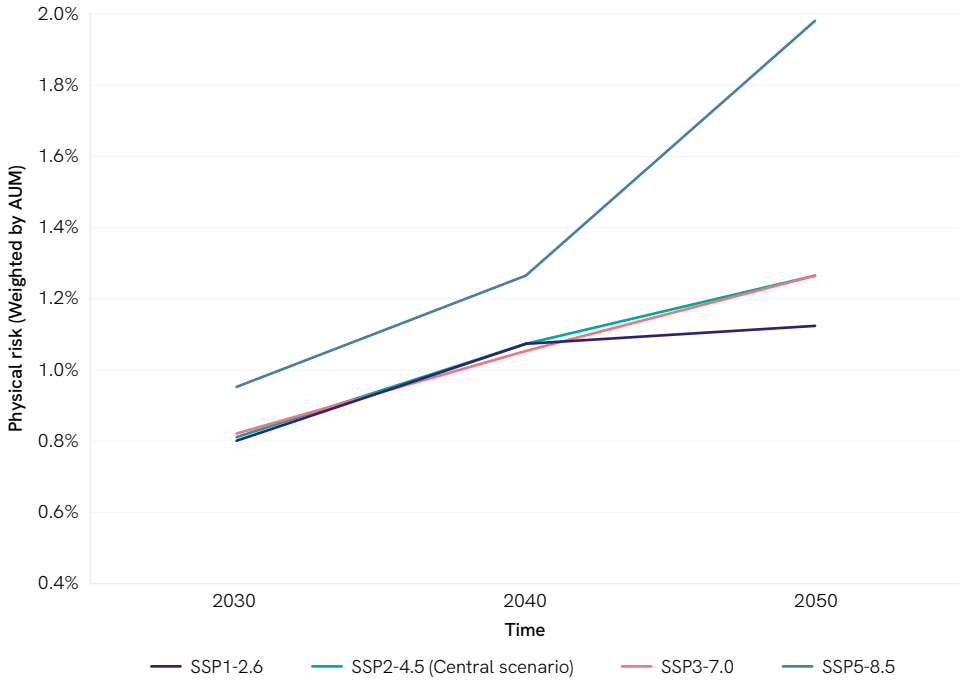
All assets were assessed for eight physical climate hazards, with individual hazard risks combined into a single % at risk per asset. These were then weighted by each asset's share of total AUM to calculate a portfolio-level average, ensuring larger assets have a proportionally greater impact.

The following thresholds for the combined percentage of risk were applied:

- 0-5% – Minimal
- 5-10% – Moderate
- >10% – High

The chart opposite shows the resulting total physical risk (AUM weighted) across three decadal time horizons. In this aggregated view, physical risk remains low across all scenarios.

Infrastructure portfolio – aggregated relative physical risk (in %)



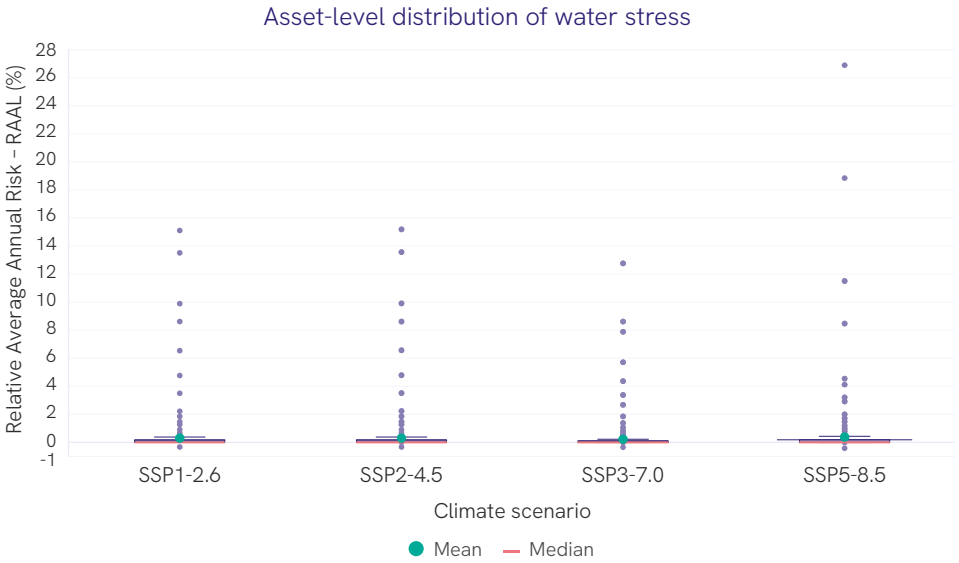
Under the central SSP2-4.5 pathway, risk increases moderately to 1.27% by 2050. This means that, on average, the expected yearly financial loss from climate risk is equivalent to 1.27% of the whole portfolio value between 2050–2059. The high-emissions SSP5-8.5 scenario shows a steeper rise, though total portfolio risk still remains below 2% by 2050.

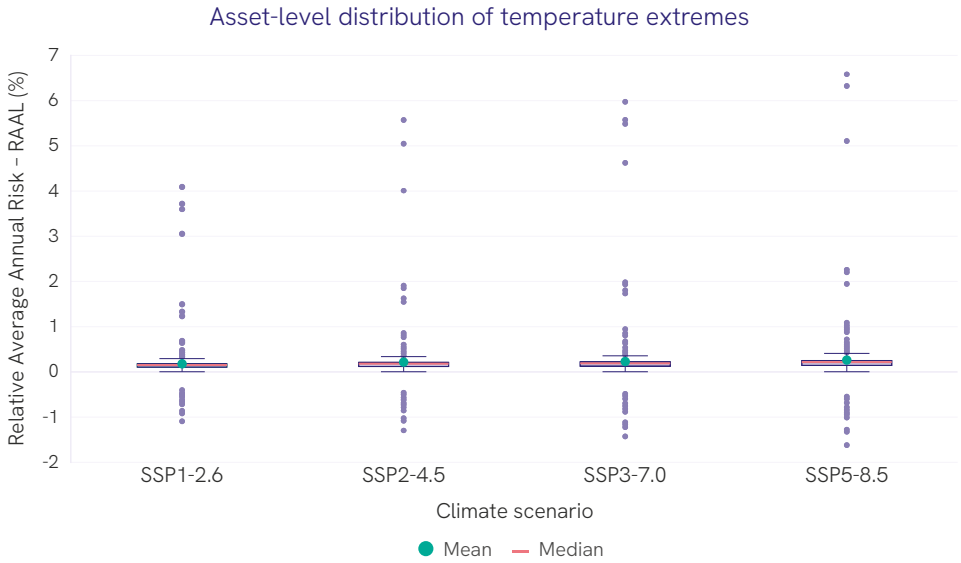
While the aggregated view offers a useful high-level perspective on overall portfolio exposure, it can obscure significant variations in risk at the asset level. Certain assets or sub-sectors may be disproportionately exposed to specific physical hazards, even when total portfolio risk appears modest.

Environment: TCFD

Strategy | Infrastructure

The box charts below help us visualise this concentration of risk at the asset level for the two most significant physical hazards for our portfolio: water stress and temperature extremes.





In both charts, the median and mean values are both near zero across all scenarios, suggesting that most assets in the portfolio are minimally affected by these hazards. However, the presence of outliers with risk exceeding 5% in the case of temperature extremes, or 10% in the case of water stress, indicates that some assets face significant exposure. The average remains low, but targeted mitigation might be needed for higher risk assets.

Impacts from water stress and temperature extremes are concentrated in a subset of assets in the regenerative agriculture sector and our Australian portfolio, underscoring the importance of targeted mitigation strategies.

Our regenerative agriculture portfolio is currently small, representing less than 0.1% of total AUM. In contrast, our Australian portfolio represents approximately 35% of the divisional AUM, making risks in that region more financially significant. Australia's geographic location and exposure to climate patterns like El Niño make it particularly vulnerable to prolonged dry spells, heatwaves and shifting precipitation patterns.

Environment: TCFD

Strategy | Infrastructure

Australian assets with moderate or higher physical risk (above 5%) – including a hydropower plant, natural gas facilities and a road transport asset – make up about 11% of the division's weighted asset value, highlighting the need for close monitoring of climate risks in the Australian portfolio. This risk is partially mitigated by our diversified exposure within Australia across a range of sectors and asset types – including over 20 wind and solar plants – many of which face lower physical climate risks.

Conversely, as seen in the box chart, temperature extremes show a limited but concentrated positive impact on certain asset types, particularly solar battery storage and anaerobic digestion facilities in the UK and Europe. This is largely due to the improved efficiency of microbial processes in anaerobic systems at higher temperatures, and the potential for increased solar generation in regions with moderate warming – though these gains remain modest, never exceeding 1.3% per asset by 2050 in the central scenario.

Although water stress and temperature extremes stand out as key risks that require ongoing attention, the overall portfolio demonstrates strong resilience to most climate hazards.

Notably, our solar and wind assets – which account for 56% of all infrastructure assets and approximately 50% of the division's AUM – perform well under the central scenario (SSP2-4.5), with no individual asset facing more than 2.8% annual risk on average from any single hazard.

For the portfolio as a whole, our sectoral and geographic diversification enhances resilience by limiting exposure to any single physical climate risk, lowering the chance that one event or hazard will have a disproportionate financial impact on the overall portfolio.

Transition risks

Assessment of transition risks is limited by the necessary simplification of sector-specific assumptions and the challenges of accurately modelling the net present impact of carbon pricing while accounting for regional differences. Carbon price estimates across scenarios vary widely, ranging from approximately $20 to over $200 per tonne of CO_2e by 2050.

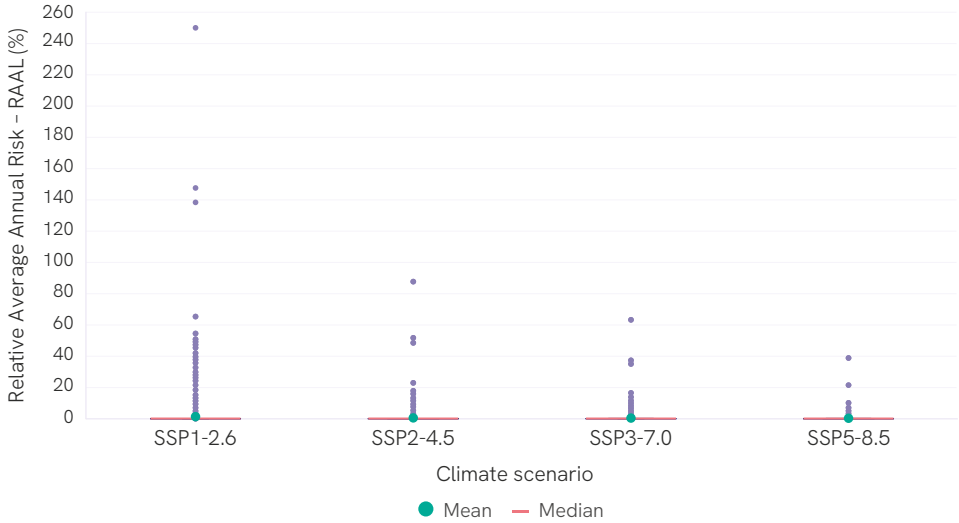
These limitations provide useful context in explaining the results in the chart opposite, with modeled carbon pricing responsible for the wide variation across the portfolio. Points in the chart correspond to individual assets' risk exposure to each transition risk category (carbon pricing, litigation, technology, reputation and market risk).

For certain gas-fired power plants, including reserve power, future carbon costs (expressed in net present value) can approach 50% by 2050. This estimate is subject to considerable uncertainty due to the compounding effect of long-term discounting and inflation assumptions.

Exposure to other transition risks (litigation, market shifts, reputational damage and technological disruption) is minimal, consistently below 1% across all assets and all scenarios.

Across all four SSP scenarios, both the mean and median cluster near zero, indicating that the majority of assets carry negligible aggregated transition risk, and that the overall portfolio average risk is not disproportionately influenced by extreme outliers.

Asset-level distribution of transition risk



Environment: TCFD

Strategy | Infrastructure

While recognising the limitations of the model's simplified assumptions, results align with expectations in the sense that higher-carbon segments of the portfolio are subject to elevated transition risks. These risks are largely concentrated in our natural gas-fired power plants, which, while responsible for 69% of total infrastructure emissions, comprise less than 10% of the division's AUM.

Given that our portfolio is primarily composed of renewable energy assets, our overall transition risk remains relatively low. Renewables are less exposed to carbon pricing and market shifts associated with decarbonisation pathways, providing us with a more resilient position as the energy transition progresses.

Opportunities

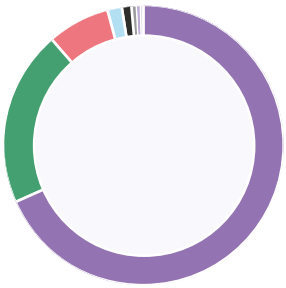
While the TCFD framework is primarily focused on climate-related risks, our portfolio is uniquely positioned within the opportunity segment of the energy transition. As an infrastructure investor focused on renewable energy assets, particularly wind and solar, we see climate change mostly as a catalyst for long-term value creation.

With 7.6 TWh of renewable electricity generated and 3.9 GW of installed renewable energy capacity in FY25[1], the portfolio is well positioned to benefit from increasing demand for clean energy. In the UK alone, renewable generation from the portfolio powers the equivalent of 2.8 million homes annually.

Overall, our portfolio results in the avoidance of approximately 2.8 million tonnes of CO_2e emissions per year compared to the grid[2], making a significant contribution to climate mitigation goals.

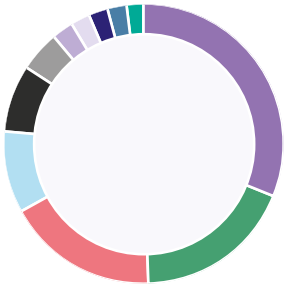
Beyond wind and solar, our investments in anaerobic digestion facilities, forestry and regenerative agriculture expand our climate positive impact. Anaerobic digestion not only reduces landfill use and methane emissions but also creates reliable baseload power, complementing intermittent renewables. Our natural capital investments, although still a small part of our portfolio, present a compelling nature-based solution to climate change by sequestering carbon in soil and trees while enhancing long-term soil productivity and biodiversity.

Infrastructure – By technology[3]



- Gas generation | 68.4%
- Energy from waste + biomass | 20.3%
- Transport | 7.2%
- Social infrastructure | 1.7%
- Non-energy waste | 1.0%
- Wind + solar | 0.5%
- Anaerobic digestion | 0.5%
- Others | 0.3%

Infrastructure – Technology allocation by AUM[3]



- Wind | 31.3%
- Solar | 18.3%
- Transport | 17.5%
- Natural gas | 9.4%
- Social infrastructure | 7.8%
- Waste energy + biomass | 4.7%
- Hydro | 2.4%
- Anaerobic digestion | 2.4%
- CNG refuelling station | 2.3%
- Forestry | 2.1%
- Other | 1.8%

1. This figure includes wind and solar, solar batteries, hydropower, geothermal, biomass and anaerobic digestion facilities (operational assets only) and covers the period April 2024-March 2025.
2. This figure includes wind and solar, solar batteries, hydropower, anaerobic digestion, biomass and energy-from-waste facilities (operational assets only) and covers the period April 2024-March 2025.
3. Encompassing 420 operational assets with a total asset value of $8.38 billion. Gas generation includes power plants, reserve power and gas pipeline. Wind includes onshore and offshore, and solar includes farms and rooftops. Non-energy waste includes wastewater treatment and waste management. Transport includes airport, electric buses, ferry, port and roads. In the second chart, others also include non-energy waste. Social infrastructure includes hospitals, schools, social housing and student accommodation. Others include forestry, hydropower, CNG refuelling stations, agriculture, street lighting, storage (battery), glasshouse & vertical farms and anaerobic digestion. Emissions chart excludes Scope 3 emissions which are currently estimated.

Environment: TCFD

Strategy

Foresight Capital Management

ESG due diligence pre and post investment

In FY25, we began restructuring the division's processes and aligning with the IFRS S2 framework to enhance the assessment of climate-related disclosures from individual listed companies.

Data is predominantly sourced from investee companies' publicly available disclosures – such as Annual Reports, sustainability or TCFD Reports and CDP questionnaires – supplemented with key metrics and peer comparisons from Bloomberg's ESG datasets. Together, these sources provide a comprehensive understanding of how companies are managing climate-related risks and opportunities, and the potential implications for long-term performance and risk exposure.

To support appropriate monitoring, the Lead Sustainable Investment Manager attends weekly investment meetings with equity analysts and portfolio managers. Climate-related matters are considered as part of these meetings, though they are not yet a standing agenda item. In FY26, the Sustainability team will further enhance the monitoring process to ensure that company assessments are formally reviewed and updated on a quarterly basis.

Further, the Sustainability team engages with investee companies to advocate for enhanced disclosure of climate-related information and encourage sustainable practices. Updates on these efforts are provided in the FCM Annual Stewardship Report, ensuring transparency and accountability.

FCM climate risk framework

Foresight Capital Management's approach to scenario analysis involves applying MSCI's Climate Value-at-Risk (Climate VaR) model to our equity holdings.

This enables us to assess the potential business impacts of risks and opportunities under different climate scenarios to 2100. The aggregated company Climate VaR is calculated as a percentage of market value (from -100% to +100%) for a series of climate scenarios and includes the valuation impacts arising from technology opportunities, policy risks and physical risks.

MSCI's climate scenarios are built on standardised pathways developed by the Network for Greening the Financial System ("NGFS") and the International Energy Agency ("IEA").

The assessment was conducted for four FCM funds[1] using the following scenarios:

- **2°C NGFS Orderly (baseline):** A well co-ordinated and gradual transition to a low-carbon economy, with policies and measures implemented in a timely manner to limit global temperature rise to 2°C above pre-industrial levels
- **1.5° REMIND NGFS Orderly:** A well co-ordinated and ambitious transition to limit global temperature rise to 1.5°C, with rapid and far-reaching changes in all aspects of society
- **1.5° REMIND NGFS Disorderly:** A less co-ordinated and more disruptive transition to limit global temperature rise to 1.5°C, with significant economic and social impacts
- **3° REMIND NGFS NDC:** Current policies and Nationally Determined Contributions ("NDCs") are implemented. Significant variations between jurisdictions, insufficient at scale and leading to a global temperature rise of 3°C above pre-industrial levels

It is important to note that FIIF's portfolio includes a significant allocation to UK investment trusts, which are not comprehensively captured by MSCI's methodology. As a result, MSCI's climate risk assessments are less representative for FIIF than for FCM's other funds.[2]

1. The four FCM funds are: Foresight UK Infrastructure Income Fund ("FIIF"), Foresight Global Real Infrastructure Fund ("GRIF"), Foresight Sustainable Real Estate Securities Fund ("REF") and Foresight Sustainable Future Themes Fund ("SFT").
2. FIIF's MSCI methodology coverage is 32.3%; GRIF 71.6%; SFT 93.7%; REF 98.3%. The UK investment trusts held by FIIF primarily invest in clean energy infrastructure and core infrastructure assets. These holdings are considered to have minimal exposure to transition risks, given their alignment with low-carbon objectives. However, they may still face exposure to physical risks, particularly extreme weather events. As a result of these data limitations, there is a risk that FIIF's climate-related exposures are being underestimated.

Environment: TCFD

Strategy | Foresight Capital Management

Climate resilience

Snapshot on transition risks and opportunities

	Green revenue exposure	Renewable power generation exposure	Thermal coal exposure (any tier)	Thermal coal (apportioned fuel mix, % of generation)	Fossil fuel-based revenue exposure
REF FP Foresight Sustainable Real Estate Securities Fund	22.9%	100.0%	4.1%	—	0.1%
SFT FP Foresight Sustainable Future Themes Fund	22.5%	82.5%	5.7%	3.6%	0.2%
GRIF FP Foresight Global Real Infrastructure Fund	22.4%	70.7%	—	—	1.6%
FIIF FP Foresight UK Infrastructure Income Fund	5.1%	47.2%	—	—	0.4%
Benchmark (MSCI AC WORLD INDEX)	8.8%	12.4%	3.8%	22.3%	3.2%

All four funds have minimal exposure to thermal coal power or revenue from activities related to fossil fuels (including extraction, production, distribution and usage). This is in line with the funds' mandates and reflects a strong alignment with low-carbon transition goals.

Simultaneously, REF, SFT and GRIF have considerably higher exposure to green revenues (a weighted average of revenue exposure to alternative energy, energy efficiency, green building, pollution prevention, sustainable water and sustainable agriculture). All portfolios are overweight in terms of exposure to renewable power generation relative to the MSCI AC World Index, with REF having 100% exposure.

The minimal exposure to fossil fuels, coupled with the high exposure to renewable power generation and green revenue, indicates the funds are well positioned for a low-carbon future economy and have low exposure to transition risks.

Financed carbon emissions (tonnes CO_2e/GBP million invested)

	Scope 1+2 (direct + purchased energy)	Scope 3 upstream (supply chain emissions)	Scope 3 downstream (product use emissions)
REF FP Foresight Sustainable Real Estate Securities Fund	12.1	29.6	22.7
SFT FP Foresight Sustainable Future Themes Fund	38.5	180.1	101.6
GRIF FP Foresight Global Real Infrastructure Fund	25.4	39.3	10.5
FIIF FP Foresight UK Infrastructure Income Fund	27.3	27.2	21.3
Benchmark (MSCI AC WORLD INDEX)	52.3	98.8	255.8

All funds have significantly lower Scope 1 and 2 and Scope 3 downstream emissions compared to the benchmark.

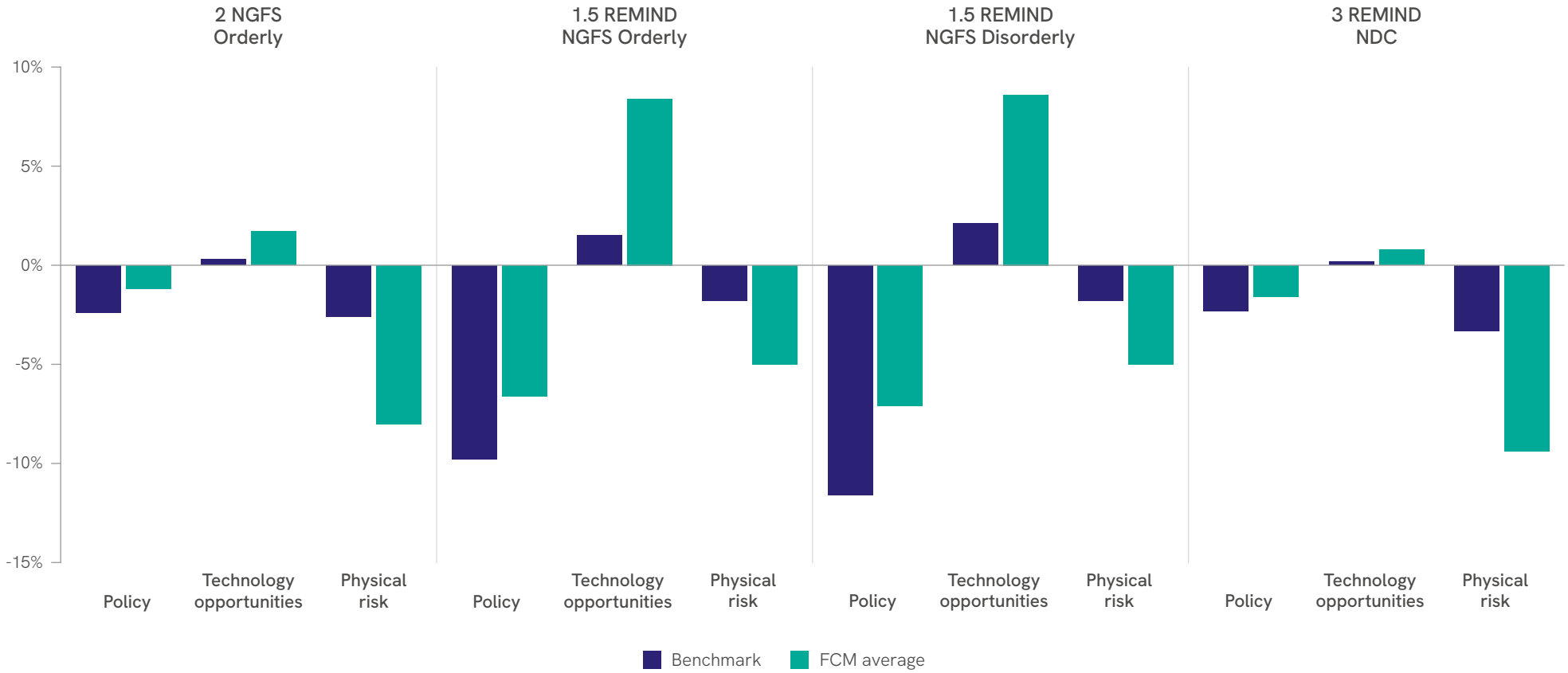
Scope 3 upstream emissions are lower for all funds except the FP Foresight Sustainable Future Themes Fund. This fund targets businesses aligned with key sustainability themes including clean energy, resource efficiency and digital infrastructure. By focusing on companies providing sustainable solutions to environmental and societal challenges with strong potential to reduce emissions in the future, the Fund is currently exposed to industries that inherently have higher upstream emissions at present. For example, the manufacturing and construction of wind turbines or electrical cables – crucial to the energy transition – tend to have higher upstream emissions due to the energy and materials required in their supply chains.

Environment: TCFD

Strategy | Foresight Capital Management

The chart below shows the Value-at-Risk for the whole division across the different scenarios. The aggregate number reflects the funds' weighted average for each category: physical risk, transition risk and technology opportunities. A negative Physical Climate VaR indicates a potential downside (value loss) due to physical impacts. In the same way, a negative Policy Climate VaR means that future climate policies – such as carbon taxes, stricter emission regulations or other government actions – are expected to reduce the value of the portfolio, and vice-versa. As for the Technology Opportunities Climate VaR, a positive number indicates expected financial gain from climate-related technology innovation and adoption.

Climate Value-at-Risk



Environment: TCFD

Strategy | Foresight Capital Management

Key findings are outlined below. Assumptions about future climate policies, technological developments and physical climate impacts are unable to fully capture the complexity of future scenarios. Instead of focusing on individual numerical results, we focus on trends and differences between scenarios as the best way to gain insights into potential future risks and opportunities.

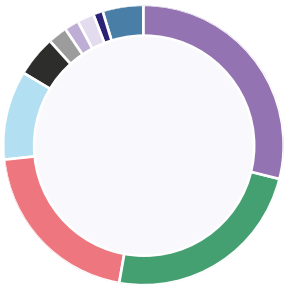
Physical and transition risks

- Due to the funds' strong focus on infrastructure assets, the division has a higher weighted average value at risk ("VaR") from physical risks relative to the benchmark. This is more pronounced in the 3°C scenario, which reflects insufficient global action to reduce emissions. This is to be expected given that real assets have fixed locations and long lifespans, which exacerbates their exposure to localised physical hazards.
- River low flow caused by prolonged drought is identified as the biggest physical risk for the FCM portfolio. It can lead to operational disruptions and increased costs in industries reliant on water for cooling, agriculture and manufacturing. Extreme heat emerges as the second biggest physical risk.

Opportunities

- Across all scenarios, the division's weighted average value at risk ("VaR") outperforms the benchmark in relation to climate-related opportunities – such as renewable energy and sustainable infrastructure – and transition risks, including the impacts of stricter climate policies like carbon pricing. This outperformance is particularly notable in the 1.5°C scenario, highlighting the fact that FCM stands to benefit from robust climate mitigation efforts.
- In relation to the baseline, all funds individually show an increase in Technology Opportunities Climate VaR in the 1.5°C scenarios. SFT (14.1%) and GRIF (17.7%) are particularly well positioned to benefit from a rapid decarbonisation of the global economy.

FCM's sectoral distribution[1]



- The results are consistent with the expectations for the FCM funds as these are specifically designed to capitalise on long-term sustainability trends and the transition to a low-carbon economy. These funds have minimal or non-existing links to fossil fuels and high exposure to low-carbon economy-aligned sectors such as renewable energy, clean industry and resource efficiency, which are expected to thrive under stricter climate policies. Their positive Technology Opportunities VaR indicates that they stand to gain from the growing adoption of low-carbon technologies.
- SFT is particularly well positioned to benefit from the transition to a low-carbon economy, with high green revenue exposure and strong resilience to climate-related risks across all scenarios. This is consistent with SFT's mandate to build a portfolio that is positioned to benefit from the growing demand for sustainable solutions.

1. Based on weighted average calculated using fund holdings as of 22/05/2025.

Environment: TCFD

Strategy

Private Equity

ESG due diligence pre and post investment

Foresight's Private Equity division is committed to ongoing ESG improvement and incorporating these considerations throughout the investment lifecycle, especially for Growth Private Equity assets. The process is regularly reviewed and updated to incorporate evolving best practices.

Three core enhancements took place in FY25: the review and expansion of the ESG due diligence questionnaire, the enhancement of the Sustainability Software Platform – including the ability to calculate portfolio company Scope 3 emissions alongside usability and output data – and the introduction of a new qualitative climate risk assessment.

Investment Managers are responsible for conducting ESG due diligence on each potential new investment, as part of the overall due diligence process, tailoring it where necessary to the scale and nature of each investee company's operations, the type of investment and maturity of the investee company.

Important to our ESG due diligence on most of our investments is the Foresight ESG questionnaire, which was updated this reporting period to support TCFD-aligned recommendations, address double materiality topics, evaluate good governance (for SFDR funds) and reinforce our commitment to the UN Global Compact's ten principles.

The questionnaire is completed via the online Foresight Sustainability Platform, which feeds into the ESG risk assessment matrix used in Investment Committee submissions. These submissions include an evaluation across five ESG principles (Awareness, Environmental, Social, Governance and Third-Party Interactions) and a defined action plan. Progress on these actions is monitored through the 100-day plan process and quarterly portfolio reviews. In FY25, Investment Committee submissions templates were, where relevant, updated to cover key double materiality topics and include results from the new qualitative climate risk assessment, outlined in the next section.

Foresight actively engages with portfolio companies, holding non-executive directorships on most company boards within the Growth Private Equity portfolio, and usually taking observer roles on the remaining investee companies. Investment Managers drive engagement to promote sustainable practices, with progress reviewed quarterly to ensure risks are mitigated and value creation opportunities realised.

Annually, all Growth Private Equity portfolio companies are asked to complete the ESG questionnaire on the online Foresight Sustainability Platform, which now features an updated, streamlined carbon questionnaire. This enables comprehensive tracking of Scope 1, 2 and 3 emissions, calculated using GHG Protocol-aligned methodologies. The platform identifies any major emitters and emission hotspots, providing companies with the tools and insight to better understand and manage their emissions, and enabling targeted engagement as this process evolves.

Private Equity climate risk framework

Private Equity is focused mainly on SMEs based in the UK. Data on these companies is limited, and external data providers that are able to capture physical and climate risks for SMEs accurately are limited. For these reasons, the division focused on enhancing in-house processes to increase our understanding of exposure to physical and transition risks.

In FY25, we have put in place a qualitative climate risk assessment for companies above a defined investment threshold, currently totalling 66 of the existing portfolio companies across all funds and sectors. The evaluation accounts for transition and physical risks based on sectoral and geographic exposure. On investment and then annually, investment managers will complete this risk evaluation outlined below and note any material change. Key steps include:

- **Transition risks:** qualitative assessment based on sectoral exposure, using the NACE codes classification (European statistical classification of economic activities[1]) and mapping them against the CPRS list (Climate Policy Relevant Sector[2]). This allows us to identify companies particularly exposed to transition risks, including policy and legal, technology, market and reputation risks
- **Physical risks:** qualitative assessment based on geographic location and using open-source, science-based tools[3]. The assessment accounts for the localised long-term risk from flooding caused by changes in rainfall, river levels and sea level, and prolonged dry weather and drought caused by dry summers and low river flows

1. dd5443f5-b886-40e4-920d-9df03590ff91.
2. Climate Policy Relevant Sectors | Department of Finance | UZH.
3. For flooding risk in the UK we use: "https://www.gov.uk/check-long-term-flood-risk" and for the Republic of Ireland we use: "https://www.floodinfo.ie/map/floodmaps/". For drought we use international maps from "https://www.drought.gov/international".

Environment: TCFD

Strategy | Private Equity

This risk assessment is primarily informed by our current understanding of material exposures, based on present day data, operations and the regulatory environment. To ensure our strategy remains resilient over time, we complement this assessment with forward-looking scenario analysis, using narrative-based descriptions of two possible future outcomes:

- **A 1.5°C world (rapid decarbonisation):** Governments take aggressive climate action, leading to policy shifts, green investments and rapid decarbonisation. Potential for higher transition risks but lower physical risks as a consequence
- **A 3°C+ world:** Weak policies result in escalating climate disasters, supply chain disruptions and increased insurance costs. Potentially lower transition risks but high physical risks

Based on these findings, portfolio managers use a proprietary framework to determine the risk materiality based on a combination of (i) the magnitude of impact and (ii) the likelihood of occurrence over the short, medium and long term. The framework evaluates the potential impacts on portfolio companies' financials (loss of revenue), operations (generation, output or service delivery disruptions), reputation (damage to reputation, brand, ability to sell or procure) and legal (sanctions, class action, fines or penalties).

This process has enhanced our awareness of exposure to climate-related risks and ongoing monitoring of any change in risk materiality.

Climate resilience

Key findings from the qualitative risk assessment are outlined below.

Physical risks

- The portfolio is concentrated in the UK and Ireland, with flooding and drought identified as the most significant physical climate hazards. Currently, the climate-related hazards assessed were determined to be not financially material for the companies reviewed. We acknowledge that these risks can intensify over the medium to long term, underscoring the need for ongoing monitoring.
- Mitigating factors are in place in many cases, including the possibility to relocate with minimal interruptions to operations.
- Although the portfolio is primarily composed of SMEs based in the UK and Ireland, some companies operate international sites or rely on key international suppliers. Since physical climate risks are location-dependent, our current focus on domestic sites due to availability of open-source, science-based tools means that risks associated with overseas operations or supply chains are not yet captured, potentially leading to an underestimation of overall climate risk exposure.
- The nature of venture capital and private equity investments means that investments are typically made at the early stages of their growth cycle, where most of the value is in the Intellectual Property Rights and the entrepreneurs, innovators and support staff themselves. For this reason, physical climate risks – such as damage to physical assets – are generally less relevant, as these companies often have limited fixed infrastructure and derive their value primarily from human capital and innovation potential.

Transition risks and opportunities

- Sectoral diversification within Foresight's private equity portfolio helps lower exposure to climate transition risk by spreading investments across industries with varying sensitivities to policy, technology and market changes associated with the low-carbon transition.
- Companies in the industrials sector, including manufacturing, may be more energy-intensive and therefore more exposed to transition risks. More stringent regulation to meet emissions reduction targets and carbon pricing mechanisms could increase operating costs and impact net profits if their energy sources or production methods are carbon-intensive. Increased power prices due to short-term shocks could also increase operating costs for these companies. Our enhanced Foresight Sustainability Platform, with detailed carbon emissions tracking, will improve our ability to identify and assess transition risks in energy-intensive companies, building on our existing efforts to mitigate these risks through ongoing engagement to help companies lower their emissions.

Foresight works closely with its portfolio companies to unlock value through operational improvements and strategic guidance, fostering long-term growth and resilience.

The findings from our comprehensive risk assessment will play a crucial role in informing our engagement with portfolio companies, enabling us to address potential vulnerabilities, guide climate resilience strategies and identify new opportunities for value creation aligned with the transition to a low-carbon economy.

Environment: TCFD

Strategy

General limitations of scenario analysis assessment

While scenario analysis is a valuable tool for assessing climate-related financial risks, it has important limitations that can lead to the underestimation of risks:

- **Linear economic assumptions:** Scenarios do not adequately capture abrupt market corrections, policy shocks or technology disruptions, underestimating abrupt or systemic risk amplification
- **Mismatch between scenario and investment time horizons:** Scenarios often project out to 2050 or 2100, while investor decision-making focus on three to ten-year horizons, making alignment and risk attribution difficult
- **Focus on direct impacts:** Models assess direct impacts on sectors or assets, without capturing indirect effects transmitted through global supply chains. This is especially relevant for globalised supply chains – common in manufacturing, electronics and food sectors – where disruptions upstream can significantly affect downstream financial performance, input costs and inflation risk
- **Lack of climate tipping points:** Scenarios do not model non-linear, irreversible events like ice sheet collapse, permafrost thaw or ocean circulation changes, particularly relevant for infrastructure projects with long lifespans
- **Limited sector/regional granularity:** Scenarios tend to oversimplify sector-level exposure, assuming that entire industries will be equally affected and relying on global/regional averages
- **Failure to account for tail risks:** rare, high-impact events that have a low probability but could have devastating consequences are often not accounted for

Recognising these limitations is crucial for interpreting scenario outputs with appropriate caution and for ensuring that risk assessments are continuously updated in line with the latest climate science, emerging tools and evolving market conditions.

Financial position, financial performance and cash flow

Given the nature and composition of the Group portfolio, we expect Foresight's financial position to improve alongside the transition to a low-carbon economy. The transition away from fossil fuels is expected to drive increased demand for renewable energy investments, enhancing our ability to attract capital and grow our investor base. There are no plans to diversify into carbon-intensive sectors as this would be contrary to our strategy. We acknowledge the risk that a shift in government policy or legislation away from established climate science could adversely impact the profitability of our renewable energy assets in the UK, Europe and Australia. Such a development could also hinder our fundraising efforts in private markets and limit our ability to effectively execute our strategy.

Foresight has not yet developed an organisation wide quantification of the financial impacts of climate-related risks and opportunities on our valuations, performance or cash flows. The quantification of climate-related risks and opportunities within the Infrastructure and FCM divisions allows us to evaluate the potential materiality of climate risks on assets under management ("AUM"). The use of different climate scenario methodologies across business units makes it challenging to aggregate results at the Group level in a meaningful and comparable way.

We recognise that understanding and disclosing the financial implications of climate-related risks and opportunities is an evolving area and that further work is needed to consistently integrate these insights into financial valuations, cash flow projections and overall financial planning. As methodologies mature and internal capabilities strengthen, we aim to improve the clarity and consistency of our climate-related financial assessments, reflecting our broader commitment to aligning financial resilience with the transition to a low-carbon economy.

Environment: TCFD

Climate risk management

Comprehensive risk management requires proactive identification, assessment and mitigation of present and future threats. In FY25, we have focused on integrating climate risks into our Enterprise Risk Management ("ERM") framework to ensure that these risks are identified, assessed, monitored and managed alongside traditional financial and operational risks.

With support from the Sustainability team, investment managers are increasingly equipped to evaluate both physical and transitional climate-related risks, using scenario analysis and materiality assessments to understand their potential impact on investment portfolios. This capability is still evolving, and we recognise it as a work in progress as we continue to build tools, processes and expertise across the investment teams.

Our new and enhanced risk matrix enables risk owners to classify climate-related risks for each asset or portfolio company based on both the probability of occurrence (likelihood) and the potential damage or effect (impact) on investments. For example, a flood event might be classified as having a very high probability of severely impacting revenue and operations for an asset in the next ten years.

The evaluation of impacts and likelihoods has a high degree of estimation uncertainty, with a wide range of possible outcomes. Things like policy shifts and technological developments can influence the likelihood of different climate outcomes and impact on future risk exposures. Accounting for different scenarios enables us to assess how, and under what circumstances, the impacts from climate change may emerge.

This bottom-up approach helps us distinguish between **highly probable but low impact risks** (like minor regulatory changes) and **low probability but high impact events** (such as extreme weather damaging critical assets). It also aids in understanding how transition risks (e.g. policy shifts, carbon pricing, technology disruption) and physical risks (e.g. heatwaves, floods, sea level rise) could affect operations, revenues or reputation. We will continue to refine and embed the matrix across our processes.

Identified climate risks can now be incorporated into risk registers, with assigned ownership, mitigation strategies and regular reporting to Senior Management and the Board – marking an important step in building a more systematic and structured approach to climate risk management. Each division is responsible for maintaining its own risk register and for updating it on a regular basis with oversight by the Risk Team. In addition, the Risk team holds a formal annual meeting and informal periodic meetings with risk owners to review and discuss key risks, including climate-related exposures, and to ensure alignment on mitigation strategies and priorities.

Any important change to the impact and/or likelihood of climate-related risks will be presented to the Audit & Risk Committee. Those risks considered most material are presented to the Board via papers reviewed by the Audit & Risk Committee, as well as through ad hoc reports issued in response to emerging or critical risk events. Risks which exceed the Group's risk appetite will have action plans developed to mitigate their impact.

Enhanced Key Risk Indicator functionality has been implemented in the Group's risk management software that will enable Foresight to better track and monitor risks considered to be potentially material. The initial KRIs have been identified using a combination of best practice and topics highlighted as part of the double materiality assessment and will include climate risks where appropriate. The enhanced functionality allows for greater oversight by key Stakeholders and better identification and implementation of mitigation plans where necessary.

This enhanced risk management framework will enable us to better respond to climate-related challenges and improve Foresight's resilience. It sets the foundation for continuous improvement in addressing climate risks going forward.

Given the ever-evolving climate risk landscape (e.g. dynamic interplay of environmental changes, scientific advancements, policy developments, shifting market expectations, etc.) we will continue to regularly monitor and review the risk management framework.

Environment: TCFD

Metrics and targets

Total emissions – operational and financed

Carbon emissions[1]	FY25 Total carbon emissions (tCO_2e)	FY25 Carbon footprint (tCO_2e/£m invested)	FY25 Weighted Average Carbon Intensity ("WACI") (tCO_2e/£m revenue)	FY24 Total carbon emissions (tCO_2e)	FY24 Carbon footprint (tCO_2e/£m invested)	FY24 Weighted Average Carbon Intensity ("WACI") (tCO_2e/£m revenue)	Year-on-year Total carbon emissions (tCO_2e)	Year-on-year Carbon footprint (tCO_2e/£m invested)	Year-on-year Weighted Average Carbon Intensity ("WACI") (tCO_2e/£m revenue)
Scope 1	10.7	0.0008	0.069	13.6	0.0011	0.09	(21.3%)	(26.3%)	(22.8%)
Scope 2 (location based)	137.7	0.0104	0.89	158	0.013	1.10	(12.8%)	(19.7%)	(18.7%)
Scope 2 (market based)	92.5	0.007	0.60	113	0.009	0.79	(18.1%)	(22.1%)	(24.0%)
Scope 3 (excluding Category 3.15)	4,389.2	0.333	28.50	1,116	0.092	7.79	293.3%	261.6%	265.9%
Category 3.15 – Financed emissions[2]	1,941,996	147	12,611	1,998,250	165	13,940	(2.8%)	(10.8%)	(9.5%)
Scope 3	1,946,385	148	12,640	1,999,366	165	13,948	(2.6%)	(10.6%)	(9.4%)
Total emissions (Scope 2 market based)	1,946,488	148	12,640	1,999,538	165	13,949	(2.7%)	(10.6%)	(9.4%)

1. Of the FY25 emissions, 0% of Scope 1, 56% of Scope 2 (market based) and 50% of Scope 1 and 2 (market based) relate to the UK. FY24 data was prepared based on the requirements for Large LLPs; therefore, UK and Global split was not calculated at the time.
2. A pro rata rate of WHEB's emissions were included in the above table.

Operational emissions

Foresight conducts an annual carbon assessment aligned with its financial year. Scope 1, 2 and 3 emissions for Foresight Group are calculated in accordance with the Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard, as well as the Corporate Value Chain (Scope 3) Standard.

For operational emissions, we gather detailed consumption data across all offices, covering energy use, waste, water, business travel, employee commuting and purchased goods and services. The reduction in Scope 2 emissions is primarily due to the purchase of renewable energy contracts by our Manchester and Cardiff offices – a practice we aim to continue and expand where feasible.

We are continuously working on improving the data quality with emission factors updated to reflect the latest assumptions. Improvements this year included the addition of purchased services emissions and the 49% of spend on travel not booked through corporate traveller. This is part of a continued effort to improve the quality of our data as well as how we present it. Last year's numbers were not recalculated for the new methodology due to their immaterial impact (less than 5%) on Total Scope 3 footprint.

All emissions data – excluding Scope 3 financed emissions (Category 15) – are audited with limited assurance by Turley, an external consultancy specialising in carbon accounting.

Energy Efficiency Action

In the period covered by the report, Foresight has not undertaken any business wide action to reduce its energy intensity.

While Foresight does not have Group-level emission reduction targets, we have renewed the "Carbon Neutral Certification" by offsetting our Scope 1, Scope 2 and Scope 3 (excluding financed emissions) emissions. In February 2025, Foresight purchased 100% avoidance offsets through Climate Impact Partners to renew our Carbon Neutral Certification.

Environment: TCFD

Metrics and targets

	FY25			FY24			Year-on-year	
Energy consumption	Unit	Usage	% of UK	Unit	Usage	% of UK	% Change in usage	% of UK
Gas	kWh	59,022	0	kWh	74,226	0	0	0
Electricity	kWh	464,854	69	kWh	722,044	83	(36)	(17)

Emissions scope	Subcategory	tCO_2e
Scope 1		
Stationary sources	Gas consumption	10.7
Mobile sources	—	0
		10.7
Scope 2		
Location based	Electricity consumption	137.7
Market based	—	92.5
Scope 3		
1. Purchased goods & services	Water supply and spend on goods and services	2,913.3
2. Capital goods		197.9
3. Fuel & energy (not Scope 1 or 2)	T&D losses	18.5
5. Waste	Wastewater and other waste	12.8
6. Business travel	Transport – air, ground, rental cars and hotels	1,025.5
7. Employee commuting	Employee transport and home working	221.2
15. Financed emissions		1,941,996.0
		1,946,385.2
Total emissions (Scope 2 location based)		1,946,534.6
Total emissions (Scope 2 market based)		1,946,488.4

Environment: TCFD

Metrics and targets

Financed emissions

Financed emissions – categorised under Scope 3, Category 15 – encompass the emissions associated with the companies and assets within our investment portfolio. These emissions far exceed direct operational emissions, making them a critical focus for climate risk management. Understanding and managing financed emissions is essential for aligning investment strategies with broader sustainability goals and mitigating long-term climate risks.

The following tables present our rate split between divisions and scopes, offering a detailed view of how these emissions are distributed across our investment portfolio.

Scope 1 – Financed emissions	tCO_2e FY24	tCO_2e FY25	% AUM covered in this data	AUM covered in this data (£m)	% data based on reported data	% data based on estimation
Infrastructure[1, 2]	1,793,903	1,852,837	85	7,270	100	0
FCM[3]	(Only Scope 1 and Scope 2 total available) – 16,161	Scope 1 and 2: 16,258	57	319	87	13
WHEB[4]	N/A	697 (pro rata since acquisition)	100	787	95	0
PE[5]	46,576	12,407	100	1,761	19	81
Scope 2 – Financed emissions	**tCO_2e FY24**	**tCO_2e FY25**	**% AUM covered in this data**	**AUM covered in this data (£m)**	**% data based on reported data**	**% data based on estimation**
Infrastructure[1, 2]	109,501	32,599	85	7,270	100	0
FCM[3]	(Only Scope 1 and Scope 2 total available) – 16,161	Scope 1 and 2: 16,258	57.05	319	87	13
WHEB[4]	N/A	435 (pro rata since acquisition)	100	787	95	0
PE[5]	32,109	26,763	100	1,761	19	81

1. Our assessment covers 420 operational assets (excluding those in development, pre-construction, construction and commissioning due to lower availability of data at these stages), with a total asset value of USD 8.38 million (£6.2 billion, USD:GBP 0.738758). This corresponds to 77% of all assets by number, and 85% of our total portfolio value of USD 9.8 billion (£7.3 billion). This portfolio value number is lower than the previously reported division AUM primarily because it excludes fund-level debt, reflects proportional ownership rather than full asset value for managed assets, and uses Net Asset Value (excluding investor commitments) for certain funds.
2. Scope 1 and 2 emissions have been calculated using operational fuel and electricity data provided by site management teams and third-party service providers. Estimates were used in some cases. The data reflects a full year of operations. For funds with formal emissions reporting processes, their specific reporting periods have been used; otherwise, the period from October 2023 to September 2024 applies. Scope 2 emissions are calculated using the market-based approach only. Fuel use from vehicle fleets operated by third-party contractors is accounted for in their own Scope 1 emissions.
3. Emissions data is calculated by FundRock Partners Ltd (FCM's ACD) which uses MSCI data for Scopes 1, 2 and 3. For Scope 1 and 2 where there is reported data, that is used. Otherwise, the MSCI model uses estimates for Scopes 1, 2 and all of 3. The methodology can be found here. Note, DRAF has not been included in the emissions due to the lack of data (this accounts for 6% of FCM's AUM).
4. Emissions data for WHEB is calculated by Net Purpose. Net Purpose do not estimate where data is not reported. The methodology can be found here. 6.6% of WHEB's emissions can be accounted for by Foresight in FY25, due to their date of acquisition.
5. Emissions data is calculated based on reported data (where available) and PCAF estimations for the rest of the portfolio. The methodology used by PCAF to estimate the financed emissions can be found here.

Environment: TCFD

Metrics and targets

Scope 3 – Financed emissions	tCO_2e FY24	tCO_2e FY25	% AUM covered in this data	AUM covered in this data (£m)	% data based on reported data	% data based on estimation
Infrastructure[1, 2]	805,931	240,346	85	7,270	0	100
FCM[3]	33,825	33,870	57	319	0	100
WHEB[4]	N/A	8,781 (pro rata since acquisition)	100	787	75	0
PE[5]	75,511	95,609	100	1,761	9	91

The following metrics are taken from KPIs required in the SASB standards for asset managers.

Description	Infrastructure investment division – Data		FCM (including WHEB) investment division – Data		PE investment division – Data	
	FY24	FY25	FY24	FY25	FY24	FY25
Climate-related opportunities – the amount and percentage of assets or business activities aligned with climate-related opportunities[6]	85% Amount of assets – £7,486 (£m)	84% Amount of assets – £10,244 (£m)	75% Amount of assets – 734 (£m)	80% Amount of assets – 1,068 (£m)	39% Amount of assets – 1,603 (£m) (with 32% undeployed)	35% Amount of assets – 1,761 (£m) (with 41% undeployed)
Avoided emissions vs grid[7]	N/A	2,845,244 tCO_2e	N/A	N/A	N/A	N/A
Capital deployment – the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	Not currently tracked[8]					
Energy consumption intensity per high-impact climate sector[9]	0.12 GWh/EUR million of revenue	0.09 GWh/EUR million of revenue	N/A	N/A	N/A	N/A

1. Our assessment covers 420 operational assets (excluding those in development, pre-construction, construction and commissioning due to lower availability of data at these stages), with a total asset value of USD 8.38 million (£6.2 billion, USD:GBP 0.738758). This corresponds to 77% of all assets by number, and 85% of our total portfolio value of USD 9.8 billion (£7.3 billion). This portfolio value number is lower than the previously reported division AUM primarily because it excludes fund-level debt, reflects proportional ownership rather than full asset value for managed assets, and uses Net Asset Value (excluding investor commitments) for certain funds.
2. Scope 1 and 2 emissions have been calculated using operational fuel and electricity data provided by site management teams and third-party service providers. Estimates were used in some cases. The data reflects a full year of operations. For funds with formal emissions reporting processes, their specific reporting periods have been used; otherwise, the period from October 2023 to September 2024 applies. Scope 2 emissions are calculated using the market-based approach only. Fuel use from vehicle fleets operated by third-party contractors is accounted for in their own Scope 1 emissions.
3. Emissions data is calculated by Fund Rock (FCM's ACD) which uses MSCI data for Scopes 1, 2 and 3. For Scope 1 and 2 where there is reported data, that is used. Otherwise, the MSCI model uses estimates for Scopes 1, 2 and all of 3. The methodology can be found here. Note, DRAF has not been included in the emissions due to the lack of data (this accounts for 6% of FCM's AUM).
4. Emissions data for WHEB is calculated by Net Purpose. Net Purpose do not estimate where data is not reported. The methodology can be found here. 6.6% of WHEB's emissions can be accounted for by Foresight in FY25, due to their date of acquisition.
5. Emissions data is calculated based on reported data (where available) and PCAF estimations for the rest of the portfolio. The methodology used by PCAF to estimate the financed emissions can be found here.
6. This figure represents the Infrastructure portfolio's AUM that is assessed to come under the "List of activities considered universally aligned with the Paris Agreement's mitigation goals". Classification can be found here.
7. Avoided emissions calculated through life-cycle analysis between a baseline of fossil power generation and the actual emissions.
8. Information on capital deployments over the period into infrastructure that contributes towards climate change mitigation is available within the documentation of Foresight's individual infrastructure funds but is not yet calculated at an aggregated level.
9. The KPI is based on Principal Adverse Impact ("PAI") indicator identified in the EU SFDR regulation. Calculation conducted using available operational data on energy consumption across the portfolio. Where data has not been available or deemed inaccurate, proxy assets have been used to estimate energy consumption statistics.

Environment: TCFD

Metrics and targets

Targets

Foresight Group has not yet set carbon reduction or net zero targets at the Group level. This is due in part to the diverse nature of our investment strategies and the varying emissions profiles and data maturity across our divisions. Importantly, the nature of Foresight's investments – many of which are focused on renewable energy, energy efficiency and other transition-enabling assets – means we are predominantly positioned on the opportunity side of the climate transition and are much less exposed to carbon-intensive sectors.

While we are committed to managing and reducing climate-related impacts, our current focus is on building the necessary data infrastructure and capabilities to accurately measure and monitor emissions across all portfolios and operations.

For instance, Foresight Private Equity's Sustainability Platform rolled out in FY24 improves the accuracy of emissions data collection by supporting direct company disclosures rather than relying solely on PCAF estimates, while also empowering portfolio companies to take ownership of their carbon reporting and reduction strategies. This foundational work is essential to ensure that any future targets at Group level are robust, science-aligned and appropriate for the scale and nature of our business.

Our work on climate targets has begun at the fund level, with FGEN becoming the first fund to voluntarily set a net zero emissions target in FY25. As part of this commitment, FGEN has published a transition plan outlining interim targets and its methodology for aligning its portfolio with a net zero pathway by 2050.

FGEN's emissions profile has a positive downward trend, with a likely 50% emissions reduction by FY33, largely driven by planned exit dates. The Fund, which represents approximately 9% of Infrastructure's total AUM, has a short-term target to embed asset acquisitions into its carbon forecast model and to integrate this model into investment proposals.

FGEN's Fund-level targets represent an important step in operationalising climate ambition within our investment portfolio and provides a model for how such approaches could be expanded to other infrastructure funds and ultimately to the Group level.

Controlled Environment Glasshouse, UK, Part of FGEN's portfolio

Environment

Nature, pollution, water and the circular economy

Material impact, risks and opportunities

The double materiality analysis concluded that pollution, water, resource use and the circular economy are material topics for Foresight Group. This is primarily due to risks arising within the value chains of Foresight's Investment divisions, rather than from the Group's own operations.

Activities within the value chain include, among others, the use of products, services and materials derived from industries that emit large volumes of air pollutants, pose risks of soil contamination or require significant water inputs. Additionally, the use of non-renewable natural resources in the production of components and equipment presents a potential negative impact.

Resource outflows are material due to the financial risks associated with rising costs or reduced outputs, which could affect business performance. Waste generation is also a key topic. Significant volumes of waste are produced throughout the value chain during the extraction, processing, manufacturing, use and transportation of materials associated with Foresight's assets.

Furthermore, healthcare and medical properties generate various types of waste, including hazardous waste, sharps, infectious and pathological waste and pharmaceutical waste.

Nature ("biodiversity and ecosystems") has also been identified as a material topic in the double materiality analysis. As noted, some value chain activities contribute to pollution, which is a driver of global biodiversity loss. Infrastructure development may require building on undeveloped ("greenfield") land, potentially leading to habitat loss or species displacement.

Conversely, when renewable energy assets are developed on previously agricultural or degraded land, their passive nature can allow for natural regeneration. If managed properly, this creates opportunities for biodiversity enhancement.

We are in the early stages of integrating pollution, water and circular economy considerations into our investment decision-making and risk management frameworks. These areas – ranging from water scarcity and pollution impacts to resource efficiency and waste – represent increasing relevance to long-term value creation. As awareness and data availability continue to grow, we are exploring ways to better integrate these matters into our investment approaches.

In the following pages, we detail our approach to integrating nature and biodiversity considerations into our investment decision-making processes. This includes an overview of current initiatives, challenges and measures being taken to enhance how we identify, assess and manage nature-related risks and opportunities throughout our portfolios.

Pollution:			
Pollution of air	Yes	⊖	Neither
Pollution of water	Yes	⊖	Neither
Pollution of soil	Yes	⊖	Neither
Substances of concern	Yes	⊖	Neither
Substances of very high concern	Yes	⊖	Neither
Water and marine resources:			
Water	Yes	⊖	Neither
Biodiversity and ecosystems:			
Impacts on the extent and condition of ecosystems	Yes	⊖	Risk
Resource use and circular economy:			
Resources inflows, including resource use	Yes	⊖	Risk
Resource outflows related to products and services	No	⊖	Risk
Waste	Yes	⊖	Neither

Environment

Nature, pollution, water and the circular economy

Policies related to nature

Policies highlighting our commitment to progressively embed managing material topics into our own operations and investment decisions are described in the Policies section of this report.

Actions and resources related to nature

Nature and biodiversity are increasingly recognised as material factors in investment decision-making, as the degradation of ecosystems can pose significant financial, operational and regulatory risks across sectors.

Disruptions to natural systems – such as deforestation, water scarcity and biodiversity loss – can directly impact the value and resilience of investments by affecting supply chains, asset performance and long-term sustainability. At the same time, investments themselves can have a profound impact on nature, either by contributing to environmental harm or by supporting nature-positive outcomes through sustainable practices, innovation and responsible capital allocation. Recognising this dual relationship, we are committed to integrating nature-related considerations into our investment approach, where relevant, to both mitigate risk and drive positive environmental impact.

In 2025 we developed a Group Environmental Policy to formalise Foresight's commitment to managing environmental risks and opportunities across our operations and investment activities.

This policy provides a structured framework to guide our approach to responsible investing across all divisions, ensuring we identify, assess and manage environmental impacts and dependencies in our portfolios, while aligning with evolving regulatory expectations. Full implementation of the policy is still underway, and will remain a key area of focus in the coming years.

As part of our ongoing commitment in this area, we are strengthening our internal data capabilities and exploring potential alignment with the Taskforce on Nature-related Financial Disclosures ("TNFD") framework, in recognition of the increasing need for nature-related reporting in the future. This process will enhance our understanding of how our investments both depend on and impact natural ecosystems, and how exposed we are to areas of high biodiversity value.

Nature-related risks and opportunities are particularly significant for our Infrastructure Division due to the scale of our portfolio and the fundamental reliance of infrastructure assets on natural resources and ecosystems. FCM's substantial investment in infrastructure assets makes nature and biodiversity important considerations in stewardship and engagement efforts for this division. By contrast, nature-related issues are generally less relevant to our SME focused Private Equity division.

Beekeeping at Sandridge Solar Farm, UK, Part of Foresight's portfolio

Environment

Nature, pollution, water and the circular economy

Integrating nature and biodiversity in our investment approach

Foresight's Infrastructure portfolio recognises nature as a vital system to protect. The division invests primarily in low-polluting technologies and integrates nature-positive outcomes through active asset management. Project-specific commitments may include revegetation, grassland enhancement, tree planting to strengthen ecological corridors and facilitate wildlife movement, pond and wetland introduction, wildflower meadow, hedgerow and woodland buffer creation and restoration to improve biodiversity.

This not only helps with nature recovery but, in some cases, has meaningful operational benefits. For instance, in Spain, high temperatures during the summer and the Calima, the meteorological phenomenon that brings sand and dust from the Sahara, can have a direct impact on the electricity generation of our solar plants. The planting of vegetation and installation of ponds in Granada, where some of our assets are located, not only helps with nature recovery but lowers the risk of dust accumulation on panels, which can affect energy generation.

As nature-related regulations continue to evolve, including the implementation of biodiversity net gain ("BNG") requirements in the UK, we see these efforts as aligned with a broader shift toward integrating nature considerations into infrastructure planning and delivery. Our approach is also well positioned to support compliance with emerging standards while contributing positively to local ecosystems and long-term asset resilience.

Infrastructure: Measuring potential for biodiversity units at solar farms

The BNG legislation mandates new infrastructure projects need to deliver a minimum of 10% biodiversity net gain. Those that are not able to do so have to buy units to compensate, creating a mechanism like the already established carbon credit market.

In 2024, Foresight Solar started a baselining assessment to gauge the potential for creation of biodiversity net gain ("BNG") units across its UK projects.

The assessments began with a desktop review to identify locations with strong potential for biodiversity enhancements. Selected sites then underwent in-person ecological surveys to assess habitat quality, local connectivity and opportunities for nature improvement. With survey data in hand, planning is now underway to carry out works at the most appropriate time of year to maximise success and unit creation. This will be a thorough process, involving landowners, ecological experts and local authorities to secure approvals and allow the generation of tradeable biodiversity units.

Proposed enhancements focus on improving and connecting habitats through measures such as meadow creation, tree and hedgerow planting, and grassland and woodland restoration to support biodiversity.

The planned enhancements, supported by a robust assessment and Stakeholder engagement plan, position this baselining project as a model for integrating renewable energy development and operation with nature-positive recovery.

As implementation progresses, regular monitoring and adaptive management will be key to optimising ecological and financial outcomes.

Plug-planting at Solar Site, Cornwall, Part of Foresight's portfolio

Environment

Nature, pollution, water and the circular economy

Integrating nature and biodiversity in our investment approach

Foresight's Infrastructure portfolio also sees nature as a valuable investment opportunity. This is reflected in our Forestry and Natural Capital portfolio ("FNC"), which shows how sustainable land management can deliver financial returns alongside clear environmental and social benefits.

FNC's portfolio consists mostly of afforestation (the planting of trees for new woodland creation) and established forestry assets. It makes a direct contribution to climate mitigation and biodiversity enhancement by promoting carbon sequestration and sustainable timber production. £27 million of fresh equity capital raised in early 2025 allows FNC to explore other natural capital opportunities such as biodiversity credits, peatland restoration and opportunities focused on regenerative agriculture.

FNC's assets cover a 13,245 hectare gross area, including 5,622 hectares in standing forest area expected to produce 1.3 million tonnes of sustainable timber over the next rotation. 5,819 hectares is committed to afforestation. Once fully planted, FNC's afforestation portfolio will be equivalent to around 28% of the total land in the UK that was used for afforestation in the year to March 2024.

Nature presents valuable opportunities for our Infrastructure portfolio, but we recognise that nature-related risks can have broad macroeconomic impacts and pose significant challenges. Depletion or disruption of natural resources, such as water and arable land, can lead to food scarcity, supply chain vulnerabilities and increased economic instability. Quantifying the portfolio exposure to nature-related risks is particularly complex due to their variability, feedback loops and the challenges of obtaining reliable data.

As part of this effort, Foresight Infrastructure has partnered with Frontierra to develop a platform that utilises satellite and geospatial data to assess nature and climate risks and opportunities, in line with reporting and disclosure frameworks such as The Taskforce on Nature-related Financial Disclosures ("TNFD"). In addition to climate, it assesses nature-related impacts, dependencies, risks and opportunities, and evaluates aspects such as biomes, biodiversity hotspots and critical habitats. The Infrastructure division will continue to refine and enhance the platform's capabilities as we begin gradual implementation across investment and portfolio management teams in FY26.

The integration of nature into investment decisions and risk management is a dynamic, ongoing process that reflects Foresight's growing understanding of the complex interdependencies between natural systems and financial performance.

As our capabilities mature and new tools, data sources and insights become available, our approach will continue to evolve. We view this as a long-term journey, with continuous improvement at its core.

Nature-related considerations will increasingly shape our understanding of both risks and opportunities, allowing us to make more informed decisions that support resilience and value creation across our divisions.

Ultimately, embedding nature into our investment and risk processes is not only about managing downside risk, it is about Foresight's resilience in a world where natural capital is increasingly recognised as a foundational element of economic and financial stability.

Foresight Capital Management: Biodiversity engagement

FCM, our listed Equity division, maintains substantial investments across the listed infrastructure and broader infrastructure sectors, reflecting a strong commitment to sustainable growth. With a portfolio that spans clean energy and essential infrastructure assets, FCM recognises the critical role that nature plays in supporting long-term value creation and resilience.

In FY25, FCM undertook a biodiversity engagement across FP Foresight UK Infrastructure Income Fund ("FIIF"), which represents approximately 20% of the division's AUM. As part of the engagement, all holdings in the Fund were assessed to evaluate the quality of their biodiversity-related initiatives and reporting. The majority of companies were found to report on biodiversity initiatives and processes, with two of the companies held in FIIF being TNFD early adopters. After the initial portfolio assessment, engagements were tailored to companies depending on the sophistication of their biodiversity-related reporting and initiatives. Engagement centred on requesting disclosure of biodiversity initiatives and transparency on supporting metrics, as well as alignment with TNFD recommendations.

Environment

Case Study: Tackling construction phase emissions at Kölvallen

Division: Infrastructure **Fund:** Foresight Energy Infrastructure Partners

At Kölvallen, a number of innovative measures were implemented during the design and construction phases, focusing on the use of local resources and careful procurement and management of materials. These efforts resulted in a **54% reduction in overall emissions** when compared with conventional methods of remote windfarm construction, and significantly reduced the environmental impact.

The emissions reductions were primarily achieved by:

- **Grid-sourced electricity:** Replacing conventional generators with grid-sourced electricity on a designated renewables tariff to reduce emissions
- **Electric arc furnace ("EAF") steel:** Using steel produced in an EAF with c.95% recycled content to further lower carbon footprint
- **Onsite quarrying:** Production of gravel and aggregate on site to minimise transport emissions
- **Onsite concrete batching:** Establishing onsite concrete batching to significantly reduce transport miles

	Total emissions (with mitigations) (tCO_2e)	Total emissions (without mitigations) (tCO_2e)	% CO_2 emissions saved
Waste	119	119	0%
Fuel	2,209	2,209	0%
Power	0	10	100%
Cables	31	31	0%
Steel	2,307	8,516	73%
Aggregate	1,217	7,776	84%
Concrete	5,657	6,338	11%
Total	**11,540**	**24,999**	**54%**

Members of the Foresight team

Key insights

Onshore wind

Sweden
Ljusdals, 2022-25 in progress

54%
Reduction in emissions

277MW
Capacity

Social

Own workforce

Introduction

Last year, the People and Sustainable Culture ("PSC") team made a significant improvement in shaping a stronger employee experience. Key achievements included the development of an upgraded talent and development offering, the implementation our own enhanced parental leave policy and supporting substantial headcount growth as the business expanded, including the acquisition of WHEB.

Material impacts and risks related to own workforce

The double materiality assessment concluded that "own workforce", including its sub-topics of working conditions and equal treatment and opportunities for all, is material for Foresight Group. We recognise that our people are the cornerstone of our continued success.

Working conditions	Yes	⊕ ⊖	Risk and opportunity
Equal treatment and opportunities for all	Yes	⊕ ⊖	Risk and opportunity

Group Executive Team and Board of Directors

Employee-related matters, including working conditions, diversity and inclusion, health and safety and human rights, are overseen by the People & Sustainability Culture team and the office managers, who report through the Chief Financial Officer ("CFO").

Updates on workforce-related matters are provided to the Board as part of the annual reporting cycle, with additional updates on a more frequent basis as required.

Policies

Our commitment to our workforce is demonstrated through comprehensive global employee policies, country specific policies and detailed employee handbooks. These documents outline both our dedication to our employees and the responsibilities expected from them. The employee handbook, for instance, provides essential information, rules, policies and procedures that guide employees in their daily work and ensure a consistent and fair working environment.

Foresight Group has a number of policies for employees, including our Learning and Development Policy and a suite of family policies in place to support employees' wellbeing.

These policies, along with our commitment to providing a safe and inclusive workplace, reflect our ongoing efforts to support and protect our employees in all aspects of their professional journey.

Processes for engaging with our own workforce

Engagement with our workforce is facilitated through a range of structured channels that provide employees with regular opportunities to share their views and contribute to shaping the working environment. These include employee forums, an annual engagement survey and Company-wide meetings where employees can submit questions anonymously to senior leadership. Insights gathered through these channels are reviewed by the PSC team and relevant senior Stakeholders, and are considered in decision making related to working practices, wellbeing and development. The forums serve as a formal platform for employee voices to be heard. Full anonymised notes from the Employee Forum are included in the PSC quarterly board packs, with a summary also provided in the main Board Report.

We conduct our engagement survey annually, offering employees an anonymous platform to share feedback across a wide range of topics. In FY25, our overall engagement score was 78%, slightly down on last year's 81%. The survey covers areas such as management effectiveness, empowerment, learning and development, the digital workplace experience, shared purpose, teamwork, wellbeing, communication, sustainability, organisational values and diversity, equity and inclusion ("DE&I"). These insights help us address concerns, identify areas for improvement and strengthen trust and communication across the organisation.

Social

Own workforce

Processes for engaging with our own workforce

We complement these feedback mechanisms with a variety of development initiatives. These include Foresight Connect sessions on relevant topics and the Tandem programme, which encourages cross-cultural language learning and interaction. Both are accessible to all employees and actively promoted across the Group. In addition, we support professional development through internal and external coaching, offering employees access to guidance on leadership, career progression and workplace challenges.

We also engage employees through the ACE mentoring scheme, which supports career development and cross-functional learning, and through leadership training sessions designed to provide space for feedback, discussion and capability building among managers and senior leaders[1].

Engagement with vulnerable employees

Engagement with vulnerable and underrepresented employees is an important part of maintaining an inclusive and supportive working environment. This work is delivered primarily through our THRIVE programme, which brings together a range of initiatives outlined in the DE&I section.

To promote fairness in recruitment, all hiring managers are required to complete unconscious bias training. In addition, comprehensive recruitment guidance is provided to all staff, with a focus on ensuring inclusivity throughout the hiring process. This includes specific instructions on drafting job descriptions that attract a broad and diverse candidate pool.

Our recruitment and progression practices are based on achievement, qualifications, skills, experience and cultural fit. In September, we also delivered inclusive recruitment training in partnership with an external provider to strengthen understanding and application of inclusive hiring practices across the organisation.

Remedy of negative impacts and channels to raise concerns

We have well established internal processes to address potential or actual negative impacts on our workforce. These include internal investigations, mediation and corrective actions with follow-up steps to ensure resolution. Employees can raise concerns through the People & Sustainability Culture team, which operates an open-door policy, or by following the formal complaint procedure outlined in the Employee Handbook.

While no third-party mechanisms are used for complaints, we do engage a trusted third party to administer our annual employee survey, providing an anonymous platform for feedback.

Policies are in place to protect employees from retaliation or discrimination when raising concerns, and we aim to ensure that all staff are aware of and can access these channels with confidence.

The Company is committed to fair pay, equitable promotion practices and supporting the development of all employees through an uncapped training budget and access to external learning opportunities. These efforts are part of a broader commitment to ensure that all employees, including those from underrepresented groups, are supported and heard.

As part of this commitment, we are also accredited as a London Living Wage employer.

1. Senior Leadership is defined as Partners or Managing Directors who are a head of department.

Member of the Foresight team

Social

Own workforce

Characteristics of Foresight's own workforce

Foresight's own workforce had 422 employees and 20 self-employed workers at year end. Agency workers are not tracked and would only represent a small number of workers. Employees are based across offices in the United Kingdom, Australia, Spain and other European locations as shown on the table opposite.

The total employee number represents a 10% increase on FY24 driven by the acquisition of WHEB and organic growth of the Company. Female employees representation increased by 1% over the period.

A total of 57 employees left during the year, which equals to an employee turnover rate of 14%. About two-thirds of these exits were on a voluntary basis.

Foresight had no non-guaranteed hours employees.

Employees by country[1]

Country	FY25 No. of employees	FY24 No. of employees[2]	Year-on-year Increase/ (Decrease)
United Kingdom	321	293	+28
Australia	62	59	+3
Spain	17	15	+2
Italy	7	8	(1)
Ireland	5	3	+2
Luxembourg	5	4	+1
Other	5	2	+3
Total	**422**	**384**	**+38**

1. As at 31 March 2025 and 31 March 2024.
2. FY24 employees exclude 22 Partners who are self-employed.

Own workforce[1]

	FY25				FY24				Year-on-year
	Male	Female	Other	Total	Male	Female	Other	Total	Total
Own workforce	251	190	1	442	238	168	0	406	+36
No. of employees[2]	233	188	1	422	218	166	0	384	+38
Self-employed	18	2	0	20	20	2	0	22	(2)
% of employees	55.2%	44.5%	0.2%	100%	56.8%	43.2%	0.0%	100%	—
Permanent	227	186	1	414	216	162	0	378	+36
Temporary	6	2	0	8	2	4	0	6	+2

1. As at 31 March 2025 and 31 March 2024.
2. FY25 figures exclude two interns and include eight temporary employees which are presented differently in the Corporate Governance section.

Social

Own workforce

Actions related to diversity, equity and inclusion

As part of our commitment to gender equality, we continue to support the progression of women into leadership roles through Foresight's Women in Leadership course, ELEVATE.

ELEVATE is endorsed by our Chairman and sponsored by our CFO, the programme provides development opportunities for women across the organisation and reflects our ongoing effort to build a more inclusive workplace.

The Group DE&I strategy, THRIVE, has the following targets:

1. Increase underrepresented minorities from 2023 base year by 10% globally by 2027
2. Increase the number of Pride network members globally from 2023 base year by 15% by 2027
3. Ensure we have disability training rolled out by 31 December 2025 for all line managers
4. Ensure our employee resource groups are in place to spotlight religious events across the year
5. Maintain our signatory status to the Women in Finance Charter

DE&I partnerships under THRIVE

We partner with the Amos Bursary, a charity that supports state school students of African and Caribbean heritage by providing academic and professional opportunities. Where possible, we offer internships or placements to students from the programme, giving them experience across different areas of the business. In some cases, this may include opportunities within our portfolio management and investment teams.

We also work in partnership with Svitlo School, which supports the education of displaced Ukrainian children, and Sacred Heart, which provides access to learning and enrichment opportunities for students from underrepresented backgrounds. These partnerships reflect our broader commitment to supporting equity and access beyond our immediate workforce. There will be a continued focus on workstreams related to religion, ethnicity and disability. Alongside this, we will maintain our efforts to deliver DE&I training and provide support to line managers, equipping them with inclusive hiring practices and the skills to lead diverse teams effectively.

Additionally, as part of our ongoing work to maintain a safe and respectful workplace, we are planning to introduce mandatory training on sexual harassment. This will support our broader approach to health, safety, equity and inclusion by ensuring that all employees are clear on expected behaviours and know how to recognise and report inappropriate conduct.

Employees by age

	Male	Female	Other	Total
Under 30 years old	53	49	0	102
Between 30 and 50 years old	158	126	1	285
Over 50 years old	22	13	0	35

Adequate wages

We confirm that all employees are paid above the applicable minimum wage in their respective countries of employment.

As part of this commitment, we are also accredited as a London Living Wage employer, ensuring that all employees and regular contractors in London are paid in line with or above the independently calculated living wage.

Compliance with wage requirements is monitored through regular payroll reviews and updates to reflect changes in local legislation.

Social protection

All employees have social protection. These vary across jurisdictions and include for example sick leave, pension and family leave.

Collective bargaining and social dialogue

Collective bargaining agreements are in place in Italy, Spain, Greece and Germany covering all employees, and social dialogue agreements are in place in Italy and Spain covering all employees.

Persons with disabilities

Foresight's own workforce includes six workers who identify as having disabilities. This includes one person on our senior leadership team. We are currently rolling out disability training for all line managers, and additional support is available if they need it.

Training and skills development metrics

The Company is committed to supporting the development of all employees through providing budget and access to internal and external learning opportunities. During the financial year employees completed on average six hours of mandatory training.

Social

Own workforce

Actions for health and safety

Mandatory health and safety training has been introduced for all office-based employees globally. In addition, IOSH-accredited training is required for all field-based workers – both permanent and temporary – to ensure consistent health and safety standards across our operations.

Foresight Group's own workforce is primarily office based and we had no serious health and safety incidents during the reporting period.

Health and safety incidents	FY25
Number of people in its own workforce (employees and non-employee workers) who are covered by a health and safety management system based on legal requirements and (or) recognised standards or guidelines	442
Number of fatalities in own workforce as result of work-related injuries and work-related ill health (also needs to include other workers working on the undertaking's site)	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0
Number of recordable work-related accidents for own workforce	0
Number of cases of recordable work-related ill health of employees	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees	0

Work-life balance metrics

All Foresight employees are entitled to maternity, paternity and adoption leave from their first day onwards. These policies reflect our commitment to supporting our employees in balancing their professional and family responsibilities. Last year 4% of male and 5% of female employees took family leave.

Additionally, Foresight supports part-time working where the role allows it.

Full-time

- Male | 225
- Female | 174
- Other | 1

Part-time

- Male | 8
- Female | 14

Gender pay gap reporting

For the purposes of this disclosure, "top management" is defined as Partners, Managing Directors and Heads of Department. This definition reflects the structure of our organisation and the levels of leadership responsible for strategic and operational decision-making.

As at 31 March 2025, 26.2% of top management roles were held by women, 72.3% by men and 1.5% of roles were held by other groups[2].

Mean average gender pay gap for hourly pay FY25: 25% and FY24: 34%.

Median gender pay gap for hourly pay FY25: 23% and FY24: 40%.

Mean gender pay gap for bonus pay[1] FY25: 52%.

Median gender pay gap for bonus pay[1] FY25: 51%.

These gaps reflect the higher representation of male employees in better paid senior positions where variable compensation, such as performance bonuses and share-based awards, is also more prevalent.

1. The reported FY24 bonus pay gap figures were inaccurate. At the time of reporting, it was not feasible to recalculate them.
2. Other includes employees who do not identify themselves as male or female.

Social

Own workforce

Incidents of discrimination and human rights violations

There have been no recorded incidents of discrimination or human rights violations during the reporting period.

Targets

We are committed to the Women in Finance Charter, a government initiative to improve gender balance in financial services. As part of this, we've set a target to reach 30% female representation in Senior Management by the end of 2027. This target helps ensure we stay focused on making progress and hold ourselves accountable through regular tracking and reporting.

We do not operate with formal workforce representatives. However, employee feedback is gathered through structured channels such as the Employee Forum and our annual engagement survey.

While these mechanisms do not involve employees directly in the formal setting of targets or tracking performance, they provide valuable insights that inform our broader people strategy and workplace initiatives.

Feedback received through these channels is reviewed by the People & Sustainability Culture ("PSC") team and shared with senior leadership where appropriate. In this way, employee input contributes to identifying areas for improvement and shaping future actions, even if not through direct participation in formal performance or target-setting processes.

Members of the Foresight team

Social

Workers in the value chain

Material impacts and risks related to own workforce

The double materiality analysis has enabled us to identify material impacts, risks and opportunities in our value chain by ESRS sub-topics which are relevant in the short, medium and long term. Results of the analysis for Foresight Group are presented below:

Working conditions	Yes	⊕ ⊖	Risk
Equal treatment and opportunities for all	Yes	⊕ ⊖	Neither
Other work-related rights	Yes	⊕ ⊖	Risk

Foresight's investment assets within its three divisions have extensive and international value chains which span key sectors such as energy transition, transport, forestry and manufacturing. This broad spectrum means issues related to working conditions, equal treatment, opportunities for all and other work-related rights are material.

Workers in these sectors are exposed to health and safety risks, human rights risks and in some of these sectors the workforce is very male dominated. These risks could have a negative impact on Foresight; however, Foresight and its investment divisions endeavour to positively influence their assets and portfolio companies by establishing standards that promote good working conditions, diverse and inclusive business practices among their suppliers and ensure equal opportunities for all Stakeholders.

Policies related to value chain workers

Our commitment to respect human rights, including labour rights, and those of our value chain workers is outlined in Foresight's Sustainability Policy and detailed in Foresight's Human Rights Policy. Further details of these can be found under Policies in the Sustainability Governance section.

Human rights obligations

Our commitment to human rights extends throughout our value chain, impacting our own operations as well as our upstream and downstream partners. This includes the products and services we offer and our business relationships, which encompass both direct and indirect connections within our value chain.

Processes for engaging with value chain workers about impacts

While we do not have formal processes for this at Group level, our approach to worker's rights within the value chain of our assets focuses on mitigating risks while identifying opportunities for positive impact. A key element of our risk management strategy is portfolio diversification across asset classes, geographic areas and regulatory regimes. This diversification helps minimise the potential impact of labour issues within any single holding.

All holdings across the Global Real Infrastructure Fund ("GRIF"), the Sustainable Real Estate Securities Fund ("REF"), the Sustainable Future Themes Fund ("SFT") and our regional private equity funds are assessed against the principles of the UN Global Compact. This encompasses the assessment of internal processes and policies including human rights policies and supplier code of conduct within investee companies.

Alignment with these principles encourages adherence to labour standards and helps companies identify and address potential risks within their supply chains.

Within FCM, we also actively engage with our portfolio holdings to promote responsible practices. Many have high-quality processes in place to protect themselves against human rights violations, however we encourage them to improve further e.g. to become signatories to the UN Global Compact. In FY25, we engaged with nine companies on this issue.

The Infrastructure division's primary mechanism for interrogation of its supply chain continues to be the Ethixbase platform, a third-party due diligence platform that enables examination of key counterparties and suppliers against a comprehensive list of more than 800 global enforcement, sanctions and watch lists. Risk alerts are grouped into the following categories, wherein there is a specific focus on human rights:

i. Sanctions, enforcements and watch lists
ii. Politically exposed persons
iii. Corruption
iv. Terrorism & trafficking
v. Conflict minerals
vi. Environmental
vii. Human rights

Furthermore, direct suppliers to Foresight's infrastructure activities are also requested to sign the infrastructure Supplier Code of Conduct ("SCoC"). The SCoC fosters greater alignment between Foresight and its supply chain, by articulating Foresight's expectations of its suppliers on certain sustainability and ESG issues. This includes a specific focus on human and labour rights.

Social

Workers in the value chain

Processes for engaging with value chain workers about impacts

The SCoC stipulates that Foresight expects its suppliers of Infrastructure activities to support, embrace and enact the UNGC, UNGP, the OECD guidelines for Multinational enterprises and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. There is also a further expectation that its suppliers commit to support Foresight's initiatives in this regard within their own supply chains. The SCoC is increasingly being incorporated into new contractual agreements, while for existing contracts, there is an ongoing workstream to encourage more widespread adoption of the SCoC.

We are committed to advancing transparency and accountability in labour practices by continuously enhancing the quality and breadth of our data. Our approach draws on a diverse range of sources, including company policies (for example, in Private Equity, we've proactively provided templates and guidance to encourage deeper engagement beyond our direct investments) Bloomberg data, and qualitative assessments aligned with the UN Global Compact principles. While we acknowledge the inherent complexities in capturing data across global and multifaceted supply chains, we view these challenges as opportunities to innovate and strengthen our methodologies over time.

Building a sustainable and resilient investment portfolio requires a focus not only on financial performance but also on environmental and governance factors. Responsible labour practices are a key component of ESG investing. By integrating labour rights considerations into our investment process, we aim to mitigate risks, promote positive social impact and generate long-term value for our investors.

Remedy of negative impacts and channels to raise concerns

Foresight Group will actively seek to remediate negative human rights impacts to the extent this is possible dependent on its level of operational control over an investment or the relationship where the impact has been identified. Employees will co-operate with key Stakeholders involved and take appropriate actions to achieve an acceptable outcome, including changes in the entity's operations and policies. Remediation regarding matters raised via Foresight's whistleblowing channels will be undertaken in accordance with the relevant Whistleblowing policy.

We will investigate all concerns raised in regard to human rights and take appropriate steps to remediate the issues found. If we have caused[1] or contributed[2] to an adverse human rights impact, we will co-operate with relevant parties and authorities to remediate and mitigate the impact as far as we can. Employees are encouraged to report any human rights grievances without fear of retaliation or retribution.

Actions related to workers in the value chain

Through the Group-wide working group dedicated to human and labour rights, a project is being undertaken to integrate best practice UNGP and OECD guidelines, as well as the latest UK home office guidance for Modern Slavery Statements ("MSS"). This includes working with all investment divisions and jurisdictions on their relevant requirements.

Additionally, through the UNGC, Foresight has undertaken a MSS peer review with LSEG and Santander UK and is participating in the UNGC human rights accelerator programme, which ends with a best practice tailor made action plan in September 2025.

At the end of 2024, Foresight's Infrastructure Division engaged in an escalatory due diligence process discussed in the case study on page 103.

Metrics and targets related to workers in the value chain

In Foresight's September 2024 Modern Slavery Statement update, we disclosed the following KPIs:

Modern slavery training is a mandated requirement for Foresight Group. We use a number of online platforms to provide third-party training, which includes a module on modern slavery. This is rolled out as standard to all employees and had a 94% completion rate in FY25.

Forced and child labour

Share of infrastructure investments in investee companies exposed to operations and supply chains at significant risk of incidents of forced, compulsory or child labour in terms of geographic areas and/or the type of operation.

Answer: 18.8%
This figure represents the Infra AUM associated with the sectors, industries and associated supply chains assessed to be at greatest risk of forced, compulsory or child labour incidents. In this instance, 18.8% represents the Infra AUM associated with both the solar and battery sectors.

1. Foresight may "cause" a sustainable sourcing issue where its activities on its own are sufficient to result in this issue occurring.
2. Foresight may "contribute" to a sustainable sourcing issue when its actions, either in combination with the activities of other companies or entities causes a sustainable sourcing issue, or if the activities of the Company might cause, facilitate or incentivise an investee company or supplier to cause an issue. For contribution to exist, it must be substantial – it does not include minor or trivial contributions.

Social

Workers in the value chain

Metrics and targets related to workers in the value chain

Incidents and breaches

Number of cases of severe human rights issues and incidents by suppliers screened by Ethixbase.

Answer: 0
Using the Ethixbase platform, screening was conducted on 140 primary and secondary suppliers (covering all major primary suppliers) associated with the Infrastructure division's solar and battery investments. Across the suppliers screened, there were no known cases of severe human rights issues[1].

Supply chain standards

Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour).

Answer: Investee companies and the related SPVs do not typically have a supplier code of conduct as they are not the organisation responsible for the selection and appointment of suppliers. The Investment Manager, which has overall responsibility for management of the individual assets and their suppliers, has a Supplier Code of Conduct that is used with primary suppliers and key counterparties.

Minimising Human Rights Risk in Supply Chains

Foresight takes a layered approach to human rights risk mitigation, while acknowledging that no approach can fully eliminate the risk due to the complexity and length of supply chains. Ethixbase is the primary platform used within our Infrastructure division, enabling counterparties and suppliers to be assessed against a comprehensive list of more than 800 global enforcement, sanctions and watchlists.

In 2022, an Ethixbase report for one of Foresight's solar suppliers identified accusations of forced labour in the counterparty's supply chain. The issue was raised with Foresight's Compliance team and the Money Laundering Reporting Officer ("MLRO") who, along with the Sustainability Team, agreed that enhanced monitoring and MLRO approval would be required for any future engagement with the counterparty.

Fast forward to the end of 2024, when Foresight entered into discussions with two potential suppliers for development stage Battery Energy Storage System ("BESS") assets in FEIP's portfolio. It was highlighted that one of the suppliers was a subsidiary of the counterparty flagged previously for forced labour accusations.

A subsequent meeting between the Sustainability team, Compliance team and FEIP's Key Executives led to the decision to require the potential counterparty to provide product-specific traceability and audit documentation and to sign Foresight's Supplier Code of Conduct, which would in turn commit the counterparty to complying with Foresight's requirements.

Foresight's robust process will ensure that the counterparty continues to be closely monitored, and any new risk alerts highlighted by Ethixbase or other channels will be addressed promptly. Foresight is additionally considering using a specialist third party to conduct an in-person audit, should it be deemed necessary.

Supporting documents

To ensure transparency and adherence to our sustainability commitments, we have several key documents that outline our policies and standards:

- Sustainable Sourcing Policy
- Human Rights Policy
- Modern Slavery Statement
- Supplier Code of Conduct (Infrastructure only)

Private Equity: creating jobs

Foresight's Private Equity division invests in small, growing businesses. As the backbone of UK Plc, SME businesses are not only vital to a healthy economy, they are also the provider of the majority of UK employment, accounting for 60% of all jobs in the private sector[2]. With investment from Foresight, coupled with our expertise, these companies demonstrate more resilience and innovation and are more efficient and agile, generating a positive outcome over the long term.

This leads to growth and job creation. By helping small business owners with their growth ambitions, Foresight has supported the creation of c.2,000 jobs between December 2015 and December 2024 through its regional fund series alone. Moreover, we recognise that every employee at our portfolio companies is a strategic asset and we work with our management teams to foster inclusive and engaged workplaces.

1. A severe human rights issue refers to a profound and systematic violation of fundamental human rights that causes significant harm to individuals or groups. These violations often involve abuses such as forced labour, human trafficking, genocide or denial of basic freedoms like access to justice, education and healthcare.
2. https://www.fsb.org.uk/media-centre/uk-small-business-statistics.

Social

Affected communities

Our material impacts, risks and opportunities

Affected communities and specifically communities' economic, social and cultural rights and rights of indigenous people have been assessed as material matters in the double materiality assessment. This is mainly because the Infrastructure division's assets in renewable energy, sustainable land and food, medical property and forestry sectors may impact surrounding communities positively or negatively. Potential positive impacts are economic benefits through creating jobs and potential negatives are risks to the life quality and social fabric of the communities involved, e.g. by restricting access to land. Additionally, rights of indigenous peoples may be impacted by infrastructure assets in Scandinavian countries, Canada and Australia.

Communities' economic, social and cultural rights	Yes	⊕ ⊖	Risk and opportunity
Rights of indigenous communities	Yes	⊕ ⊖	Neither

Policies related to affected communities

At Foresight, we are dedicated to respecting human rights and to seeking ways to engage with the communities we impact. This mindset is detailed in our updated Sustainability Policy and Human Rights Policy. Further details of these can be found under Policies in the Sustainability Governance section.

Processes for engaging with affected communities about impacts

At Foresight, we are committed to mitigating any local impact with our local contribution. This is most material within Foresight's infrastructure projects, which have the potential to impact local communities' economic, social and cultural rights. While our projects in renewable energy and natural resources can bring economic benefits such as job creation and local economic dynamism, they could also pose risks to the quality of life and social fabric of the communities involved, e.g. by restricting access to land, changes of scenery or disturbances from construction and traffic.

A key mitigation method is to engage with the local community, which varies depending on the fund, legislation and asset type in question. Demonstrated by the following examples within FSFC, FSFL and FGEN:

- In June 2024, the Glaisters Bridge Community Woodland site near Corsock marked a key milestone with the creation of new pathways and the planting of 250 trees. This initiative is part of a 20-year lease agreement between Foresight Group and the Upper Urr Environment Trust ("UUET") in an initiative, thought to be the first of its kind which includes the community in woodland management. It sets a precedent for demonstrating how local involvement, sustainable forestry and biodiversity enhancement can coexist. A good practice guide for Engagement with Local People and Communities in Woodland Creation Proposals was launched at the site in October 2024
- Within FSFL, across geographies, in 2024, Foresight Solar contributed almost £300,000 to local communities. This money is used in myriad ways by regional authorities to improve the lives of residents near the Company's operational sites. During the year, these contributions were invested in infrastructure to combat speeding, enhance local infrastructure, e.g. bus shelters or community centres, acquire equipment for new playgrounds and for emergency care, among others
- FGEN contributed almost £600,000 to their local communities. This includes projects, on most sites within the portfolio, that focus on educational school visits, sponsoring local sports teams, seed swaps and other biodiversity-related projects and renovations to local infrastructure such as playgrounds and much more

Foresight considers it essential to mitigate the risks to affected communities, to make sure our projects operate responsibly and to have good relationships with the communities in which we operate. We believe this will in turn generate a better project development and business performance for our assets and thus is an opportunity for us to support local communities and our assets' development simultaneously. The risk and opportunities identified within affected communities are relevant in the short, medium and long term.

The Infrastructure division's operational management system (Sennen) facilitates real-time tracking of events that might impact local communities. This includes health and safety incidents, community engagement activities, complaints, environmental events (both positive and negative) and media coverage. The categories of operational monitoring within Sennen are also used to capture similar information from across the value chain, whenever possible.

Social

Affected communities

Processes for engaging with affected communities about impacts

As part of FCM's due diligence and ongoing monitoring, we identify and assess controversies within companies, such as issues with affected communities. During due diligence, any findings are integrated into the investment decision process.

Post investment, companies are regularly monitored for both existing and new controversies, supported by analysts and third-party providers, such as Sustainalytics.

If a controversy arises, it is investigated and may lead to engagement and/or escalation, following the process detailed in FCM's Stewardship Report. Escalation involves direct dialogue with management or the Board, voting on resolutions, collaborating with other investors, or divestment if necessary. We maintain strong relationships with portfolio companies, which are generally open to engagement.

By proactively identifying and managing these risks, Foresight ensures that its investments contribute positively to local communities while minimising potential negative impacts. This focus on responsible investment not only benefits communities but also helps us mitigate risks and build trust with our Stakeholders.

Remedy of negative impacts and channels to raise concerns

Across the Infrastructure portfolio, the intent is to proactively connect with communities and to engage them in open dialogue regarding any issues and affected areas. These engagements can be focused on the use of proceeds generated from the community benefit funding agreements in place for the local communities. In other cases, it may be a discussion with community members on the design and management of a natural capital asset, such as a newly planted forest.

Open dialogue with any affected community is always welcomed and, from a procedural perspective, is conducted on an as-needed basis. However, with certain sectors (e.g. afforestation), a more targeted approach to proactive community engagement prior to finalising planting plans is an essential part of maintaining Foresight's social licence with the local communities.

Where a negative impact is perceived, in the first instance it will most often be reported to the network of service providers and management teams that are responsible for day-to-day management of Foresight's infrastructure assets. This will then be passed through to the Portfolio Management team, who will be responsible for logging, tracking and managing any such impacts. As highlighted, engagement with affected parties will be critical to understanding the nature and extent of the perceived impact. Where solutions or remediations are required, these will be decided on in collaboration with the affected community. Such remediations may include concessionary access rights during certain phases of operation, site boundary or design amendments or enhanced community benefits payments.

Given the large scale of some infrastructure and real assets projects and their proximity to local communities, a key focus is to always ensure relevant contact information is readily available to those that require it, so that any concerns can be raised with the appropriate parties and ultimately addressed. The aspiration is to bring greater automation into this process to improve the flow of communication and enhance the speed at which any raised issues can be responded to and, ultimately, resolved.

Targets related to affected communities

Foresight maintains regular engagement with communities across the Group. However, it currently does not have metrics and targets for communities. The Group is committed to continuously enhancing its approach to community involvement.

Members of the local community at the opening ceremony of Skaftåsen Wind Farm, Sweden, Part of Foresight's portfolio

Social

Consumers and end-users

Our material impacts, risks and opportunities

Information related impacts for clients, customers and/or end-users as well as social inclusion of consumers and/or end-users have been identified as material to Foresight Group.

Information-related impacts for consumers and/or end-users	Yes	⊕ ⊖	Risk
Social inclusion of consumers and/or end-users	Yes	⊕ ⊖	Risk

Risks

At Foresight, we are committed to providing clear, fair and not misleading information to our investors. We recognise the importance of transparency in building trust and mitigating the risks related to information, for example misleading customers or greenwashing and related to social inclusion, for example making information accessible for all customer age groups.

Policies related to consumers and end-users

Foresight Group's Sustainability Policy sets out our high-level approach to managing sustainability matters related to clients, customers and end-users.

Further details on these can be found under Policies in the Sustainability Governance section. In addition, other policies currently under development, such as the Social Media Policy, reflect some of these issues.

Processes for engaging with consumers and end-users about impacts

Foresight Group engages with its clients, consumers and end-users through multiple channels, including the financial advisers, as well as online and printed prospectuses and fund materials available on our website. As part of this engagement through the Marketing & Communications Team is committed to ensuring that all information provided to our customers, whether to financial advisers, customers or the broader public is clear, fair and not misleading. We recognise the importance of transparency, particularly in relation to the environmental and financial impacts of our products and services.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Where possible Foresight Group will make appropriate efforts to remediate negative impacts on clients, customers and end-users, dependent on its level of operational control over an investment, or the relationship where the impact has been identified.

Actions on material impacts, risks and opportunities

During the reporting period, we took the following actions to minimise the risk of misleading our customers and improve accessibility.

Clear communication

- Provided clear, balanced and accessible disclosures about the risks and potential returns associated with our investment products which are bespoke for each product. This applies to our online and printed prospectuses, and fund material, all available via our website.
- Dedicated product landing pages and comprehensive investor guides on the website are designed to provide clear, accessible information for advisers and clients, helping them understand each product's features, benefits and associated risks.

Knowledge sharing

Foresight provides training to teams across the business. This training increases awareness of and highlights good practice with respect to sustainability claims, though the recommendations are not binding on the decisions of the investment teams. "Sustainability Claims" training sessions began in March 2025 with tailored sessions delivered to Foresight London's Marketing team and to Foresight's Australia office.

Additional training was delivered to staff within Foresight's Private Equity division, Investor Relations and Retail teams post year end in April 2025.

Social

Consumers and end-users | Actions on material impacts, risks and opportunities

Compliance processes

This work included embedding a new anti-greenwashing review process. Anti-greenwashing reviews, conducted by the Group Sustainability function, have been embedded as a key stage to the financial promotions review process. If a document includes sustainability claims, this must first be reviewed by the Group Sustainability function from an anti-greenwashing perspective. Furthermore, if the document also requires compliance approval as a financial promotion, the Compliance function will only grant approval once the Group Sustainability function has completed its review.

Accessibility

Our marketing strategy is underpinned by principles of responsibility, inclusion and respect for all customer groups. In recognising that many end clients, particularly within our consumer and financial adviser-focused funds are often post-retirement age, we take deliberate steps to ensure our messaging is appropriate and accessible. The following outlines how we market responsibly to these audiences:

- Responsible marketing practices are used, including using a variety of accessible and inclusive imagery across all of our financial literature
- Ensuring font size on our literature is legible and created to meet AA accessibility standard across our digital literature
- We include subtitles on all video content related to fund literature and Foresight Group communications to ensure accessibility and clarity for all audiences
- Production and publishing to all staff of our anti-greenwashing companion guide

Targets

Foresight is continually working on improving customer experience.

Frontier Forum 2024

At this year's sustainability forum "Frontier Connect", leaders from government, finance and science came together at The Eden Project to tackle a pressing question:

"How do we mobilise capital at scale into sustainable infrastructure and nature by 2030?"

Across two days of keynote speeches, think tanks and pitch presentations, industry leaders collaborated on developing strategies to meet the challenge of mobilising capital at scale. Key priorities identified to drive a green, competitive and inclusive economy included tackling the complexities of the energy transition, adopting systems-based thinking and creating cross-sector collaboration between environment, science, government and finance sectors. Experts stressed the need for investment in areas beyond wind and solar, such as long-duration energy storage and interconnectors. Sessions also highlighted the tension between long-term, future-focused investment goals and short-term investor expectations. Discussions on regulatory and policy advancements underscored the urgency of creating frameworks that can accelerate capital mobilisation.

Watch the roundup films to find out more.

Read more about the Frontier Forum 2024 here.

FCM: Stewardship reporting

FCM released its inaugural Stewardship Report, marking a further major milestone in our commitment to responsible investing. This report is built upon two years of solid progress, including the creation of a formal stewardship framework, the full onboarding of proxy voting and governance services, and the adoption of new engagement software that enables us to track and manage activities across multiple companies and funds effectively. A robust stewardship process is now mandatory for funds seeking the SDR sustainability label. We are committed to implementing the UK's SDR requirements in our FCM division, aligning our funds with sustainability objectives. Four of FCM's Funds have SDR Focus label, Foresight UK Infrastructure Income Fund, Foresight Global Real Infrastructure Fund, Foresight Sustainable Real Estate Securities Fund and Foresight Sustainable Future Themes Fund and one SDR Impact label, FP WHEB Sustainability Impact Fund.

Governance

Business conduct

Our material impacts, risks and opportunities

The double materiality analysis concluded that business conduct and its sub-topics of corporate culture, bribery and corruption and protection of whistleblowers are material for the Foresight Group.

Corporate culture	Yes	⊕ ⊖	Risk and opportunity
Protection of whistle-blowers	Yes	⊕ ⊖	Risk and opportunity
Corruption and bribery	Yes	⊕ ⊖	Risk and opportunity

Corporate culture

Foresight Group's corporate culture is deeply intertwined with its sustainability and governance efforts, reflecting a commitment to creating a positive impact on both people and the planet. Our Company's evolved values – Ambition, Integrity, Impact and Collective Success serve as the foundation for our corporate culture, guiding employees in their daily actions and long-term goals.

Ambition at Foresight Group is about investing in our employees and aiming high together, building a successful and sustainable business, and growing our entrepreneurial culture. This ambition drives us to continuously innovate and strive for excellence, ensuring that sustainability underpins our business practices.

Integrity involves being wholly invested in all commitments, building relationships with honesty and transparency, and growing professionally and responsibly. This value ensures that our governance practices are ethical and transparent, fostering trust with Stakeholders and promoting sustainable growth.

Impact focuses on contributing to people and the planet, building a sustainable future, and achieving positive growth for everyone. Our sustainability initiatives are designed to create meaningful change, from reducing our impact on biodiversity and ecosystems to supporting community engagement programmes.

Collective Success emphasises being invested in each other's successes, building an accessible, approachable, collaborative and respectful culture, and growing together. This value highlights the importance of employee investment, fostering a positive work environment where everyone can thrive and contribute to the Company's sustainability goals.

Our DE&I strategy, THRIVE, further supports our corporate culture by actively cultivating a diverse, equitable and inclusive environment, ensuring equal treatment and opportunities for all. This strategy empowers colleagues, drives innovation and builds a better future for us as a company and for the communities we serve.

Bribery and corruption

Group-level strategy

The cornerstone of Foresight's mitigation strategy against bribery and corruption is our comprehensive Anti-Bribery and Corruption Policy, which sets the approach at the Group level. This policy is based on expectations set for regulated firms and sets the tone. It applies to all Foresight entities Worldwide, ensuring consistency across the Group while adhering to stricter local regulations where applicable.

The risks identified at the Group level filter into the individual investment divisions and the portfolio companies and assets that we manage. Each jurisdiction has built risk assessment that includes anti-bribery and corruption measures. Where the risk is assessed as high, more enhanced monitoring is instituted. To mitigate risks related to bribery and corruption, Foresight equips its staff with regular anti-bribery and corruption training, ensuring that the workforce is aware of the relevant policies and procedures. Furthermore, regulated firms within the Group have implemented risk-based compliance monitoring programmes.

Foresight fosters a culture of transparency through its reporting practices. Foresight Group LLP receives periodic reports on both bribery and corruption risks and the outcomes of compliance monitoring efforts. Overseas subsidiaries follow a similar model, reporting to designated compliance officers and local governing bodies. This focus on risk assessment, staff training, compliance monitoring and transparent reporting demonstrates Foresight Group's commitment to preventing bribery and corruption within its business operations. By proactively addressing these risks, Foresight safeguards its reputation, protects its investments, and contributes to a more ethical and sustainable business environment.

Governance

Business conduct

Bribery and corruption

Jurisdictions and investment divisions

Foresight understands the significant risks that bribery and corruption pose to our organisation and investments. Such illegal activities could result in a series of negative outcomes, fines and potentially expensive litigation. To mitigate these risks, we regularly assess the risks associated with our investments, considering factors such as the size and structure, the nature and scale of their activities and their risk profiles, especially any involving public officials.

In our pre-investment processes, we incorporate anti-bribery and corruption considerations to identify companies with higher risk profiles. Incidents of corruption or bribery could severely damage our reputation, eroding investor confidence and potentially lead to a decline in share price, hindering future fundraising efforts, and jeopardising our ability to attract and retain top talent. This risk is relevant in the short, medium and long term. To address this risk, our investment divisions require portfolio companies to implement essential policies within six months. These policies cover the environment, anti-bribery and corruption, and diversity and inclusion. Our annual assessments then evaluate the presence and effectiveness of such policies, ensuring adherence to high ethical standards. This not only safeguards our portfolio companies and assets but also promotes responsible business conduct.

Ultimately, bribery and corruption could negatively affect the profitability and value of our assets. Decreases in the Net Asset Value ("NAV") of our funds could directly impact our funds' revenue streams and potentially impact returns generated for investors. To mitigate this risk, we gather corruption and bribery risk data from various sources, including company policies, Bloomberg data and assessments of alignment with the UN Global Compact principles, specifically those related to anti-bribery. This comprehensive data is then integrated into our investment divisions' risk management processes, allowing for proactive mitigation and safeguarding of the portfolio against adverse events.

Protection of whistleblowers

Whistleblowing

Foresight prioritises conducting business with the highest ethical standards. Our Whistleblowing policy ensures a safe and transparent method for reporting suspected misconduct. The Company encourages all staff to promptly report any potential wrongdoing. Foresight Group Risk oversees the process, with regional teams adhering to their respective jurisdictional policies and compliance requirements. A Key Risk Indicator ("KRI") dashboard tracks whistleblower incidents for ongoing monitoring and improvement. This risk is relevant in the short, medium and long term.

Our staff have multiple channels for reporting concerns, including their line manager, the Compliance Officer and/or the Group Finance Director. The policy also provides external reporting options for those uncomfortable with internal reporting channels. These external organisations include whistleblowing charity Protect, the Serious Fraud Office and the Financial Conduct Authority in the UK. The policy aims to:

- Encourage openness and confirm that we will support whistleblowers who raise genuine concerns under this policy, even if they turn out to be mistaken
- Provide an internal mechanism for reporting, investigating and remedying any wrongdoing in the workplace
- Convey the seriousness and importance that we attach to identifying and remedying wrongdoing
- Confirm that concerns will be taken seriously, investigated appropriately and that the whistleblower's confidentiality will be protected wherever possible
- Reassure employees that they can raise a genuine concern if they believe disclosure is in the public interest

The policy encompasses a broad range of potential issues, such as bribery, fraud, miscarriages of justice, health and safety risks, environmental damage, and breaches of legal or regulatory obligations. The Whistleblowing policy applies to all Foresight Group entities, including subsidiaries worldwide. It serves as a minimum standard, and local regulations may impose stricter requirements. In such cases, local regulations should take precedence.

Foresight Group has zero tolerance for retaliation against whistleblowers who raise concerns. The policy outlines robust procedures to ensure the legal protection of whistleblowers throughout the reporting process. Regular training equips staff with knowledge of the Whistleblowing policy as well as reporting procedures.

Sustainability strategy

FY26 goals for the strategy

Foresight has reviewed its sustainability strategy and set the following priorities designed to enhance our resilient and responsible business model:

1. Establish Key Sustainability Risk Indicators across Foresight Group to supplement our existing reporting
2. Create a Sustainability Accountability Framework within the Group Sustainability Strategy
3. Enhance our process for regulatory horizon scanning to further build resilience across Foresight Group
4. Reinforce our commitment to DE&I by further embedding inclusive practices into our business operations
5. Further develop and refine our approach to proactive management of climate and nature-related issues

Building on the progress we have made over the past year, our goals for the year ahead will continue to shape our actions and decisions, reinforcing our commitment to responsible investment and sustainable growth. By advancing key themes across our operations, we aim to further embed resilience and sustainability into our business model, helping us to remain adaptive to emerging challenges and opportunities.

This ongoing evolution reflects our belief that long-term success is rooted in continuous improvement and accountability. As we continue to align with global standards and to meet Stakeholder expectations, we are committed to maximising our positive impact – both environmentally and socially – while upholding the principles of responsible business conduct.

The opening ceremony of Skaftåsen Wind Farm, Sweden, Part of Foresight's portfolio

Indices

ISSB index

Disclosure category	Sub-category	Disclosure covered	Section in the report	Comments
Governance To understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee sustainability-related risks and opportunities.	—	IFRS S1: 27 a) – b) IFRS S2: 6 a) – b)	Sustainability Governance Environment/TCFD Report – Governance	—
Strategy To understand an entity's strategy for managing sustainability-related risks and opportunities.	Sustainability-related risks and opportunities	IFRS S1: 30 a) – c) IFRS S2: 10 a) – d)	Sustainability Strategy, Business Model and Value Chain Climate change – Strategy Nature, pollution, water and the circular economy Own workforce Workers in the value chain Affected communities Consumers and end-users Business conduct	Definition of short, medium and long term used: Short term: 1 fiscal year Medium term: 1-3 years Long term: more than 3 years This is aligned with Foresight Group's ERM.
	Business model and value chain	IFRS S1: 32 a) – b) IFRS S2: 13 a) – b)	Sustainability Strategy, Business Model and Value Chain	Climate change: Climate transition plan, climate targets and resource allocation for related activities are not in place. Foresight Group has not yet set carbon reduction or net zero targets at the Group level, but continues to evaluate the feasibility and timing of such commitments. Work on climate targets has commenced at the fund level, with FGEN becoming the first fund to voluntarily set a net zero emissions target in FY25. Additionally, see the section "Sustainability at Foresight" for the overall steps planned to be taken in the upcoming year to manage Foresight's material risks and opportunities.

Indices

ISSB index

Disclosure category	Sub-category	Disclosure covered	Section in the report	Comments
Strategy To understand an entity's strategy for managing sustainability-related risks and opportunities.	Strategy and decision making	IFRS S1: 33 a) – c) IFRS S2: 14 a) – c)	Sustainability Strategy, Business Model and Value Chain Climate change – Strategy Nature, pollution, water and the circular economy Own workforce Workers in the value chain Affected communities Consumers and end-users Business conduct	—
	Financial position, financial performance and cash flows	IFRS S1: 35 a) – d) 40 a) – c) IFRS S2: 16 a) – d) 21 a) – c)	Climate risk management	The financially material sustainability topics have now been integrated into the Group ERM platform. Additionally, the Risk function has enhanced its set of Key Risk Indicators for the Risk Appetite Statement to monitor our progress toward our sustainability objectives. Additionally, within the Infrastructure division the standardised approach for climate risk assessment and analysis is conducted using the Climanomics platform. However, further work is required to quantify certain qualitative impacts and long-term sustainability outcomes.
	Resilience	IFRS S1: 41 IFRS S2: 22 a) – b)	Sustainability Strategy, Business Model and Value Chain Climate change – Strategy Nature, pollution, water and the circular economy Own workforce Workers in the value chain Affected communities Consumers and end-users Business conduct	For climate change: Foresight undertook quantitative scenario analysis for its Infrastructure and FCM portfolios, and qualitative scenario analysis for a subset of the Private Equity portfolio in FY25, as part of its assessment of climate resilience.

Indices

ISSB index

Disclosure category	Sub-category	Disclosure covered	Section in the report	Comments
Risk management To understand an entity's processes to identify, assess, prioritise and monitor sustainability-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process and to assess the entity's overall risk profile and its overall risk management process.	—	IFRS S1: 44 a) – c) IFRS S2: 25 a) – c)	Sustainability Strategy, Business Model and Value Chain Climate risk management	—
Metrics and targets To understand an entity's performance in relation to its sustainability-related risks and opportunities, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.	Metrics	IFRS S1: 46 a) – b) 49 IFRS S2: 28 a) – c) 29 a) – g)	Climate change – Metrics and targets Nature, pollution, water and the circular economy Own workforce Workers in the value chain Affected communities Consumers and end-users Business conduct	Source for metrics reported in the sections: • IFRS S2 • SASB standards for asset managers • Principal Adverse Impact ("PAI") Indicators (EU Sustainable Finance Disclosure Requirements) • European Sustainability Reporting Standards • FCA diversity and inclusion consultation paper No internal carbon pricing is currently in place.
	Targets	IFRS S1: 51 a) – g) IFRS S2 33 a) – h) 34 a) – d) 36 a) – e)	Own workforce	Own workforce: Currently, targets are in place only for own workforce related KPIs. The target KPIs are gender split among employees, % senior female employees and gender pay gap. Climate change: See TCFD index.

Governance

Building a successful, resilient business.

115 Executive Chairman's introduction
117 Board of Directors
119 Corporate governance
130 Nomination Committee report
132 Audit & Risk Committee report
140 Remuneration Committee report
150 Directors' report

Members of the Foresight team

"...corporate governance is the foundation of a successful business in a competitive and regulated arena."

Bernard Fairman
Executive Chairman

I am delighted to introduce Foresight Group's (the "Group") Corporate Governance Report on behalf of the Board for the year ended 31 March 2025.

We are committed to conducting our business responsibly and maintaining high standards of corporate governance and to this end, I have highlighted below aspects of the governance work undertaken during the year.

I specifically mentioned sustainability last year, noting that we had undertaken a double materiality assessment ("DMA"). We considered that to be important for the longevity of our business through the development and enhancement of our sustainability related governance processes in response to stakeholder feedback as well as ensuring preparedness for upcoming regulations. The DMA highlighted a number of material matters, which have helped form our strategic approach going forward. The Sustainability Team, in collaboration with our other business functions, is managing those matters with progress reported to the Board. An update on what we have done can be found in our Sustainability Section on pages 56 to 113.

Stakeholder engagement continues to be a priority for the Board and Senior Management, and details of our focus and the outcomes from the actions we have taken during the year can be found in the Stakeholders section on pages 48 to 53. As regards the Shareholders who voted against resolutions 8 and 16 at the 2024 AGM, having engaged with them previously, no further engagement was sought this year as we understood their voting policies. However, as regards resolution 16, we trust that the execution of our buyback programmes and the resulting benefit to all Shareholders will also help demonstrate the importance of gaining approval for the Rule 9 waiver, without which, we would be unable to buy back shares.

We invite any Shareholder to contact us via the Company Secretary should they wish to discuss the Rule 9 waiver further or if they wish to provide feedback on any other matter.

Our people are key stakeholders, and we continue to invest in their development and seek their feedback. Our various people related initiatives continue to receive the full support of the Board, with Alison Hutchinson, our Senior Independent Director, continuing to chair our Employee Forum and act as Employee Workplace Representative. The results of our 2025 employee survey were very positive overall, providing great insight into what we do well and what we can improve on. As regards the latter, we will work with our Head of People to address those areas we need to improve on. More details of the survey results can be found on pages 95 and 96.

Compliance with the UK's Corporate Governance Code (the "Code") is also a key area for the Board, supported by the Company Secretary. I confirm that aside the exceptions noted on page 116, the Board has complied with the requirements of the Code throughout FY25 and remains committed to doing so. As regards the establishment of an internal audit function, preparations were made during FY25 that will enable recruitment to take place in FY26.

Lastly, to the Board. During the year, the first external Board Performance Review ("BPR") was undertaken. Round Governance was selected to carry out the review, with whom the Board and selected members of our senior management team fully engaged. The Board considered the process to be insightful, with the resulting report providing great insight into the views of all who took part. The report highlighted no material concerns and all recommendations made by Round Governance were accepted and will be actioned during FY26. Details of the BPR process and results can be found on pages 126 and 127.

Executive Chairman's introduction

Succession planning has been a key focus of the Board and was highlighted in the BPR report and recommendations. It has remained under active review by the Nomination Committee. As outlined in its report (pages 130 and 131), the process to manage Geoffrey Gavey's planned retirement has been progressing with careful consideration and oversight.

In parallel, the Board has also considered feedback regarding the need for greater clarity between the roles of the two Executive Board Members. Following thoughtful deliberation, I am pleased to confirm that Gary Fraser has been appointed as Chief Executive Officer. This appointment represents a significant milestone in Foresight's leadership evolution and reflects the Board's strong confidence in Gary's ability to lead the business through its next phase of growth. I will continue in my role as Executive Chairman and Founder, leading the company's strategic direction.

I trust that this Governance section of the Annual Report 2025 illustrates our commitment and reflects our belief that corporate governance is the foundation of a successful business in a competitive and regulated arena.

I look forward to reporting to you on our progress in the next Annual Report.

Bernard Fairman
Executive Chairman

25 June 2025

1. The responsibilities of the Executive Chair and SID are detailed in the document "Division of Responsibilities between the Executive Chair and the Senior Independent Director".

Our compliance with the Code

With the exception of the areas of non-compliance noted below, the Company has applied the principles and complied in full with the provisions of the UK Corporate Governance Code (the "Code") during the year:

9 & 19	The Code recommends that the role of chairman and chief executive officer should not be exercised by the same individual. Since Admission, Bernard Fairman, who co-founded the Group in 1984, has exercised the role of Executive Chairman, combining those two roles. Since listing, the Nomination Committee has independently considered the role as part of its review of the Company's succession planning. It was also considered under the external Board Performance Review ("BPR"), undertaken by Round Governance, the results of which were discussed with the Board. Supported by the BPR findings, the Committee considers that Bernard Fairman continues to provide stability and continuity through his detailed understanding of the Group's operations, both past and present, and the markets in which it operates. Also, while the Committee remains of the belief that in undertaking the role, Bernard Fairman does meet the interests of the Shareholders through his proven leadership qualities and significant experience to ensure the Company's ongoing commercial success, as noted in this Governance section, the Company's short-term succession planning will be amended to acknowledge the need to split the roles. Additionally, to ensure sufficient Board independence, certain additional duties are undertaken by the Senior Independent Director. These are set out in the document "Division of Responsibilities between the Executive Director and the Senior Independent Director".
26	During the year, progress was made on the establishment of an internal audit function at Group level and recruitment will commence in FY26.

Examples of how the Company has complied with the Code can be found in the pages listed below:

• Effective and entrepreneurial board	116 to 118 and 126 and 127
• Company's value, purpose and strategy	IFC
• Risk management	36 to 46
• Stakeholder engagement	48 to 53
• Workforce policies (remuneration)	140 to 149
• Responsibilities of the Chair and the SID[1]	121
• Executive versus Non-Executive Directors	121
• Time commitment	124
• Board effectiveness and efficiency	126 and 127
• Appointments and succession	130
• Skillset, knowledge and experience	117 and 118
• Evaluation	126 and 127
• Independence and effectiveness of audit functions and integrity of the financial statements	132 to 139
• Fair, balanced and understandable assessment of the Company's position and prospects	132 to 139
• Risks and internal controls	132 to 139
• Remuneration policies and practices	140 to 149
• Formal and transparent procedure for executive and senior management remuneration policies	140 to 149
• Exercise independent judgement and discretion	140 to 149

Board of Directors

C

Bernard Fairman
Executive Chairman

Appointed
24 February 2010

Background
After leaving 3i Ventures where he was responsible for sourcing, evaluating and negotiating investments, Bernard co-founded Foresight Group in 1984 to raise a new fund for investment in unquoted technology companies based in the UK, the United States and France. He is now Foresight Group's Executive Chairman with over 40 years of private equity and infrastructure experience. He is responsible for the strategic direction and management of the Group, including its IPO in February 2021. He has achieved this through organic growth and acquisitions, with the Group attaining one of the leading positions in the UK small cap private equity and international infrastructure markets.

Bernard's extensive experience provides him with a deep understanding of private equity and infrastructure investments and great insight into the opportunities for Foresight Group as well as the challenges that it may face. He is well placed to continue to lead the Board and develop and drive the Group's strategy, culture and values.

External directorships
Beau Port Investments Limited.

Gary Fraser
Chief Financial Officer/Chief Operating Officer

Appointed
3 February 2021

Background
Gary joined Foresight in 2004 and is the Chief Finance Officer based in the London office. He has over 30 years of experience and is ultimately responsible for Group finance and operations, providing and facilitating specialist financial input into corporate, portfolio and investment decisions across the business. He also works closely with the boards of the various Foresight managed funds, listed and unlisted, and has been key to various corporate actions, including mergers and acquisitions, rights issues and restructuring. Gary works alongside Bernard in relation to strategic planning and business development, including acquisitions. Gary previously worked at F&C Asset Management as a company secretary, where he focused on legal and tax compliance, financial compliance, technical and financial reporting and corporate finance. He also worked at EY, focusing on audit and risk assurance, and corporate finance.

Gary's strategic and decision-making skills are fundamental to his roles as CFO and COO in driving the Group forward to achieve its strategic goals. His involvement with the boards of Foresight's funds is also key to their and the Group's success.

External directorships
Averon Park Limited (a Foresight managed entity).

Alison Hutchinson, CBE
Senior Independent Non-Executive Director

Appointed
3 February 2021

Background
Alison is a highly experienced director, who brings a wealth of experience and knowledge to the Board gained from her strong background in both IT and retail financial services. Alison started her career at IBM and became global director of online financial services before joining Barclays Bank and then specialist mortgage provider Kensington Group PLC as managing director and then group CEO. She has a keen interest in people and is our workplace representative; she also chairs our Employee Forum.

Alison is also CEO of fintech charity The Pennies Foundation (which she founded in 2009) working with retailers to enable digital giving and serves as the senior independent non-executive director at DFS Furniture plc.

In 2016, Alison was awarded a CBE for services to the economy and charities.

External directorships
DFS Furniture plc.

Audit & Risk Committee · Nomination Committee · Remuneration Committee · Market Disclosure Committee · C Chair

Biographies accurate as at the date of publishing.

Board of Directors

C

Geoffrey Gavey

Independent Non-Executive Director

Appointed

31 May 2015

Background

Geoff joined the Foresight Group Board in 2015, pre-IPO, as a Non-Executive Director. The Board benefits from his experience in the finance industry as a service provider, including his extensive offshore regulatory knowledge and experience in risk management.

During the year, Geoff retired as managing director of FNB International Trustees Limited ("FNB") and deputy head of banking for FNB Channel Islands Bank. Additionally, he was formerly a director of Fairbairn Trust Company Limited, a subsidiary of Old Mutual, and worked for Lloyds Bank International in both Guernsey and Gibraltar.

External directorships

None.

C
C

Michael Liston, OBE

Independent Non-Executive Director

Appointed

3 February 2021

Background

Formerly Chief Executive of the electricity utility Jersey Electricity plc, Mike is the Non-Executive Chairman of JTC plc and brings to the Board the benefit of his extensive experience across public and private sector businesses.

Mike has also held a number of non-executive roles including Chairman of AIM-listed Renewable Energy Generation Limited and was formerly Chairman of The Jersey Appointments Commission, established by the Government of Jersey to ensure probity in senior public sector appointments. He was elected to the judiciary of the Royal Court of Jersey in 2012, retiring from this position in 2017.

In 2007, Mike was awarded an OBE for services to the electricity industry and charity.

External directorships

JTC plc chairman.

Board skills

In line with the recommendations of the Corporate Governance Code, the Board has identified the skills, experience and knowledge ("Skills") considered appropriate to support and develop Foresight.

The below skillset chart shows the skills held by the Board members as at the year end.

A more detailed skills matrix is maintained internally, which enables the Nomination Committee to better assess the level of the Board's skills and experience, and compare them to the needs of the Company. It is also used in succession planning and in recruitment, by seeking to address any skills/knowledge gaps.

Experience of business growth and business development	●●●●●
Senior leadership	●●●●●
Recent and relevant financial experience	●●●●●
Strategic capability	●●●●●
Risk management experience	●●●●●
Knowledge of ESG and climate change issues	●●●●●
Business continuity and crisis management	●●●●●
Cyber/technology	●●●●●
Previous/other board experience	●●●●●
Industry/Sector	●●●●●
People	●●●●●

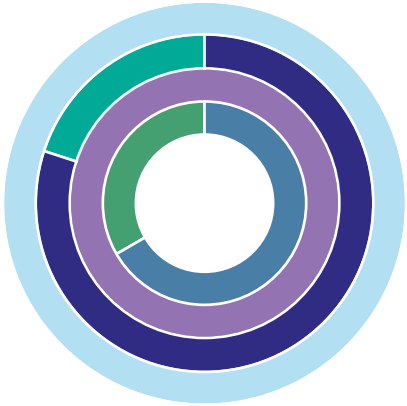
For more information on the Board and its Committees please scan here.

Audit & Risk Committee · Nomination Committee · Remuneration Committee · Market Disclosure Committee · C Chair

Biographies accurate as at the date of publishing.

Corporate governance

Board



Nationality

- British | 5 | 100%

Gender

- Male | 4 | 80%
- Female | 1 | 20%

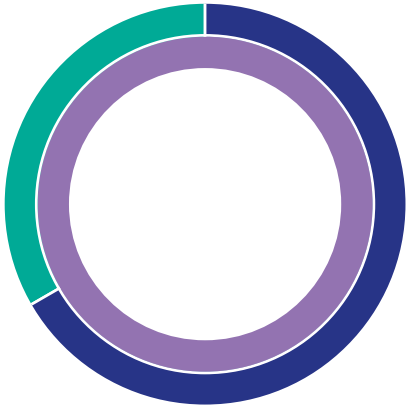
Ethnicity

- White | 5 | 100%

Non-Executive Directors' tenure[4]

- 3–6 years | 2 | 66.7%
- 9+ years | 1 | 33.3%

Senior Board Positions[1]



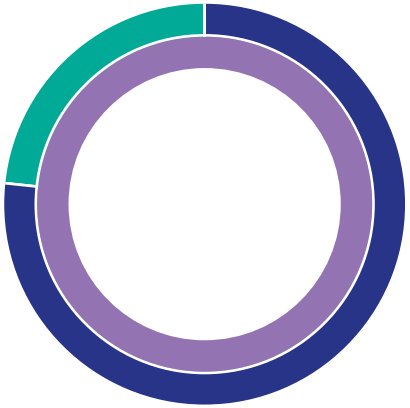
Gender

- Male | 2 | 66.7%
- Female | 1 | 33.3%

Ethnicity

- White | 3 | 100%

Group Executive Management[2]



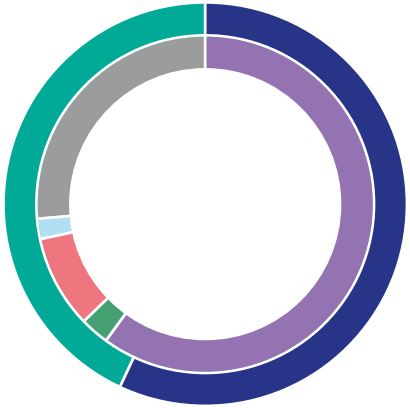
Gender

- Male | 10 | 76.9%
- Female | 3 | 23.1%

Ethnicity

- White | 13 | 100%

Group Employees[3]



Gender

- Male | 248 | 56.9%
- Female | 187 | 43.1%

Ethnicity

- White British or other white | 262 | 60.1%
- Mixed/Multiple Ethnic Groups | 12 | 2.8%
- Asian/Asian British | 38 | 8.7%
- Black/African/Caribbean/ Black British | 9 | 2.1%
- Other ethnic group (including Arab) | 0 | 0%
- Not specified/prefer not to say | 114 | 26.4%

1. Our Senior Board Positions are Executive Chair, CFO and SID.
2. Executive Management comprises the Board, Executive Committee and Company Secretary.
3. The additional statistics provided in regard to the Group Employees are intended to illustrate diversity across our Group. Please also see our People section on pages 95 to 107, which provides more information on the progress being made across the business as regards diversity, equity and inclusion.
4. At 31 March 2025.

Corporate governance

Board diversity

As has been previously advised, the Board's diversity does not currently meet the targets noted in the Financial Conduct Authority's Listing Rules. As noted in the Nomination Committee's report on pages 130 and 131, a recruitment process is underway as part of the succession planning for Geoffrey Gavey. That process will seek to address the situation.

Board and Committee meeting attendance

The chart below shows the total number of Board and Committee meetings and the attendance by each Director. Attendance from each of the Board Directors for the meetings held during the year was as follows:

Bernard Fairman	
Board	5
Gary Fraser	
Board	6
Alison Hutchinson	
Board	6
Audit & Risk	4
Nomination	3
Remuneration	3
Geoffrey Gavey	
Board	6
Audit & Risk	4
Nomination	3
Remuneration	3
Mike Liston	
Board	6
Audit & Risk	4
Nomination	3
Remuneration	3

Notes:

- Bernard Fairman and Gary Fraser are not members of the above Committees, hence their attendance is not recorded.
- Bernard Fairman was unable to attend the Board meeting held in November 2024 for due to extenuating personal circumstances. However, his views were conveyed in the matters discussed.

Governance framework

Every member of the Board understands their role in terms of their individual and collective engagement, providing independent views and challenge, as well as acting with their Board colleagues to secure the long-term success of the Group. The division of responsibilities among the Directors is also key to achieving the Group's purpose, strategies, values and targets.

Our Group-level governance framework comprises the Board, the Board Committees and the Executive Committee, descriptions of which appear below. They are supported by Senior Management and the various teams across the Group.

Our approach to corporate governance

It is essential for our long-term success that we develop and maintain high standards of corporate governance across the Group, to enable us to support our business strategies, operational resilience and growth, as well as achieving our goals.

The Board has appointed four Committees, as described below, each of which operates under its respective Terms of Reference that can be found on the Group's website. The Committees and Board review those Terms of Reference periodically to ensure the content remains relevant to the Group's business activities, current and future, and make changes where necessary. Similarly, the Board also reviewed the Matters Reserved for the Board, which was updated during the year and is also subject to periodic review.

Corporate governance

Our approach to corporate governance

With a relatively small Board, and following the appointments of Mike Liston and Geoffrey Gavey to the Market Disclosure Committee during the year, the Non-Executive Directors are each members of all other Board Committees, promoting interaction and co-ordination where needed.

The Board also works closely with the Group's Executive Committee, to which it has granted authority to manage and oversee the Group's day-to-day business activities.

- Collectively responsible for promoting the long-term, sustainable success of the Group, seeking to generate value for Shareholders while fulfilling responsibilities to our Stakeholders. These include:
  - Setting the Group's strategic targets and monitoring the performance of the Executive Committee against those targets
  - Setting the Group's risk appetite and ensuring effective controls are in place
  - Monitoring compliance with corporate governance principles
  - Upholding the purpose, culture, values and ethics of the Group

- Identifies, develops and proposes Group strategy, annual budget, business plans and commercial objectives to the Board
- Oversees the Executive Committee's management of the Group and execution of Group strategy
- Promotes appropriate standards of governance across the Group and ensures compliance with legal and regulatory responsibilities
- Ensures timely flow of accurate and reliable information within the Group and with the Board
- Promotes the health, safety and wellbeing of workforce and workforce engagement
- Communicates with the workforce and ensures Board awareness of staff views

- Supports the Executive Chairman in developing Group strategy, annual budget, business plans and commercial objectives
- Serves on the Executive Committee
- Holds responsibility for the Group's operations and operational strategy via the Executive Committee
- Holds responsibility for Finance, Risk, Compliance, Governance, People & Sustainable Culture and Corporate IR teams

- Acts as a Non-Executive Director
- Acts as intermediary for other Directors and the Shareholders to ensure views are communicated and understood
- Leads the Board when the Executive Chairman is absent
- Is the designated NED for workforce engagement
- Ensures effective communication by the Group with its workforce and Stakeholders
- Leads on the appraisal of the Executive Chairman's performance and evaluates the same
- Contributes to succession planning of the Executive Chairman, other Directors and Board Committees

- Monitor the Group's delivery of strategy
- Provide constructive input to the development of the Group's strategy
- Ensure internal controls are robust and that an external audit is carried out
- Engage with internal and external Stakeholders, providing feedback to the Board
- Have a key role in succession planning for the Board and Senior Management
- Serve on the Board Committees

- Provides advice and support to the Board as necessary
- Ensures timely and accurate information flows to the Board
- Ensures compliance with the Company's governance policies and statutory/regulatory requirements
- Keeps the Board updated on changes to applicable regulation, legislation and best practice standards
- Tailors and carries out comprehensive inductions for new Directors
- Provides support to the Chairman and the other Directors
- Supports the Chairman with the Board evaluation

Corporate governance

Our approach to corporate governance

Board Committees

The Board defines the Company's purpose, setting a strategy to deliver it, underpinned by the values and behaviours that shape its culture and the way it conducts its business.

Audit & Risk Committee

Responsible for:

- Assessing the integrity of financial and non-financial reporting and monitoring the effectiveness of internal controls, internal (once appointed) and external auditors
- Overseeing the Company's position with the respect to the Code and corporate governance practice
- Sustainability and climate related policies, reporting and risk management

Please see the Audit & Risk Committee report on pages 132 to 139

Nomination Committee

Oversees Board composition and Board and senior executive succession.

Please see the Nomination Committee report on pages 130 and 131

Remuneration Committee

Reviews the Group remuneration policy, the structure of Senior Management remuneration and determines the remuneration of the Executive Board members and the Group's Executive Committee.

Please see the Remuneration Committee report on pages 140 to 149

Market Disclosure Committee

Oversees the disclosure of information by the Company to meet its obligations under the UK's Market Abuse Regulation.

Corporate governance

Our approach to corporate governance

Executive Committee

The Executive Committee has been authorised by the Board to undertake the management and oversight of the Group on a day-to-day basis and, in particular, to pursue the Group's commercial objectives through the execution and delivery of Group strategy, providing periodic updates to the Board. Both Bernard Fairman and Gary Fraser are members of the Executive Committee. The other members are as follows:

David Hughes, Chief Investment Officer	Elizabeth Scorer, Head of Corporate Affairs	Dan Wells, Partner, FEIP Co-Manager	Ricardo Piñeiro, Co-Head of Infrastructure	Chris Holmes, Co-Head of Infrastructure	James Livingston, Co-Head of Private Equity	Matthew Smith, Co-Head of Private Equity
David joined the Group in 2004 and is the Group's Chief Investment Officer. He is based in the London office and has over 45 years of experience. He is responsible for the overall management of the Foresight Group investment portfolio, overseeing the complete investment cycle from initial investment to ultimate realisation.	Liz joined the Executive Committee in November 2024 having joined the Group in 2021 to lead the Corporate IR activity post IPO. Today, Liz brings a strong Company wide perspective to the Committee through her leadership of the Investor Relations, Sustainability and Corporate Strategy activities. Liz has over 20 years of experience across energy and financial services sectors.	Dan joined the Group in 2012 and is co-manager of the Foresight Energy Infrastructure Partners fund series. He has 25 years of experience of sustainable infrastructure and real assets investing in Europe, Asia and North America.	Ricardo joined Foresight in 2011 and is the Co-Head of Infrastructure and a member of the Infrastructure Investment Committee. He is based in the London office and has 20 years of experience in fund management, sustainable infrastructure investment and financing in the UK and internationally.	Chris joined Foresight Group in 2019 and is Co-Head of Infrastructure and a member of the Infrastructure Investment Committee. He is based in the London office and his career spans over 25 years within infrastructure investment, advisory, lending and fund management in the UK and Europe.	James joined Foresight in 2007 and is Co-Head of Private Equity and a member of the PE Investment Committee. He is based in the London office and has 20 years of experience. Working alongside Matt Smith, James manages a team that invests across the spectrum of Venture Capital, Private Equity and Private Credit throughout the UK, Ireland and beyond.	Matt joined Foresight in 2010 and is Co-Head of Private Equity and a member of the PE Investment Committee. He is based in the London office and has 20 years of experience. Working alongside James Livingston, Matt manages a team that invests across the spectrum of Venture Capital, Private Equity and Private Credit throughout the UK, Ireland and beyond.

More information on the members of the Executive Committee can be found on the Company's website at **https://www.foresight.group/about-us/people**.

Corporate governance

Our approach to corporate governance

Board independence

Each member of the Board understands their role as an individual, providing independent views and challenge, as well as being part of a collective acting with their Board colleagues to secure the long-term success of the Group. The division of responsibilities among the Directors is key to the Group achieving its purpose, strategies, values and targets.

The independence of the Non-Executive Directors was judged as part of the annual evaluation in accordance with the Code. The Nomination Committee considered that all were free from any relationship or circumstance that could affect, or appear to affect, their independent judgement. The Committee was satisfied that the Non-Executive Directors could properly fulfil their roles on the Board, providing constructive challenge to the Board and Executive Committee. However, it was noted that a succession plan was required for Geoffrey Gavey, whose tenure was extended by a period of up to three years in FY24.

Conflicts of interest

The Company Secretary maintains a register of conflicts of interest. Each Director understands their responsibility to identify and manage conflicts of interest and to provide details to the Board and the Company Secretary. The Directors are reminded of their responsibilities in relation to conflicts of interest at each Board meeting. The Company Secretary provides a copy of the register of conflicts of interest at all full Board meetings so as to ensure the Board monitors and notes any potential conflicts of interest that may have arisen.

Any Director wishing to take on an additional external appointment must obtain permission from the Board, which shall be granted if the additional time commitments will not interfere with the respective Director's ability to discharge their responsibilities to the Company, their independence is maintained and there are no conflicts of interest arising as a result of the appointment.

Time commitment

Another consideration for the effective operation of the Board is for our Directors to have sufficient time to meet their responsibilities. The Nomination Committee considers the time commitments of our existing Directors in terms of any change to the amount of time being spent on Company matters and also should they wish to take on additional external appointments. Should the Nomination Committee consider that any changes are to be made, a recommendation would be made to the Board.

Professional advice

Subject to complying with the Guidance for Obtaining Independent Advice, Directors may take independent professional advice at the Company's expense in the furtherance of their duties as Director of the Company. During the year, no Director sought to do so.

Training and development

The Board and the Group's Senior Management are committed to support the continuing development and training of all the Group's employees as well as their own. As an example, during the year, various training sessions related to the double materiality assessment were held across all jurisdictions and all employee grades (including the Board).

The Board also receives regular briefings on a range of strategically important matters to ensure they are informed of developments in these areas.

Culture

The Board is responsible for establishing the Group's cultural direction and monitoring behavioural patterns and standards across the Group.

This is achieved via various initiatives including an annual employee survey, the Employee Forum, the Employee Value Proposition and other ad hoc initiatives from time to time.

More information on the results of these initiatives can be found on pages 95 to 100.

Corporate governance

Our approach to corporate governance

Communication with Shareholders

Communication with Shareholders is important to the Board, and the Executive Directors have an ongoing dialogue and a programme of meetings with large/institutional investors and analysts managed by the Corporate Investor Relations team. These meetings are normally with both the Executive Chairman and Chief Financial Officer and can cover a range of topics that enable them to understand Shareholders' perspectives, within the constraints of rules around confidential information. Shareholders' views are regularly communicated to the Board through the Board reporting process and periodic briefings, including from our corporate brokers and the Corporate Investor Relations team. The Corporate Investor Relations team and Company Secretary also engage with proxy voting agents ahead of each AGM.

Risk management and internal control

The Board is responsible for setting the Group's risk appetite and ensuring that there is an appropriate system of risk governance in place. To discharge this responsibility, the Board has established frameworks for risk management and internal controls using a "three lines of defence" risk governance model.

The Audit & Risk Committee assesses the results of the risk monitoring undertaken via the risk functions across the Group, provides periodic risk reporting and also receives updates on the establishment, development and effective operation of the risk management controls and processes.

The Group also produces an externally audited ISAE 3402 report annually in the UK. A similar audited report is also produced annually in Australia.

The Chair of the Audit & Risk Committee regularly attends at the UK risk committee meetings and at all times the Committee members have access to the risk management team and systems to ensure there is sufficient transparency to assess the Group's risk management framework.

More information on risk management and the assessment of the same can be found on pages 36 to 46.

Member of the Foresight team

Corporate governance

Board performance review

The effectiveness of the Board is important in ensuring the Group's success. The Board undertakes a rigorous evaluation process each year to assess how it, its individual Directors, its Committees and the Executive Chairman are performing. This year, the Board undertook its first external Board performance review, carried out by Round Governance Services ("Round Governance").

The review cycle and process are detailed in the sections below, together with the actions arising from the 2025 evaluation and the progress made in regard to the 2024 actions.

The process undertaken for the 2025 external Board performance review carried out by Round Governance is summarised below and included the following:

- A targeted questionnaire was completed by all Board members which served as discussion points at each interview
- 1:1 interviews were held with each Board member and three selected members of Senior Management
- Review and analysis of a comprehensive suite of Board and governance documentation
- Board meeting observation
- Considering all of the above, Round Governance produced a comprehensive report, which contained a number of recommendations ranked on a red, amber, green ("RAG") basis (the "Report")
- Round Governance presented their report to the Board. Following discussion, the contents of the Report, including the recommendations, were accepted

Thereafter, a plan was produced by the Executive Directors working with the SID, which categorised the recommendations into the five areas listed below:

1. Strategy and Board effectiveness
2. Internal controls
3. Combined executive roles
4. Succession planning
5. Board composition

The plan takes on board all twenty-two recommendations and sets actions against each for completion during FY26. Priority was assigned to the four actions responding to a red recommendation by assigning a short timeline for completion. The remaining 18 recommendations were amber. As there was a good deal of overlap amongst the recommendations, it was decided to address all during FY26.

The actions have been assigned to various members of Senior Management for completion, and this will be monitored by the Company Secretary, who will update the Board until all are complete.

A summary of the actions is noted on the following page.

Our Board review cycle

Year 1[1]	Year 2	Year 3	Year 4
No review	FY23 internal review	FY24 internal review	FY25 external review

1. As the IPO took place on 4 February 2021, the first evaluation was undertaken in FY23.

It was agreed that the Board would undertake an internal review for the first three full financial years and an external review on the fourth year. Thereafter, an external review will be undertaken in respect of every third financial year.

Corporate governance

Board performance review

Progress on FY25 actions

Board composition/ succession planning	To have a clear short/longer-term succession plan that would meet the diversity recommendations under the FCA's Listing Rules.	This was progressed during FY25 and was also the subject of a recommendation arising from the FY25 external review (see below FY26 actions).
Board meetings	Improve reporting, particularly regarding sustainability, and consider the need for additional meetings.	All actions have been taken and the Board reporting has been updated.
Monitoring culture	To ensure culture is a key Board consideration.	Culture is raised and discussed with the Board as a result of feedback from the Employee Forum and the annual employee survey. However, it will be added to the Board agenda for consideration at least annually.
Audit & Risk Committee	To consider the implementation of an internal audit function.	In line with the Board's undertaking to progress this, a plan is in place to recruit internal audit personnel during the course of FY26. Planning for the role has already commenced.

FY26 actions

Strategy and Board effectiveness	To ensure: • Sufficient time for Board discussions and decision-making • To continue to review the information provided to the Board	Actions are to be taken to maximise and/or extend Board meeting times to facilitate more discussion of key topics, including risk and strategic objectives. This will involve changes to the content and flow of information to the Board, consideration of KPIs and improvement in the format of the meeting agendas.
Internal controls	To ensure preparedness for the revised 2024 UK Corporate Governance Code.	A plan has been requested by the Board so that progress can be monitored as appropriate.
Succession planning (The actions summarised in this section also address the recommendations arising re Board composition and Combined executive roles.)	Carrying on from FY25, succession planning to be updated and extended to cover short and longer-term Board composition and measures regarding the combined executive roles.	The Executive Directors will update the succession planning for the Executive Directors, Non-Executive Directors and Executive Committee members, for both the short and longer term. The skills matrix is being updated to assist with the planning, which will seek to ensure diversity requirements are met. A decision has already been made to recruit an additional Non-Executive Director to sit alongside Geoffrey Gavey, with a view to replacing him by no later than the end of FY27.

Corporate governance

Our Board activities

Purpose, values and strategy

- Board meetings/reporting
- Board strategy and networking days
- Ad hoc meetings and calls with Senior Management on key projects and key areas of the business
- Attendance at employee engagement forums where strategy is a key value driver
- Meetings with Senior Management and ad hoc attendance at meetings of key committees
- Approval of five year plan considering strategic growth by organic/internal growth and acquisition
- Approval of business acquisitions, dividends and share buybacks

Financial management and performance

- Regular liaison of finance staff with Chair of Audit & Risk Committee
- Chair of Audit & Risk Committee meeting independently with the audit partner throughout the year
- Reports to the Board issued by auditor
- Board reporting
- KPI and APM reviews

Sustainability

- Board sustainability champion engagement with Group Head of Sustainability
- Board training on sustainability and double materiality
- Board reporting
- Review and approval of the UK Modern Slavery and Human Rights Statement
- Review of double materiality review results and approval of resulting actions

Stakeholder engagement

- Regular meetings by Executive Directors with key Shareholders and market analysts
- Attendance and participation in a variety of industry bodies to shape the investment management and related industries
- Monitoring of customer trends through Board reporting
- Annual General Meeting
- Ensuring consideration is given to Stakeholder impacts within investment process
- Ensuring retention of Group memberships/signatory status of sustainability organisations/bodies
- Contributing to industry consultations supporting Stakeholder groups

Board strategy day

Each year, the Board holds a strategy day to review the rolling five year plan and receive updates from the Executive Committee on the performance of each investment division and other team heads representing the various support functions. Holding the strategy day provides numerous benefits, including fostering a unified vision, facilitating in-depth strategic planning and enhancing Board member engagement. It enables focused discussions on long-term goals, market opportunities and competitive positioning, ensuring alignment among Board members and the Executive Committee. Key topics for the main body of discussion include a review of the current strategic plan, analysis of market trends and competitive landscape, risk management strategies, innovation and growth opportunities and alignment of organisational resources with strategic priorities. This concentrated effort helps to sharpen strategic focus and drive organisational success.

Details of the activities undertaken by the Board in relation to its Stakeholders can be found in the Stakeholders section on pages 48 to 53.

Corporate governance

Our Board activities

People, diversity & inclusion and sustainable culture

- Employee Forum and Employee Value Proposition
- Employee surveys
- Succession planning
- Supporting and promoting workforce initiatives championing diversity and inclusion

Oversight of operational performance vs strategic targets

- Oversight via Board reporting and attendance at certain team/Committee meetings
- Challenging the Executive Directors and Executive Committee on performance vs targets
- Meeting team heads directly via annual networking day and presentation at Board meetings, as well as ad hoc meetings

Risk management

- Overseeing risk management framework
- Review, assessment and challenge of Group's principal and emerging risks
- Meetings with Chief Risk Officer and Head of Risk
- Attendance at Risk Committee meetings

Corporate governance and reporting

- Annual General Meeting
- Monitoring compliance with the Corporate Governance Code
- Ongoing growth and improvement to the governance framework, maintaining alignment with business growth
- Board evaluation and planning
- Oversight of global subsidiaries and offices
- Regular Board meetings and reporting
- Engagement with external advisers and experts

Member of the Foresight team

"Diversity is a key contributor to the Group's culture of innovation and productivity, adding breadth to perspective, experience and values decision-making."

Mike Liston OBE
Chair of the Nomination Committee

Dear Shareholders,

I am pleased to present the Nomination Committee report for the year ended 31 March 2025 and wish to thank my fellow independent Directors who join me in constituting the Committee, together with Foresight's management and external advisers for their support during the year. In particular, I record our appreciation for the rigour with which Round Governance conducted the first external review of the Board's effectiveness.

Key responsibilities

The Committee's key responsibilities include Board composition, succession, diversity and performance evaluation.

Succession

Planning

Board succession planning is vital to sustaining strategic continuity, governance stability and investor confidence, whilst strengthening Board resilience and development. The Corporate Governance report on pages 119 to 129 includes recommendations related to the key roles of Executive Chair, CEO and CFO. While the blending of these functions between the Company's two most senior executives over the last two decades, has been of great benefit to the company, I am pleased to advise that Gary Fraser has now been appointed as Chief Executive Officer. This appointment recognises the need for greater clarity between their roles and is indicative of the confidence the Committee has in Gary to lead the business.

During the year, the historical longevity of Geoffrey Gavey's tenure was considered during the Nomination Committee's routine review of Director independence.

Whilst the Committee is confident his contribution remains independent, the Board has effected plans for an additional Non-Executive Director be appointed during the course of FY26 in preparation for his retirement by no later than the end of FY27. A recruitment search is currently underway.

Skillset mapping

To assist in the Board's succession planning, we have also reviewed our skillset mapping to ensure we provide for current and anticipated strategic leadership capabilities and governance needs of the business. The updated skillset matrix is shown on page 118.

Board composition

As previously acknowledged, the Board's composition does not currently meet the targets of the FCA's Listing Rules in respect of Board diversity. This is made more difficult by the relatively small Board and addressing this non-compliance will be considered in the recruitment process noted above. This is in line with the Committee's commitment to actively promote diversity and inclusion on the Board and in the overall workforce through its collaboration with the People & Sustainable Culture ("PSC") team to ensure that there are no cultural or structural barriers for women and/or ethnic and other underrepresented groups.

Diversity and inclusion

Board

Diversity is a key contributor to the Group's culture of innovation and productivity, adding breadth to perspective, experience and values decision-making. This culture is embedded within the Group's policies and approach to ensure that its staff are treated fairly and respectfully and have equal opportunities regardless of age, gender, ethnicity or socioeconomic background.

Nomination Committee report

Diversity and inclusion | Board

The Committee's approach to Board diversity includes the following undertakings:

- We aim to ensure Board composition which overall has the right skillset, knowledge and experience required to deliver the Group's strategy and objectives whilst enhancing value for all its Stakeholders
- We will promote and support diversity and will ensure diversity is a key consideration in recruitment
- We will seek to comply with the rules and requirements of our regulators and the industry bodies we engage with as regards diversity and to fully explain any areas of non-compliance
- We will review the skillsets, knowledge and experience of Board members regularly to ensure alignment with the Company's purpose, objectives and culture, demonstrating diversity where possible

As noted above, the current Board does not meet the diversity targets set out in the Financial Conduct Authority's Listing Rules. However, as noted above, the succession planning for Geoffrey Gavey has commenced and will be carried out in compliance with the above approach, with a view to address that situation before the end of FY26.

Workplace

Diversity and inclusion is actively managed and monitored across the Group by the PSC team, supported by the Group's Employee Forum, chaired by our Senior Independent Director, Alison Hutchinson. At each Board meeting, Alison provides an update to the Board on matters discussed by the Forum and the PSC team provides a written report on employee matters.

Pages 95 to 107 provide details of the work being undertaken and the initiatives established to promote diversity and inclusion in the workplace.

Board effectiveness and evaluation

The Board underwent its first external Board Performance Review during the year. Following a competitive selection process, Round Governance was appointed with a wide remit and unfettered access to people throughout the Company, to assess the Board's constitution, processes, culture and behaviours.

The findings of the review were widely debated by the Board during a comprehensive evaluation in a thorough and professional manner, by Round Governance's Chief Executive and its recommendations were accepted as a framework for continuous performance improvement. An outline of the process Round Governance followed for the Board performance review, as well as a summary of actions being taken regarding the recommendations, can be found on pages 126 and 127.

Re-election of Directors

In accordance with the Company's Articles of Incorporation and the Code, all Board members will retire at the forthcoming AGM. All the Directors offer themselves for re-election by Shareholders and the Committee recommends re-election in each case, noting the current process underway for Geoffrey Gavey's succession.

Shareholder engagement

We value engagement with our Shareholders and I would welcome feedback and questions on this report and the Committee's activities throughout the year. Should you wish to make contact with me, please do so via the Company Secretary.

Board independence

The independence of the non-executive members of the Board was considered as part of the external Board performance review and the Committee remains satisfied that independence was maintained throughout the year. That independence review paid specific attention to Geoffrey Gavey's independence in light of his extended tenure and was found to be satisfactory.

Time commitment

Time commitment is reviewed as part of the annual Board evaluation process, which confirmed the Committee's belief that the time committed by each Board member remained sufficient and not excessive for the year.

Board appointments/induction

Upon appointment to the Board, new Directors will be required to undertake an induction programme to ensure they can quickly maximise their effectiveness. The programme will include meetings with other Board members and key advisers. Meetings will also be arranged with members of the Executive Committee and team heads to provide an overview of the Company's operations and facilitate individual fact finding. The Company Secretary also provides relevant policy and procedural information.

During the year, there were no new Board appointments and no resignations.

Mike Liston OBE
Chair of the Nomination Committee

25 June 2025

"The Audit & Risk Committee devoted significant time to the oversight of the acquisition accounting and associated impairment reviews, following the strategic investments made by the Group over the last few years."

Geoffrey Gavey
Chair of the Audit & Risk Committee

Membership	Meetings attended
Geoffrey Gavey (Chair)	4/4
Alison Hutchinson	4/4
Mike Liston	4/4

Purpose

The purpose of the Audit & Risk Committee is to monitor and review:

1. The integrity of the disclosures of the Group (including financial, non-financial and climate-related) within the Annual Report and Accounts, Half-year Report and other documents for publication
2. The adequacy and effectiveness of the system of internal controls across the Group
3. The independence and effectiveness of the External Auditor and consideration of the need for an internal audit function
4. All governance matters with respect to the UK Corporate Governance Code
5. The policies and overall process for identifying and assessing business risks, including sustainability and climate-related risks (and opportunities), and managing their impact on the Group

Audit & Risk Committee report

What the Committee reviewed during FY25

- Annual and Half-year Reports to ensure they were fair, balanced and understandable, including APMs and ESG disclosures
- Key accounting judgements and estimates
- Simplification of the Group's financial reporting metrics
- Going concern and viability

- Reports from the Group's Risk Committee ("RC")
- Review of the viability statement and the supporting stress test scenarios
- Regular reviews of compliance with regulatory rules (including the FRC Minimum Standard) and compliance monitoring findings

- Audit reports from the External Auditor
- Confirmation of the External Auditor's independence
- Policy and approval for non-audit fees
- FY25 audit plan, including significant audit risks
- External Auditor performance and effectiveness
- Internal audit implementation

- Reports from the Governance team
- Annual review of the Company's compliance with the Corporate Governance Code and reporting to Shareholders
- Further consideration of the changes to Provision 29 of the Code which applies to financial years beginning on or after 1 January 2026

- Reports from the Group Sustainability team
- UK SDR and anti-greenwashing
- Data management and reporting
- Integrated Group Sustainability Report

Dear Shareholders,

I am pleased to present the Audit & Risk Committee report for the year ended 31 March 2025, which is intended to provide Shareholders with insights into the work we have done as a Committee to provide assurance on the integrity of the Annual Report and Accounts together with the effectiveness of the Group's risk management and internal controls framework during a year of continued market volatility. My report summarises the areas of focus and work conducted by the Committee over the course of the last year.

The Committee supports the Board by setting, reviewing and monitoring the Group's policies and procedures to ensure the independence and effectiveness of the external audits and internal control framework, which support the integrity of our financial and narrative reporting. We also monitor the adequacy of the processes that enable the Board to assess the level of principal risks the Group is prepared to take to achieve its long-term strategic goals.

Key areas of focus

One of the primary responsibilities of the Committee is to consider and report any significant issues that arise in relation to the audit of the financial statements. Further details on the areas of focus are provided later in my report, but I can confirm there were no significant issues to report to Shareholders in respect of the audit of the financial statements for the year ended 31 March 2025.

The Committee has continued to focus on developing the risk management function within the business. The Group's Head of Risk continues to evolve our systems and controls to support the growth and stability of the Group, with a continued focus on our sustainability risk management activities. Our risk framework continues to support our business and functions and ensures a dynamic exchange of information on risks across our regions.

The Committee has again focused this year on the IFRS 3 accounting following our recent strategic acquisitions. Towards the end of the financial year we were appointed as sub-manager of the Liontrust Diversified Real Asset Fund ("DRAF"), which was followed shortly after by the acquisition of the trade and assets of WHEB Asset Management – both of these actions complement and diversify the offering from our FCM division.

We also considered the need for any impairment reviews of the Downing and ICG acquisitions we have made in the recent past – more detail on these reviews can be found later in my report.

Audit & Risk Committee report

Interaction with the Financial Reporting Council ("FRC")

During the year ended 31 March 2025, our only interaction with the FRC was receipt of a follow-up letter on 7 May 2024 confirming that they were satisfied with the responses we had provided to the questions they had raised for the FY23 Annual Report in relation to earnings per share and the fair value of intangible assets – customer contracts. Further details were provided in my report last year and can also be found on the FRC website, as we consented to the FRC publishing the findings of their review on their website in June 2024, following closure of their enquiry.

Composition

The Committee was formed on 3 February 2021 as part of the preparation for the Company's Admission to the Main Market of the London Stock Exchange. Its members are myself as Chair, alongside fellow independent NEDs Alison Hutchinson and Mike Liston.

The UK Corporate Governance Code recommends that all members of the Audit & Risk Committee be independent Non-Executive Directors, that one such member has recent and relevant financial experience, and that the Committee as a whole shall have competence relevant to the sector in which the Company operates.

Whilst no member of the Audit & Risk Committee has an accounting or audit qualification, the Board considers that the Company complies with the requirements of the UK Corporate Governance Code, as I have recent and relevant financial experience, having recently been a member of the Audit & Risk Committee at other companies. The absence of a member of the Audit & Risk Committee with an accounting and/or audit qualification is kept under periodic review by the Board.

Committee meetings

The Committee meets at least three times per year and at such other times as required. The Company's External Auditor or Chief Risk Officer ("CRO") may also request a meeting if they consider it necessary.

The Committee met on four occasions during the financial year under review and reviewed and discussed a number of topics, as outlined in the table earlier in the report.

Responsibilities

As part of the IPO in February 2021, Terms of Reference ("ToR") were defined and documented for the Committee. These were reviewed and updated in the prior year to reflect the latest statutory requirements and best practice appropriate to a group of Foresight's size, including extending the remit of the Committee to include Governance and Sustainability.

The Group complies with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014. BDO are engaged as the External Auditor for the Group and have audited the principal trading business within the Group (Foresight Group LLP) since the year ended 31 March 2019 when the external audit was last tendered. The Committee continues to monitor audit quality and governance best practice; it intends to initiate a new tender process by 2029 in line with the ten-year requirement.

The current ToR were adopted on 8 March 2024 and can be found on the Group's website at https://foresight.group/corporate-governance or obtained from the Company Secretary.

The Committee is principally responsible for the following:

i. Considering and reporting any significant issues that arise in relation to the audit of the financial statements
ii. Reviewing the adequacy and effectiveness of the Group's internal financial controls and internal control and risk management systems
iii. Considering the need for an internal audit function
iv. Reviewing the independence and effectiveness of the external audit process, including the provision of any non-audit services
v. Reviewing the Group's position with respect to the Code and corporate governance practice
vi. Sustainability reporting, including the support of any audit undertaken regarding such reporting

(i) Significant financial reporting areas

The key areas of risk identified and considered by the Committee in relation to the business activities and financial statements of the Group for the year ended 31 March 2025 were as follows:

Audit & Risk Committee report

Responsibilities | (i) Significant financial reporting areas

Area of focus – Revenue recognition

Management and Secretarial fees; Marketing fees; Directors' fees; Arrangement fees; and Performance fees

Comments and conclusions

Management fees

Revenue is recognised in line with the investment management or advisory agreements in place with the appropriate funds. These are typically based on the Net Asset Value ("NAV") or committed capital of Limited Partnership funds managed or advised by the Group. Where NAV is used, it is typically the last audited or publicly available NAV approved by the independent boards of the relevant companies.

Secretarial fees

Relate to services provided to funds Foresight manages (such as company secretarial, accounts preparation, administration, etc.) and are generally driven by Funds Under Management ("FUM") and calculated as a percentage of NAV or as a fixed fee depending on the terms of the individual contract agreements.

Marketing fees

These are fees recognised as a percentage of initial funds raised from the tax-based retail products.

Area of focus – Revenue recognition

Directors' and monitoring fees

Relate to services provided by Foresight staff where they are appointed as Directors on the boards of portfolio companies in which the Foresight funds invest. The fees are recognised in line with the contractual agreements between Foresight and the portfolio companies.

Arrangement fees

Earned by Foresight for its role in arranging certain deals (including capital deployments, fundraisings and refinancings), based on a percentage of the capital raised/deployed/refinanced.

Performance fees

Usually one-off in nature and earned from carried interest arrangements. Performance fees are recognised only at the point in time when the Group has 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. Performance fees were recognised during the year following successful exits from the Foresight Regional Investment Fund LP ("FRIF"), Foresight Nottingham Fund LP ("FNF"), NI Opportunities I and II LP ("NIOPPS"), Foresight VCT plc and Foresight Enterprise VCT plc.

Following discussions with management and review of the Group's controls and procedures as part of the meetings held throughout the year, the Committee is comfortable that revenue has been properly recognised in the financial statements in line with the Group's accounting policies.

Area of focus – Judgement as to whether an acquisition constitutes the acquisition of a business

Comments and conclusions

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 on 20 September 2024
- Acquisition of the trade and assets of WHEB Asset Management LLP ("WHEB") on 27 January 2025
- Appointment as sub-investment manager and sub-distributor for the Liontrust Diversified Real Assets Fund on 27 January 2025

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.

Audit & Risk Committee report

Responsibilities | (i) Significant financial reporting areas

Area of focus – Judgement as to whether an acquisition constitutes the acquisition of a business

Comments and conclusions

Management have concluded that the WHEB acquisition constitutes the acquisition of a business and is therefore accounted for as a business combination. The management contracts of WHEB are therefore required to be valued at acquisition as intangible assets – customer contracts (see below) and management also estimate the fair value of contingent consideration. For the Healthcare share class of Thames Ventures VCT 2 plc, management have concluded that this is not the acquisition of a business so is a separate purchase of intangible assets.

Area of focus – Initial valuation of intangible assets (customer contracts)

Comments and conclusions

There is a considerable amount of subjectivity used in valuing intangible assets of this nature and, therefore, management engaged a third-party professional services firm to conduct a purchase price allocation for the WHEB acquisition, including the identification and valuation of these separately identified intangible assets.

The intangible assets (customer contracts) have been valued using a discounted cash flow model, with assumptions regarding length of contract, appropriate costs and appropriate discount rates applied. Contributory asset charges have also been applied to determine the fair value of the management contract. Following discussions with management and review of the third-party report, the Committee is satisfied with the valuations conducted and the assessment of the useful lives of the contracts.

Area of focus – Impairment of goodwill and intangible assets (customer contracts)

Comments and conclusions

In addition to intangible assets (customer contracts), goodwill arising on acquisitions is capitalised and carried at cost less provision for impairment. An assessment is made at each year end for both intangible assets as to whether there is any indication that the assets may be impaired.

Goodwill is allocated to cash-generating units ("CGUs") and the valuation of these CGUs is then compared to the carrying value of goodwill to identify whether any impairment is required. Management have conducted valuations of these CGUs, which the Committee has reviewed and is satisfied that no impairment is required.

Management have also reviewed each intangible asset (customer contracts) for indicators of impairment. In FY24, indicators were identified for the two contracts acquired from Downing, Thames Ventures VCT 1 plc and Thames Ventures VCT 2 plc (now merged as Foresight Ventures plc). This was due to the reduction in AUM seen in these VCTs since acquisition. The Committee is satisfied that no further indicators of impairment for Downing have arisen in FY25 and the carrying value recorded is appropriate.

Audit & Risk Committee report

Responsibilities | (i) Significant financial reporting areas

Area of focus – Impairment of goodwill and intangible assets (customer contracts)

Comments and conclusions

As discussed in the Financial review, for two of the contracts obtained from the Infrastructure Capital acquisition, actual or expected redemptions are an indicator of impairment identified during the year. Management have therefore conducted an impairment review for these contracts to update the value in use calculation which also included a reassessment of the remaining useful life of the contracts. The Committee is satisfied that following the impairment charge accounted for, the carrying values recorded and the disclosures in the year-end accounts are appropriate.

Area of focus – IFRS 2 – Performance Share Plan

Comments and conclusions

The Group continues to operate an IFRS 2 Performance Share Plan ("PSP") scheme and there was a further grant of options in August 2024. The operation of this plan involves management judgement and complex accounting, in particular around the grant and vesting start date and the fair value of the options including appropriate retention rates.

Management continued its engagement with a third-party firm specialising in IFRS 2 valuations to assist with the valuation in this area. Discussions were held between the firm and management who challenged the assumptions used and assessed their appropriateness.

Following discussions with management and review of the output from the third-party firm, the Committee has concluded that the financial statements have been accurately presented in accordance with IFRS 2.

Area of focus – Contract costs

Comments and conclusions

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. If not, these are expensed as they are incurred. Capitalised placement fees are included within contract costs.

The Committee has considered management's judgement on placement agency fees incurred during the year, primarily arising from FEIP II, and are satisfied that these have been capitalised correctly.

Area of focus – Transfer pricing

Comments and conclusions

Due to the Group operating in a number of jurisdictions across the globe, there are a number of inter-company pricing policies applicable to both the investment management and asset management value chains.

We continued to work with a third-party professional services firm to review and develop the Group's transfer pricing policies. There were no material changes to the policies during FY25 and the Committee remains satisfied that these were still appropriate. Management will continue to review these policies regularly in light of any changes in tax legislation.

Area of focus – Simplification of financial reporting

Comments and conclusions

Since IPO, the financial statements and alternative performance measures ("APMs") of the Group have evolved as the underlying accounting of the Group has increased in complexity (e.g. accounting for our recent acquisitions). Following engagement with Shareholders and analysts, we have sought to simplify our financial reporting by reducing the number of columns in our income statement and introducing an "adjusted profit" APM, on which the dividend and earnings per share figures are now calculated.

Audit & Risk Committee report

Responsibilities

(ii) Risk management and internal controls

Each business and functional area across the Group is responsible for identifying, monitoring, measuring and managing risks as well as setting controls and assessing their efficacy. Oversight of risks and risk management activity remains with the Group's Risk Committee, with escalation to the Executive Committee and Audit & Risk Committee as required.

The Board of Directors is accountable for the risk management activities of the Group and is responsible for setting the tone for the Group's risk culture. The Board therefore has the ultimate responsibility for the effective management of risk, including determining the Group's risk appetite, identifying key strategic and emerging risks, and reviewing Foresight's risk management and internal control framework. For information on the Group's principal and material risks please refer to pages 36 to 46 of the Strategic Report.

In addition to the Group Risk Committee, the Audit & Risk Committee continues to rely on a number of different sources, including the production of the annual ISAE 3402 report which covers controls around the valuation of the Group's funds, as well as third parties providing additional support in specialist areas such as tax, risk, compliance and governance.

In my role as Chair of the Audit & Risk Committee, I attended a number of management meetings during the year to observe for myself the discussions and challenge provided by Senior Management. These meetings covered Risk, Compliance and Valuations in addition to meetings of the three core business divisions.

The Committee provided its confirmation to the Board that it has reviewed the effectiveness of the systems of internal control, including financial, operational and compliance controls, and risk management for the reporting period, as required under the provisions of the Code.

(iii) Internal audit

Taking account of the nature, scale and complexity of the Group's business, Foresight does not currently have a dedicated internal audit function. In FY25, a strategy for the Group Internal Audit function was set out. The internal audit work will begin in FY26, reflecting the continued growth of the business, and will support the Board ahead of the update of the UK Corporate Governance Code, relating to the effectiveness of material controls for both financial and non-financial activities.

Foresight prepares a controls report in accordance with International Standards on Assurance Engagements ("ISAE") 3402 which is also reviewed by BDO. This report describes the controls in place for processing investment transactions across the Group including the procedures in place to deal with conflicts of interest. The most recent report was produced and audited for the 12-month period to 31 March 2024 with the audit for the 12-month period to 31 March 2025 ongoing. In addition, to ensure CASS rules are followed, an independent review is performed.

(iv) External audit, including non-audit services

The Committee monitors and reviews the independence and objectivity of the External Auditor and reviews the effectiveness of the external audit process. The Committee also considers and makes recommendations to the Board, to be put to Shareholders for approval at the AGM, in relation to the appointment, reappointment and removal of the Group's External Auditor.

BDO are engaged as the External Auditor and have been since the year ended 31 March 2019. Elizabeth Hooper is the current audit partner, and this is her second year on the Foresight audit.

The Committee received reports from BDO in relation to their planning and subsequent audit of the full-year financial results. The Committee reviewed the contents of these reports to help assess the quality and effectiveness of the external audit, including the audit team's demonstrated competence, experience, diligence, objectivity, professional scepticism, current knowledge and its relationship with the Executive Directors and Senior Management. The Committee also reviewed the challenge of management assumptions demonstrated by the External Auditor, and where appropriate, requested that management responded to those challenges and to ensure a satisfactory outcome to the points raised.

In addition to the above, I have held several meetings with Elizabeth and her team (both with and without Foresight present) during the year to review the audit scope and audit findings, provide challenge and assess the depth of review provided by BDO.

Audit & Risk Committee report

Responsibilities | (iv) External audit, including non-audit services

As a result of this, I am satisfied with BDO's processes, capability of their staff and observations about management.

BDO confirmed its independence and objectivity from Foresight during the reporting period and both the Committee and the Board are satisfied that BDO has adequate policies and safeguards in place to ensure its objectivity and independence are maintained.

When assessing the independence of BDO, the Committee considered, amongst other things, the value of non-audit services provided by BDO, and the relationship with them as a whole. The provision of non-audit services is considered by the Committee in the policy they have adopted on the independence and objectivity of external auditors. This policy is aligned to the recommendations of the Financial Reporting Council's ("FRC's") Guidance on Audit Committees (2016) and the requirements of the FRC's Revised Ethical Standard (2019) (the "Ethical Standard"). An external audit firm will only be appointed to perform a non-audit service when doing so would be consistent with both the requirements and overarching principles of the Ethical Standard, and when its skills and experience make it the most suitable supplier.

Details of the fees paid to BDO for audit and non-audit services are shown in note 6 of these financial statements. The non-audit services provided by BDO for the year ended 31 March 2025 related to an assurance report on the internal control environment of the Group in accordance with ISAE 3402 and the annual CASS audits.

The Group has a number of overseas subsidiaries, some of which require a local statutory audit. BDO has been used as component auditors in Luxembourg, Guernsey and Australia during the year.

As noted above, the Committee is responsible for recommending to the Board the appointment, reappointment and removal of the External Auditor. The Committee has recommended to the Board that, subject to Shareholder approval at the 2025 AGM, BDO be reappointed as External Auditor of the Group for the forthcoming year.

(v) Governance

Compliance with the UK Corporate Governance Code ("Code")

During the year, the Company Secretary has reported on the Company's compliance with the Code in accordance with the Committee's Terms of Reference. Compliance is monitored via the use of a compliance tracker, which is maintained by the Company Secretary and shared with the Committee/ Board for review at least annually. Actions to be taken to ensure compliance are spread across the year as appropriate to the Code requirement or guidance. There were three items of non-compliance, each of which is referred to in the Directors' report and an explanation provided.

Governance procedures

Evaluation of the Company's governance procedures is ongoing by the Company Secretary and the Committee. The documented procedures, including terms of reference, are published on the Company's website, making them accessible to all members. The terms of reference for each committee are also tabled at each scheduled committee meeting.

As a result of reviews undertaken during the year, changes were made to the Matters Reserved for the Board and, following the Board Performance Review ("BPR"), recommendations made in regard to governance matters, such as content of materials provided at Board meetings, have been implemented and will therefore be in place for the meetings taking place in FY26 and beyond.

Governance issues

The BPR carried out in Q4 of FY25, highlighted a number of areas for improvement. More information on those as well as the actions being taken to address them is provided in the Governance section on pages 126 to 127. The Nomination Committee report on page 130 to 131 also refers to the BPR and, as noted above, the areas of non-compliance with the Code are noted in the Directors' report and in the Governance section on page 116.

(vi) Sustainability

Sustainability continues to feed into the Audit & Risk Committee. The results of the double materiality analysis, conducted in FY24, have now been integrated into the Enterprise Risk Management ("ERM") system, Decision Focus. Material topics identified through the analysis are reported against within the FY25 Sustainability Report (integrated within this Annual Report and Accounts).

Progress has been made regarding embedding climate risk across the three investment divisions, and this is detailed within the Environmental section of the Sustainability Report.

Foresight Group is currently developing a final set of KRIs for sustainability, and we expect these to be finalised by the end of H1 FY26.

On behalf of the Audit & Risk Committee

Geoffrey Gavey
Chair of the Audit & Risk Committee

25 June 2025

"The Committee is committed to ensuring that our compensation framework aligns with both the strategic goals of the Group and the long-term interests of our Shareholders."

Mike Liston OBE
Chair of the Remuneration Committee

Membership	Meetings attended
Mike Liston (Chair)	3/3
Alison Hutchinson	3/3
Geoffrey Gavey	3/3

Purpose

The purpose of the Remuneration Committee is to:

1. Attract and retain talent: Ensuring that the Group offers competitive compensation to attract and retain top executives
2. Align Shareholder interests: Designing remuneration policies that align with the long-term interests of Shareholders and the Group's performance goals
3. Ensure fairness and transparency: Making sure that compensation decisions are made fairly and transparently, avoiding conflicts of interest
4. Monitor compliance and governance: Ensuring that the Group's remuneration policies comply with relevant FCA regulations and governance standards

Annual statement from the Chair of the Remuneration Committee

Dear Shareholder,

As Chair of the Remuneration Committee (the "Committee"), I am pleased to share my report for the year ended 31 March 2025 ("FY25"). This report sets out the remuneration received by the Directors during the year and our implementation of the Directors' Remuneration Policy for the year ahead.

I would like to thank my fellow Shareholders for their support of the Directors' Remuneration Report and Directors' Remuneration Policy presented at our 2024 AGM, which both received c.90% support.

The Committee is committed to ensuring that the Group's remuneration policies and practices align with the long-term interests of our Shareholders, while also attracting, motivating and retaining the talent necessary to drive the Group's success.

FY25 business context

FY25 saw half of the world's population eligible to vote in general elections, resulting in changes in government for many countries, and a rise in populism in Europe, the US and other territories. This, coupled with the continuing conflicts in Ukraine and the Middle East, gave rise to market volatility throughout the year, albeit inflation in the UK returned to normalised levels and base interest rates began to reduce.

Fundraising within institutional infrastructure remained challenging, but we were successful in reaching the first close on our FEIP II strategy and we achieved record levels of fundraising within our Retail Sales team, whilst continuing to expand our Private Equity regional strategy. Year-on-year, AUM increased from £12.1 billion to £13.2 billion with core EBITDA pre-SBP up by c.5% to £62.2 million.

Remuneration Committee report

FY25 business context

On the back of this resilient performance and our strong pipeline of opportunities, the Group is well positioned to deliver on our strategic priorities and to continue to deliver profitable, sustainable growth.

Committee meetings

The Committee meets at least twice each year, inviting such attendees, in an advisory capacity, as are considered necessary and appropriate to the business to be discussed.

During FY25, the Committee met three times. The Committee reviewed the ongoing implementation of remuneration for Executive Directors' and the wider Group as well as the proposed implementation of the policy for FY26 for both the Executive Directors and other members of the Senior Management team. This included the annual bonus and Performance Share Plan ("PSP") awards for participants below Executive Director level.

Advice provided to the Committee

In the prior year, Korn Ferry provided external advice to the Committee, to support the implementation of the updated Remuneration Policy presented to Shareholders at the 2024 AGM. No external advice was provided to the Committee during FY25.

Committee Terms of Reference

The Remuneration Committee's Terms of Reference can be found on the Group's website at https://foresight.group/corporate-governance or obtained from the Company Secretary.

The Committee's key responsibilities include:

- Determining the policy for the Directors' remuneration
- Determining, within the agreed policy, individual remuneration packages for Executive Directors and other senior executives
- Determining any employee share-based incentive awards and any performance conditions used for such awards
- Reviewing and understanding reward policies and practices throughout the Group

Remuneration for FY25

As Shareholders are aware, the operation of our policy for incumbent Executive Directors currently comprises only salary and benefits, although under our new policy there is the ability to award incentive pay and this matter will be reviewed by the Committee each year. There were no increases to salary for FY25. During the year the Committee determined that no increase should be granted to the Executive Directors. An average increase of 6% of salary was granted to the wider workforce.

Remuneration for FY26

Reflecting his appointment as Chief Executive Officer, Gary Fraser's salary will increase by £50,000 per annum as part of the business' normal pay review cycle this August. His new salary of £400,000 per annum will be next evaluated in FY26 against relevant peer benchmarks. Executive Chairman Bernard Fairman's salary remains unchanged at £550,000 per annum.

Consistent with the approach since IPO, the current Executive Directors continue to waive their right to pension provisions.

For the year ahead, the Committee has carefully considered whether to implement the annual bonus component of Executive Director remuneration provided for in the policy. No annual bonus opportunity for the Executive Directors is proposed for FY26, which reflects the wishes of the incumbent Executive Directors.

In line with previous years, the Executive Directors will not participate in the PSP because of certain restrictions in the concert party agreement put in place at IPO.

Shareholder engagement

As in previous years, I invite our largest Shareholders to give feedback on our remuneration policy and its proposed implementation for the year ahead. I remain open to all queries and requests for meetings, although none have been sought to date.

Remuneration Committee report

Wider employee context

The Committee also considers and reviews the approach to broader workforce remuneration with specific input from our Head of People & Sustainable Culture team and Alison Hutchinson, our designated Non-Executive Director for employee engagement.

Conclusion

The Committee remains committed to ensuring that our remuneration policies and practices align with the long-term interests of our Shareholders and support the strategic objectives of the Group. We believe that our approach to executive compensation is fair, competitive and designed to attract, retain and motivate high-calibre talent.

The Committee can confirm that the Policy operated as intended for FY25. The Committee will continue to review and refine our policies to ensure they reflect best practices and respond to the evolving business environment.

We appreciate the ongoing support and feedback from our Shareholders and are committed to an open and constructive dialogue. If you have any questions or would like to provide feedback on our policy or remuneration more generally, I would be pleased to hear from you. You can contact me through the Company Secretary.

On behalf of the Remuneration Committee

Mike Liston OBE
Chair of the Remuneration Committee

25 June 2025

Directors' Remuneration Policy

The current Directors' Remuneration Policy (the "policy") was approved by Shareholders at the 2024 Annual General Meeting ("AGM"). This current policy took effect from the date it was approved, replacing the policy approved at our first AGM in 2021, and is expected to apply for three years.

The Policy can be found on the Group's website at https://foresight.group/corporate-governance.

The Remuneration Committee has decided, as a matter of good corporate governance, to adhere to the requirements of the UK remuneration reporting regulations whenever practicable, although, as a Guernsey registered company, the Company is not required to do so. The UK remuneration reporting regulations require Shareholder approval of the Directors' Remuneration Policy of UK incorporated companies to be binding. As the Company is not UK incorporated, those provisions have no legal effect. However, the Company will limit the power of the Committee so that it may only authorise payments to Directors that are consistent with the policy as approved by Shareholders. In that way the Company considers the advisory vote of Shareholders on the policy to be binding in its application.

The policy applies to current Directors and future appointees. It aligns with the wider market practice in terms of Executive Director remuneration for a FTSE 250 listed entity and enables the business to contemplate remuneration beyond that of the existing Executive Directors who, due to their shareholdings at IPO, are restricted in entitlement to equity -based incentive plans.

Remuneration Committee report

Directors' Remuneration Policy

Service Agreements and Letters of Appointment

Executive Directors

The Executive Directors each have service contracts with the details set out below:

Executive Director	Date of appointment	Date of current contract	Notice from the Company	Notice from the individual	Unexpired period of service contract
Bernard Fairman	24 February 2010	3 February 2021	12 months	12 months	Rolling
Gary Fraser	3 February 2021	3 February 2021	Six months	Six months	Rolling

Chair and Non-Executive Directors

The table below details the letter of appointments for each Non-Executive Director.

Each Non-Executive Director has a three-year appointment. Following the initial three-year period, each NED has the potential to be reappointed for an additional term. However, irrespective of the term, the appointment is subject to annual re-election by the Shareholders at each Annual General Meeting of the Company.

Both the Company and the NEDs have the right to terminate the appointment by providing one month's written notice, or in accordance with the provisions outlined in the Articles of Incorporation. In the event that a NED is not re-elected by the Shareholders, the Articles of Incorporation stipulate that they will be retired from office and their appointment will be terminated immediately and without any compensation. Upon termination of appointment, NEDs are only entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred prior to that date.

Non-Executive Directors	Date of appointment	Date of current letter of appointment	Notice from the Company	Notice from the individual
Alison Hutchinson	3 February 2021	3 February 2021	One month	One month
Mike Liston	3 February 2021	3 February 2021	One month	One month
Geoffrey Gavey	31 May 2015	3 February 2021	One month	One month

Wider Group workforce remuneration

As with the Executive Directors, salary for other employees is set at a level sufficient to attract and retain them, considering their experience and expertise.

The Committee diligently assesses the continued suitability of broader workforce remuneration policies. The objective is to operate a remuneration package that remains competitive within the market landscape where the Group operates, ensuring the retention of exceptional talent. This comprehensive package comprises salaries, benefits, annual bonus and share awards with a share incentive plan ("SIP") for all Group employees and PSP awards for more senior employees.

The Group regards membership of its incentive plans as a key part of its reward strategy which also aligns with the interests of employees and other Stakeholders. Most employees receive benefits such as a contribution towards private medical cover and life assurance.

The Group strives to provide a comprehensive remuneration package that attracts, motivates and retains top talent, empowering them to contribute to the Group's ongoing success. The Committee remains vigilant in its oversight, regularly reviewing and adapting these policies to ensure their continued appropriateness and alignment with our strategic goals.

The Group seeks to promote and maintain good relations with staff as part of its broader staff engagement strategy. The Senior Independent Director has met with the Head of People & Sustainable Culture on several occasions throughout the year and staff engagement has remained high, thanks to the Employee Forum, which is comprised of staff at all grades, departments and jurisdictions across the business, with a primary focus on the culture at Foresight.

Remuneration Committee report

Directors' Remuneration Policy

FY26 remuneration scenarios for Executive Directors

The charts below are intended to illustrate the potential remuneration opportunities for the Executive Directors based on different performance scenarios where they participate in an annual bonus plan and/or long-term incentives. The Executive Directors will continue not to participate in any variable remuneration plan and therefore earnings shown for all three scenarios comprise only base salary and benefits.

Executive Directors' performance

Annual Report on Remuneration

Implementation of the Directors' Remuneration Policy in FY25

Directors' emoluments (audited)

The Executive Directors' emoluments for the financial year to 31 March 2025 are summarised in the single total figure table below.

	2025		2024	
Total earnings (£000)	Bernard Fairman	Gary Fraser	Bernard Fairman	Gary Fraser
Salary	550	350	550	350
Benefits[1]	12	4	15	3
Pension[2]	—	—	—	—
Short-term variable remuneration	—	—	—	—
Long-term variable remuneration	—	—	—	—
Total	562	354	565	353
Amount fixed	562	354	565	353
Amount variable	—	—	—	—

1. Benefits comprise private medical insurance and, for the Executive Chairman, costs of property services as set out in the IPO Prospectus.
2. Neither of the Executive Directors receive any pension benefit as they have elected not to participate in the Group's pension scheme.

No share awards were made to the Executive Directors during the year.

Remuneration Committee report

Annual Report on Remuneration

Directors' shareholdings and share interests (audited)

The table below illustrates the current shareholdings of each Executive Director, based on the closing share price on 31 March 2025 (£3.47).

Executive Director	Number of shares at year end	Value of shareholding at year end	In service shareholding requirement (% of base salary)	Post-employment shareholding requirement (% of base salary)	% of base salary at year end
Bernard Fairman[1]	32,725,000	£113,555,750	200%	150%	20,646%
Gary Fraser[2]	4,513,000	£15,660,110	200%	150%	4,474%

1. Bernard Fairman holds his shares in the Company through Beau Port Investments Limited.
2. All held in the name of his wife, Susan Fraser.

There have been no changes to shareholdings of the Executive Directors between the year end and the date of this report.

CEO pay ratio

As a non-UK incorporated company, Foresight is not required to adhere to the CEO pay reporting regulations. However, as noted in the Chair's annual statement, the Committee has decided, as a matter of good corporate governance, to adhere to the requirements of the UK remuneration reporting regulations whenever practicable and so has chosen to make a voluntary disclosure of CEO pay ratios.

The table below sets out the salary and total pay and benefits for the three identified quartile employees.

Year		Executive Chair	25th percentile ratio	Median pay ratio	75th percentile ratio
FY25	Salary £000	550	44.3	83.9	136.2
	Total pay and benefits £000	562	44.3	83.9	136.2
FY25	Salary ratio		12.4	6.6	4.0
	Total pay and benefits ratio		12.7	6.7	4.1
FY24	Salary ratio		10.0	5.9	3.7
	Total pay and benefits ratio		10.3	6.1	3.8
FY23	Salary ratio		11.3	6.0	3.8
	Total pay and benefits ratio		11.5	6.1	3.9
FY22	Salary ratio		0.4	0.2	0.2
	Total pay and benefits ratio[1]		0.6	0.3	0.2

1. If using Bernard Fairman's Total pay and benefits of £550,000, the ratios in the table above for FY22 would be 11.2, 6.4 and 4.3, respectively.

Employee pay is calculated on the basis of the CEO single figure, which is "Option A" under the reporting requirements and is the methodology the Committee believes to be the most comparable and robust. Option A requires the Group to calculate the pay and benefits of all its UK employees for the relevant financial year in order to identify the total remuneration at the 25th percentile, at the median and at the 75th percentile. Employee pay data is based on full-time equivalent pay for UK employees as at the year-end date, in line with the CEO single figure methodology. In calculating these ratios, we have annualised any part-time employees or new joiners to a full-time equivalent (where relevant) and have used the earnings of our Executive Chairman, Bernard Fairman.

Remuneration Committee report

Annual Report on Remuneration

Gender pay gap

The gender pay gap at Foresight reflects the current distribution of roles across the Group with a higher concentration of men in senior, higher-paid positions. Whilst base pay and bonus structures are consistent across equivalent roles, the broader workforce composition continues to influence the overall gap.

This outcome is consistent with wider trends across the financial services sector, where leading institutions report mean and median pay gaps exceeding 50%. At Foresight, we remain committed to addressing this imbalance. Our approach includes diverse hiring, targeted talent mapping, and the continued delivery of our bespoke Women in Leadership programme, ELEVATE, which supports the progression of female talent into senior roles.

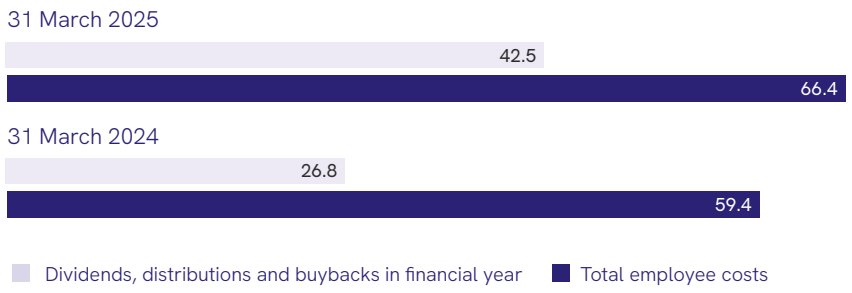
	FY25		FY24	
	% of men	% of women	% of men	% of women
Upper quartile	76	24	78	22
Upper middle quartile	52	48	64	36
Lower middle quartile	56	44	54	46
Lower quartile	39	61	31	69
Mean gender pay gap	25%		34%	
Median gender pay gap	23%		40%	

Relative spend on pay

The table and graph below show the amount of dividends, distributions and buybacks against employee costs for the last two financial years. These figures are underpinned by the amounts from the notes to the financial statements.

£m	31 March 2025	31 March 2024	% change
Total employee costs	66.4	59.4	12%
Dividends, distributions and buybacks in financial year	42.5	26.8	59%

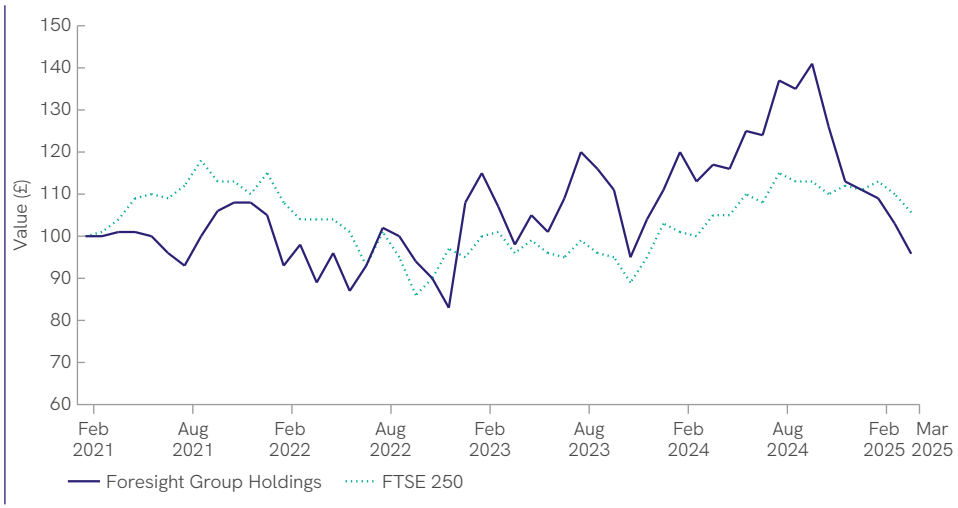
Relative importance of spend on pay (£m)



Total shareholder return performance

The graph below shows the value at 31 March 2025 of £100 invested in Foresight Group at IPO, compared to £100 invested in the FTSE 250 Index (both with dividends re-invested). The Group is a member of the FTSE 250 Index, and this is therefore deemed to be the most relevant benchmark to use.

Total shareholder return



Remuneration Committee report

Annual Report on Remuneration

Executive Chairman remuneration

The table below provides a summary of the Executive Chairman's total remuneration for FY22-FY25. FY21 is not included as the Company was only listed for a short period that year and the remuneration packages pre-IPO were structured significantly differently. Therefore, those figures would not be a useful comparison for readers of the accounts.

	FY25	FY24	FY23	FY22
Total remuneration (£000)	562	565	562	30[1]
Annual incentive (as a % of maximum)	N/A	N/A	N/A	N/A
Long-term incentive (as a % of maximum)	N/A	N/A	N/A	N/A

1. As disclosed in the pre-IPO Prospectus, a distribution was made in Bernard Fairman's favour immediately pre-Admission, so for the year ended 31 March 2022 it was agreed his base salary would be reduced to £20,000, plus he received £10,000 of benefits.

Non-Executive Directors ("NEDs")

The annual NED fees are outlined below. A base fee is agreed, with additional fees payable for chairing Board Committees and for the Senior Independent Director. The base fee was increased by £10,000 from 1 April 2024 in recognition of the Company now being a member of the FTSE 250.

NED fee type	Annual fee
Base fee for independent NEDs	£60,000
Additional fee for chairing a sub-committee	£5,000
Additional fee as Senior Independent Director	£10,000
Additional fee for acting as NED of a licensed subsidiary	£10,000

NEDs are not eligible to participate in any of the Group's long-term incentive, bonus or pension schemes. Detail regarding the fees paid to our NEDs is set out below.

NED	Fees for year ended 31 March 2025	Fees for year ended 31 March 2024	No. of shares held at year end	Value of shareholding at year end[2]
Alison Hutchinson (Senior Independent Director)	£70,000	£60,000	5,952	£20,653
Mike Liston (Chair of the Nomination and Remuneration Committees)	£70,000	£60,000	11,904	£41,307
Geoffrey Gavey (Chair of the Audit & Risk Committee)[1]	£75,000	£65,000	25,273	£87,697

1. Geoffrey Gavey receives an additional £10,000 per annum for acting as NED of a licensed subsidiary within the Group.
2. Based on closing share price of £3.47 on 31 March 2025.

Remuneration Committee report

Annual Report on Remuneration

Annual percentage change in the remuneration of the Directors and employees

The table below shows the percentage year-on-year change in salary, benefits and bonus in FY25, FY24 and FY23 for the Directors compared with the average Foresight employee. Previous years are not shown as the remuneration packages pre-IPO (FY21 and earlier) were structured significantly differently. Therefore, those figures would not be a useful comparison for readers of the accounts.

	FY24 to FY25[2]			FY23 to FY24			FY22 to FY23		
	Salary	Benefits	Annual bonus	Salary	Benefits	Annual bonus	Salary	Benefits	Annual bonus
Executive Directors									
Bernard Fairman	0%	(20)%	n/a	0%	25%	n/a	2,650%[1]	20%	n/a
Gary Fraser	0%	33%	n/a	0%	50%	n/a	0%	50%	n/a
Non-Executive Directors									
Alison Hutchinson	17%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Mike Liston	17%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Geoffrey Gavey	15%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Average pay based on Foresight UK employees	2%	2%	8%	6%	27%	(6)%	6%	38%	12%

1. As disclosed in the pre-IPO Prospectus, a distribution was made in Bernard Fairman's favour immediately pre-Admission, so for the year ended 31 March 2022 it was agreed his base salary would be reduced to £20,000.
2. NED fees have increased from FY24 to FY25 as a result of increases following a review of fees in the year.

Remuneration Committee report

Annual Report on Remuneration

Payments for loss of office

There were no payments made to Directors for loss of office during the year.

Payments to past Directors

There were no payments made to past Directors during the year.

AGM Shareholder voting

Resolution	Votes for	Votes against	Votes withheld
Approval of the Directors' Remuneration Report	93,072,224	9,276,160	1,820
(2024 AGM)	90.94%	9.06%	—
Approval of the Directors' Remuneration Policy	91,513,599	10,595,721	240,884
(2024 AGM)	89.62%	10.38%	—

Mike Liston OBE
Chair of the Remuneration Committee

25 June 2025

The Company

The Company, Foresight Group Holdings Limited, is a limited liability company incorporated in Guernsey and is listed on the London Stock Exchange Main Market with an Equity Shares (Commercial Companies) ("ESCC") listing. The Company's shares may be traded through the CREST system.

Compliance with the UK Corporate Governance Code (the "Code")

It is a requirement of UK Listing Rule 6.6.1R that, as an overseas company with an ESCC listing, the Company must comply with the Code, which is published by the Financial Reporting Council, or explain in its Annual Report and financial statements any areas of non-compliance. A copy of the Code can be found at www.frc.org.uk. The Corporate Governance Report on pages 119 to 129 signposts to the areas of this Annual Report that show how the Company has applied the principles and complied with the provisions of the 2018 Code during the year. It also notes the Company's three areas of non-compliance. From FY26, the Company will ensure compliance with the 2024 Code (with the exception of Provision 29 which applies to reporting periods beginning on or after 1 January 2026).

Subsidiary undertakings and branches

The Company operates via its various subsidiary undertakings, which are domiciled in a number of jurisdictions globally. A list can be found on pages 237 to 240, which provides the domicile of each undertaking at the date of this report. The Company has a branch in the UK, which is registered at The Shard, 32 London Bridge Street, London SE1 9SG, with registration number BR023882. Additionally, certain of the Company's subsidiary undertakings have branches elsewhere.

Forward-looking statements

Where this Annual Report contains forward-looking statements, these are based on current expectations and assumptions, and speak only as of the date they are made. These statements should be treated with caution due to the inherent risks, uncertainties and assumptions underlying any such forward-looking information. The Company cautions investors that a number of factors, including matters referred to in this document, could cause actual results to differ materially from those expressed or implied in any forward-looking statement. Neither the Group, nor any of its officers, Directors or employees, provide any representation, assurance or guarantee of the occurrence of the events expressed or implied in any forward-looking statements. Other than in accordance with our legal and regulatory obligations, the Group undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Relationship Agreement – controlling Shareholder

As at 31 March 2025, Beau Port Investments Limited (the private company through which Bernard Fairman holds his shares) held, together with its concert parties, 34.5% of the Company's issued share capital. Consequently, under the UK Listing Rules, Bernard Fairman was, and continues to be, a controlling Shareholder of the Company. The Company has entered into a relationship agreement with Bernard Fairman, Beau Port Investments Limited and the other parties deemed to be acting in concert to ensure that it is able to operate its business independently. Pursuant to UKLR 6.6.1R(13), the Company confirms that it continues to comply with the requirement of UKLR 6.2.3R that it is able to carry on the business of its main activity independently from its controlling Shareholder.

Directors' report

Task Force on Climate-related Financial Disclosures ("TCFD")

Please see pages 65 to 89 for the Group's TCFD disclosures.

Streamlined Energy & Carbon

Disclosure requirements are covered within the Sustainability section on pages 85 to 89, Metrics and Targets.

Financial, risk and operational matters

Results and dividends

The consolidated statement of comprehensive income is set out on page 168 and shows the results for the year ended 31 March 2025. The Directors recommend that the Company pays a final dividend for the year ended 31 March 2025 of 16.8 pence per share (2024: 15.5 pence), to be paid on 3 October 2025 with an ex-dividend date of 18 September 2025 and a record date of 19 September 2025. An interim dividend of 7.4 pence per share (2024: 6.7 pence) was paid on 31 January 2025, giving a total dividend for the year of 24.2 pence per share (2024: 22.2 pence).

Research and development

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. No research and development income was received in FY24.

Acquisitions and disposals

Acquisitions and disposals are detailed in note 31 to the financial statements.

Principal activities, review of business and future developments

The Group is principally involved in the investment and management of infrastructure assets, UK and SME private equity investments and OEICs on behalf of both institutional and retail investors using ESG-oriented strategies where appropriate/required.

The review of the business and a summary of future developments are included in the Executive Chairman's statement on pages 2 and 3 and in the Strategic Report on pages 4 to 113.

Principal risks and uncertainties

The Board has carried out a robust assessment of the emerging principal risks and uncertainties affecting the Group. These risks and uncertainties are explained in the Risks section on pages 36 to 46.

Political expenditure

No donations of a political nature have been made during the year (2024: £nil).

Charitable donations

No donations of a charitable nature have been made during the year (2024: £nil); however, staff are entitled to take one day each year for volunteering or other charitable activity.

Going concern

After making enquiries, the Directors have formed a judgement that at the time of approving the financial statements, there is a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. For that reason, the financial statements continue to be prepared under a going concern basis. Details of the going concern basis adopted in preparing the Group's financial statements are set out in note 1 to these financial statements. Please also see the viability statement on page 47.

Subsequent Events

Details of the subsequent events are set out in note 34 to the financial statements.

Financial risk management

The Group's financial risk management objectives can be found in note 30 to the financial statements and details of the financial instruments utilised by Foresight and the associated risks are also described in note 30 to the financial statements.

Directors' powers

The Directors' powers are conferred on them by Guernsey company law and by the Company's Articles of Incorporation ("Articles").

Directors' report

Directors

The names and details of the Directors serving at the date of this report are provided below and also on pages 117 and 118. All the Directors served throughout the year:

- Bernard Fairman, Executive Chairman
- Gary Fraser, CFO/COO
- Alison Hutchinson, Senior Independent NED
- Geoffrey Gavey, NED
- Mike Liston, NED

In accordance with the Company's Articles, all Directors will stand for re-election at the forthcoming Annual General Meeting ("AGM") of the Company. As noted in the Nomination Committee report, the Board believes that it is in the best interests of Shareholders that all Directors be re-elected.

Please see page 120 for the Company's diversity disclosures.

Directors' indemnity

The Company has maintained a Directors' and Officers' liability insurance policy on behalf of the Directors, indemnifying them in respect of certain liabilities that may be incurred by them in connection with the activities of the Company. This policy does not provide cover for fraudulent or dishonest actions by the Directors. In addition, the Company has entered into deeds of indemnity with each of the Directors, which were in place during the financial year, and which provide a limited indemnity to each of the Directors in respect of liabilities incurred as a result of their directorships of the Company or any member of the Group.

Appointment and removal of Directors

Both the Company, by ordinary resolution, and the Directors may elect any person to be a Director. The number of Directors shall not exceed the maximum number fixed by the Company's Articles. Any person appointed by the Directors shall hold office only until the next AGM and shall then be eligible for election. The office of a Director shall be vacated on the occurrence of any of the events listed in Article 24.2 of the Company's Articles. The Company may, in accordance with its Articles, remove any Director from office and elect another person in their place.

Directors' interests

Details of the Directors' interests can be found in the Remuneration Committee report on pages 140 to 149.

UK Listing Rule 6.6.1R

There are no disclosures required to be made under UK Listing Rule 6.6.1R that have not been disclosed elsewhere in this Report. Details of long-term incentive plans can be found in the Remuneration Report on page 143.

Securities Dealing Code

In accordance with the UK Market Abuse Regulations, the Company has adopted a Securities Dealing Code and Securities Dealing Code Guidance (the "Code and Guidance") that sets out the Directors' responsibilities for ensuring compliance when dealing in the Company's shares. The Code and Guidance have been shared with all persons named as insiders on the Group's Insider Lists, including the Company's Directors, other PDMRs (persons discharging managerial responsibility), external parties and certain employees of the Group, and those documents are also available to all employees via the Foresight Governance and Compliance Library.

Engagement with suppliers, customers and others

A summary of how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard on the Company's principal decisions, is set out in the Stakeholders section on pages 48 to 53.

Relations with Shareholders

The Board recognises the importance of regular and effective communication with Shareholders, particularly the need for open communication on the Company's strategy. As a result, the Executive Directors and members of Senior Management have regular dialogue with the Company's major Shareholders to ensure that their views are communicated fully to the Board. Other forms of communication typically include the Annual and Half-year Reports, announcements released via the London Stock Exchange, the AGM and regular face-to-face meetings with major Shareholders and management. These meetings enable the Executive Chairman and the CFO to update Shareholders on strategy and the Group's performance.

The Company also has an ongoing programme of individual ad hoc and regular meetings with institutional Shareholders and analysts, including those related to the preliminary and half-year results presentations and bi-annual trading updates.

As soon as practicable following the conclusion of any general meeting, the results of the meeting are released through a regulatory news service and a copy of the announcement placed in the FSG Shareholders section of the Group's website: **foresight.group**.

Directors' report

Relations with Shareholders

At the AGM held in 2024 (the "2024 AGM"), all resolutions were duly passed, but the proportion of votes against Resolution 8 to approve the reappointment of Mike Liston as a Director and Resolution 16 to approve the Rule 9 waiver both exceeded 20%. That voting was in line with recommendations published by certain proxy voting agencies, particularly regarding Resolution 16. Prior to the voting deadline and following engagement with those agencies, when we explained the purpose of these resolutions, the recommendations remained unchanged. As we understood our Shareholder voting policies from previous engagement, no further action engagement was taken although a statement was published on our website in accordance with the Code on 28 May 2025. As regards the actions we will take, the statement noted that we will continue to seek to improve on the explanations of the rationale for our resolutions. We will also continue our general engagement with our major Shareholders, whose input we value. Additionally, we trust that the success of our buyback programme will help demonstrate the importance of gaining approval for the Rule 9 waiver, without which, we would be unable to buy back shares.

Annual General Meeting

The 2025 Annual General Meeting ("2025 AGM") will be held on 31 July 2025 at 4.30pm at the address noted at the end of this report. A copy of the Notice of Meeting will be made available on the Company's website. Voting at the AGM will be facilitated by proxies for those unable to attend. The registrar will provide paper proxy forms to each of the registered Shareholders who receive hard copy documents and a blank copy will be available on the Company's website via the FSG Shareholders section. Details of the process for CREST proxy appointments and the online proxy appointment service available via our registrar are provided in the Notice of AGM, which will be circulated and published on the Company's website. Shareholders are welcome to submit questions for the Board to the Company Secretary by 4.30pm on 29 July 2025 either by email to companysecretary@foresightgroup.gg or in writing to the Company's registered address.

People

Employment information – employment of people with disabilities

Our policies and processes are intended to be inclusive and comply with legislative requirements such that they ensure that people with disabilities have equal opportunities when applying for vacancies. The Group's policies and approach to diversity, equity and inclusion ensures the fair treatment of all employees, whether or not disabled, ensuring that their training and career development needs are carefully considered, taking account of special requirements.

The Group's inclusive approach also supports any employee who may become disabled during the course of their employment. That support may be achieved through the provision of training, re-training, re-deployment and/or other measures appropriate to the employee concerned, to ensure the best opportunity for them to remain in the Group's employment where that is possible.

Engagement with employees

The Group is committed to engaging with its employees and has established various initiatives, policies and forums in that regard. More detail of that engagement is provided in the Stakeholders section on pages 48 to 53.

Shares/Share capital

Share capital

The Company's capital structure and details of share movements during the year are shown in note 27 to the financial statements, which includes an allotment of 76,591 (2024: nil) new shares. As at 31 March 2025, there were 116,347,803 Ordinary Shares ("Shares") in issue of nil par value comprised of 113,782,627 Shares with one vote each and 2,565,176 Shares held in treasury, which are non-voting. As at 31 March 2024, there were 116,271,212 Ordinary Shares ("Shares") in issue of nil par value, comprised of 116,034,720 Shares with one vote each and 236,492 Shares held in treasury, which are non-voting.

Directors' report

Shares/Share capital

Voting rights and entitlements

Shareholder rights and entitlements are as follows:

- Shareholders are entitled to dividends and other distributions declared, made or paid on the Ordinary Share capital of the Company
- On a show of hands every Shareholder who is present in person shall have one vote. On a poll every Shareholder present in person or by proxy shall have one vote per Share. Any Shareholder entitled to more than one vote need not cast all votes in the same way
- Shareholders are entitled to participate in any surplus assets in a winding up in proportion to their Shareholdings

Substantial interests

At the Company's year end, 31 March 2025, and as at the date of this Report, the following were the only substantial holdings representing 5% or more of the Company's issued share capital notified to the Company pursuant to DTR 5. The number of voting rights are also noted, as the Shares bought back by the Company are being held in treasury and whilst held as such, do not carry voting rights.

Beneficial Shareholder	Number of Shares	% of issued share capital	% voting rights
Beau Port Investments Limited	32,725,000	28.13%	28.76%
Slater Investments Ltd.	6,000,000	5.16%	5.27%
Liontrust Asset Management plc	5,819,822	5.01%	5.11%

Authority to allot Shares

At the 2024 AGM, the Shareholder authority granted to the Directors to issue Shares of up to two-thirds of the issued Share capital was renewed. It is the Directors' intention to seek the renewal of this authority by Shareholder resolution which will be set out in the notice of the forthcoming 2025 AGM.

Also at the 2024 AGM, the Shareholders renewed the authority granted to the Directors to allot Shares without application of the pre-emption rights contained in Article 5.1 of the Company's Articles up to (i) approximately 10% of the Company's issued Share capital on a general basis with an additional authority of up to a maximum of approximately 2% of the Company's issued Share capital only for the purposes of a follow-on offer that the Board determines to be of a kind contemplated by paragraph 3 of section 2B of the Pre-Emption Group's Statement of Principles, published in 2022 (the "Statement of Principles"); and (ii) a further 10% of the Company's issued Share capital in connection with the financing (or refinancing) of an acquisition or specified capital investment as contemplated by the Statement of Principles with an additional authority of up to a maximum of 2% of the Company's issued Share capital only for the purposes of a follow-on offer that the Board determines to be of a kind contemplated by paragraph 3 of section 2B of the Statement of Principles, in each case until the conclusion of the 2025 AGM.

The Directors will also seek to renew these authorities by proposing special resolutions at the 2025 AGM.

Purchase, cancellation and holdings of own Shares

At the 2024 AGM, the authority granted by the Shareholders to buy back up to 10% of its own Shares by market purchase until the conclusion of the next AGM was renewed.

The Directors will seek to renew this authority at the 2025 AGM on the condition that this power will only be exercised if the Directors are satisfied that any purchase is in the interest of Shareholders.

During the year, 3,720,423 (2024: 236,492) Shares were purchased under that authority, of which 2,565,176 (2024: 236,492) remain held in treasury. While that remains the case, those Shares have no voting rights. 1,391,739 (2024: nil) of treasury shares were utilised during the year, including 891,739 (2024: nil) utilised to satisfy the exercise of options under the Company's Performance Share Plan.

As previously announced, on 11 February 2025, the Company transferred 500,000 Ordinary Shares out of treasury to an institutional investor, such trade being made for cash on market on the London Stock Exchange to satisfy demand in the Company's Ordinary Shares. This sale was arranged by the Company's brokers on an arm's length basis and the Company was not provided with details of the underlying purchaser.

At the 2024 AGM, the Company also sought authority for a waiver of Rule 9 of the Takeover Code. Without this waiver, the purchase of the Company's own Shares would trigger a mandatory offer by Bernard Fairman and the concert parties for the entire issued Share capital of the Company. The Company will therefore seek to renew the Rule 9 waiver at the 2025 AGM.

Directors' report

Shares/Share capital

Restrictions on transfers of Shares and/or voting rights

Holders of Shares (excluding those held in treasury) are entitled to attend and speak at general meetings of the Company and to appoint one or more proxies or, if the Shareholder is a company, one or more corporate representatives. Each Shareholder who is present in person or by proxy or corporate representative shall have (i) one vote on a show of hands; and (ii) on a poll, one vote for every Share of which they are a Shareholder, proxy or corporate representative.

The Company is not aware of any agreements between Shareholders that may result in restrictions on the transfer of securities and/or voting rights and, except as described below, there are no restrictions on the transfer of the Company's Shares and/or voting rights:

- Certain restrictions on transfers of Shares may from time to time be imposed by, for example, share dealing regulations. In certain situations, Directors and certain employees must seek the Company's approval to deal in its Shares
- Shares carry no voting rights while they are held in treasury
- Unless the Directors determine otherwise, Shareholders are not entitled to vote personally, by corporate representative or by proxy at a Shareholders' meeting, or to exercise any other Shareholder's right in relation to Shareholders' meetings, in respect of any Share for which any call or other sum payable to the Company remains unpaid or if the Shareholder fails to provide the Company with the required information concerning interests in those shares, within the prescribed period after being served with a notice under the Company's Articles

The Notice of AGM will provide voting deadlines for the forthcoming 2025 AGM that will be made available to Shareholders on the Company's website.

Share Incentive Plan

Under the rules of the Foresight Share Incentive Plan ("SIP"), which was introduced in 2021, eligible employees are entitled to acquire Ordinary Shares in the Company. The SIP shares are held in trust for participants by Global Shares Trustees (UK) Limited (the "SIP Trustee"). Voting rights are exercised by the SIP Trustee on receipt of participants' instructions. If a participant does not submit an instruction to the SIP Trustee, no vote is registered. In addition, the SIP Trustees do not vote on any unallocated shares held in trust. As at 31 March 2025, the SIP Trustee held 0.62% (2024: 0.44%) of the Company's issued share capital.

Significant agreements – change of control

The Company is not aware of any significant agreements to which it is party that take effect, alter or terminate upon a change of control of the Company following a takeover.

Auditor

Auditor's right to information

As at the date of this report, so far as each Director is aware, there is no relevant audit information (as defined by section 249 of The Companies (Guernsey) Law 2008) of which the Company's Auditor is unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent Auditor

The Auditor, BDO LLP, has indicated its willingness to continue in office and a resolution that it be reappointed as the Company's Auditor will be proposed at the 2025 AGM.

By Order of the Board

Jo-anna Nicolle
Company Secretary

25 June 2025

PO Box 650
1st Floor Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
GY1 3JX

Financial Statements

Investing in *potential.*

What's in this section?

157 Responsibility statement of the Directors
158 Independent Auditor's report
168 Consolidated Statement of Comprehensive Income
169 Consolidated Statement of Financial Position
170 Consolidated Statement of Changes in Equity
172 Consolidated Cash Flow Statement
175 Notes to the financial statements
229 Appendices to the financial statements
229 Alternative performance measures
237 Related undertakings

Rjukan Aquaculture Project, Norway, Part of Foresight's Portfolio

Responsibility statement of the Directors

In respect of the Annual Report and financial statements

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable Guernsey law, Listing Rules, Disclosure Guidance and Transparency Rules, UK Corporate Governance Code and generally accepted accounting principles.

Guernsey company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year. In preparing these financial statements the Directors should:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and which enable the Directors to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that to the best of their knowledge:

- The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and give a true and fair view of the assets, liabilities and financial position and profit or loss of the Group
- The Annual Report includes a fair review of the position and performance of the business of the Group together with the description of the principal risks and uncertainties that the Group faces, as required by the Disclosure Guidance and Transparency Rules of the UK Listing Authority (DTR4)
- The Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's position and performance, business and strategy
- They have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity

Website publication

The directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein. Legislation in Guernsey governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Jo-anna Nicolle
Company Secretary

25 June 2025

PO Box 650
1st Floor Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
GY1 3JX

Independent Auditor's report

To the members of Foresight Group Holdings Limited

Opinion on the financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the Group's affairs as at 31 March 2025 and of its profit for the year then ended
- Have been properly prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union
- Have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008

We have audited the consolidated financial statements of Foresight Group Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 March 2025 (the "financial statements") which comprise the Consolidated statement of comprehensive income, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the Consolidated cash flow statement and notes to the financial statements, including the material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit & Risk Committee.

Independence

Following the recommendation of the Audit & Risk Committee, we were appointed by the Board of Directors on 14 April 2021 to audit the financial statements for the year ended 31 March 2021 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is five years, covering the years ended 31 March 2021 to 31 March 2025. We remain independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's cash flow forecasts for the Group for a period of five years from 31 March 2025 that support the Director's assessment and conclusion with respect to the going concern basis of preparation of the financial statements
- Assessing the reasonableness of management's assumptions with respect to the following, but not limited to: revenue growth, expenses growth and timing of cash flows
- Evaluating the reasonableness of management's downside scenarios and the assumptions used, considering the impact on the expected receipt of cash from revenue streams and future expenditure as well as the likelihood of these scenarios occurring
- Reviewing the highly stressed scenario prepared by management where revenues are not forecast to increase from current levels to assess the available headroom and performed our own further sensitivity analysis
- Assessing the overall Group liquidity and sufficiency of the cash reserves to cover current liabilities

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Group's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Independent Auditor's report

To the members of Foresight Group Holdings Limited

Overview

Key audit matters		2025	2024
	Revenue recognition	✓	✓
	Valuation of intangible assets (customer contracts)	✓	✓
	Accounting for business combinations under IFRS 3	✗	✓
	In the prior year the 2nd key audit matter above was described as "impairment of goodwill and intangibles". This has been replaced in the current year with "valuation of intangible assets (customer contracts)" and excludes 'goodwill' as we determined there to be significant headroom when assessing goodwill for indicators of impairment. Accounting for business combinations under IFRS 3 is not considered to be a key audit matter in the current year as the size and complexity of the business combination has reduced compared to past acquisitions.		
Materiality	Group financial statements as a whole £2,035,000 (2024: £1,716,000) based on 5% (2024: 5%) of Group profit before tax.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

For the purpose of determining the Group audit scope and approach we considered components on a legal entity basis. The Group engagement team performs procedures on the entire financial information of the 7 UK components of the group that require audits for statutory purposes.

We determined 7 other components were in scope based on the size and complexity of certain balances included within these components. These entities are located in the UK, Australia, Luxembourg and Spain. We used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate audit evidence including procedures on one or more classes of transactions, account balances or disclosures in each of the components.

The Group engagement team has performed all procedures directly, except for the procedures in respect of Australian entities in scope which were performed by a component auditor, who also performed statutory audits for these entities.

Independent Auditor's report

To the members of Foresight Group Holdings Limited

An overview of the scope of our audit

Working with other auditors

As Group auditor, we determined the components at which audit work was performed, together with the resources needed to perform this work. These resources included component auditors, who formed part of the group engagement team. As Group auditor, we are solely responsible for expressing an opinion on the financial statements.

In working with the component auditor, we held discussions on the significant areas of the group audit relevant to the components based on our assessment of the group risks of material misstatement. We issued our group audit instructions to the component auditor on the nature and extent of their participation and role in the group audit, and on the group risks of material misstatement.

We directed, supervised and reviewed the component auditors' work. This included holding meetings and calls during various phases of the audit, reviewing component auditor documentation remotely and evaluating the appropriateness of the audit procedures performed and the results thereof.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the Annual Report and financial statements
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector
- Review of the minutes of Board and Audit & Risk Committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's initiatives and action plans may affect the financial statements and our audit
- Challenge of management on the extent to which climate-related considerations including the expected cash flows from the initiatives and action plans have been reflected, where appropriate, in the Directors' going concern and viability assessments

The management disclosures in the Annual Report on sustainability form part of the "Other Information", rather than the audited financial statements. Our responsibilities in relation to the "Other Information" are described in the relevant section of this report and our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained from the audit, or otherwise appear to be materially misstated.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters that were materially affected by climate-related risks and related commitments.

Independent Auditor's report

To the members of Foresight Group Holdings Limited

An overview of the scope of our audit

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Please refer to Note 4

Revenue is a key indicator in demonstrating the performance of the Group, therefore there is an incentive to overstate revenue.

There is a risk that revenue may be misstated as a result of complex calculations, judgement in the Net Asset Values ("NAVs") of underlying funds which drive revenue, use of inappropriate accounting policies or from an inappropriate use of judgments in calculating or determining the recognition of revenue.

For these reasons we considered revenue recognition to be a significant risk and a key audit matter.

We challenged management by reviewing the terms of the relevant agreement and re-calculating the derived fees. We also considered whether the fees recognised comply with the requirements of IFRS 15.

Management and secretarial fees (82% of Group revenue):

NAV-based fees testing (54% of group revenue)

For 98% of NAV based management and secretarial fees, we obtained the relevant agreements to corroborate the basis of the fee and the fee rates used and recalculated the fees earned, including calculating fee rebates (if applicable).

To determine the appropriateness of the NAV upon which fees are earned, we performed the following procedures:

- Where the underlying funds are audited, we vouched the NAVs to the latest audited financial statements of the fund and reviewed the accounting policies for investments to determine whether they were appropriate
- For unaudited "periods" (e.g. quarters) we have vouched the NAVs to the relevant Regulatory News Service ("RNS") announcements on the London Stock Exchange ("LSE") website (where the fund is listed) or to the investor reports or management accounts (where the fund is not listed)
- We obtained Board and investment valuation committee approvals for a sample of periods of unaudited NAVs (where applicable) and understood the internal process to determine the appropriateness of investment valuations
- We understood the movements for each period (e.g quarter) and for the period with the largest movement we obtained a NAV bridge (or similar) and considered whether the drivers of movements were in line with our expectations and corroborated to external evidence where possible (such as RNS announcement and external evidence regarding movements in asset valuations, including consulting with our internal valuation experts)
- We considered whether movements in NAVs were in line with our understanding and expectations based on the wider market and share price (for example whether movements are in line with other listed infrastructure/private equity funds or the funds' own share price movements)
- Where applicable we performed a review of the historical accuracy of past valuations by comparing the unaudited NAVs per RNS announcements (for listed funds) or valuation workbooks, with the NAVs in audited financial statements. We also identified whether disposals were made at a profit or loss in the fund's audited financial statements as an indication of the historical accuracy of NAVs
- We also performed internet searches to identify any events which may contradict the valuation movement in the period and/or indicate an impairment in accordance with IAS 36
- We considered whether there was any indication of inconsistency in movements across NAVs for funds with similar types of assets and considered whether there were any indications of overall management bias

Independent Auditor's report

To the members of Foresight Group Holdings Limited

An overview of the scope of our audit | Key audit matters

Revenue recognition

Please refer to Note 4

Management and secretarial fees (82% of Group revenue):

Non-NAV-based fees testing (28% of group revenue)

- For a sample of commitment-based and fixed fees, we obtained the relevant agreements to check the basis of the fee, the fee rates used and recalculated the fees earned
- For commitment-based fees, we confirmed the total commitments to underlying agreements as well as amounts drawn/undrawn to drawdown notices and other supporting documentation, where relevant
- For any fixed fees, we agreed the fee earned to agreements and where there was an annual Retail Price Index ("RPI") uplift to the fixed fee, we have recalculated the annual RPI uplifts for accuracy using the details of the agreement and the RPI from the Office for National Statistics (ONS)
- We assessed the appropriateness of recognising revenue over time for both management and secretarial fees in accordance with IFRS 15

Marketing fees (9% of group revenue):

- For a sample of marketing fees we obtained investor application forms to evidence the investor commitments and recalculated the fee in line with the prospectus

Directors' and monitoring fees (5% of group revenue):

- For a sample of Directors' and monitoring fees, we obtained the relevant agreements to check the basis and amount of the fee. Where there was an annual RPI uplift to the fee, we have recalculated the annual uplifts for accuracy using the details of the RPI from ONS
- For Director fees, we checked that the Directors were a Director of the underlying portfolio company as per Companies House and were also employed or a member of entities within the Group
- For the catch-up fees recognised in the year, we challenged the appropriate recognition of the fee in accordance with IFRS 15. We obtained a signed fee letter and challenged management on the timeliness of recognition. We also obtained direct confirmation from the underlying fund's Board confirming agreement of the nature and amount of fee earned. We also agreed the receipt of the catch-up fees to bank statements post year end as well as considered the appropriateness of disclosures and impact on Alternative Performance Measures (APMs) of these additional fees earned

Performance incentive fees (3% of revenue):

- We have inspected the agreements to check the existence of a performance fee and recalculated the fee in line with the agreement to determine its accuracy
- We obtained supporting evidence to check the right to recognise performance fees typically based on achieving a certain level of total return or the crystallisation of gains
- We agreed the receipt of the fee to bank statements

Arrangement fees (1% of group revenue):

- For a sample of arrangement fees, we obtained the relevant investment agreement or share purchase agreement and recalculated the fees in accordance with the terms of the contract

Key observations:

Based on the procedures performed, we consider the recognition of revenue to be reasonable

Independent Auditor's report

To the members of Foresight Group Holdings Limited

An overview of the scope of our audit | Key audit matters

Valuation of intangible assets (customer contracts)

Please refer to Notes 3b, 14 and 31

There is a risk that the value of intangible assets (customer contracts) is overstated and should be impaired.

Due to the judgement and estimates involved in determining the carrying value of intangibles (customer contracts), we have identified a risk that management could overstate the value of these assets. Relevant indicators of impairment may not be identified by management, or there could be manipulation of the calculation of any impairment charge. This is particularly relevant for the current year where the Group have recognised an impairment in relation to the customer contracts acquired as part of the Infrastructure Capital acquisition. This was a result of fund redemptions and anticipated reduction in future cash flows.

For these reasons we considered the valuation of intangible assets (customer contracts) to be a significant risk and a key audit matter.

For intangibles (customer contracts) recognised as part of prior acquisitions, we performed the following procedures:

- We obtained management's assessment of the identified CGUs and potential indicators of impairment and challenged the assumptions and conclusion reached by management
- We performed our independent research to identify any internal or external indicators of impairment to assess against management's conclusions on indicators of impairment
- Where an indicator of impairment has been identified, we obtained the calculation of the recoverable amount of the intangible assets prepared by management and challenged key estimates, judgements and assumptions including the WACC, useful economic life, the timing, nature and amount of future cash flows, and the appropriateness of using value in use to determine the recoverable amount
- We engaged our internal experts to review the valuation methodology, accuracy of the model and inputs into deriving the WACC
- We reviewed the calculations and agreed inputs back to supporting documentation and/or external market sources, where relevant
- Where the recoverable amount has been determined to be lower than the carrying value, we have ensured that an impairment charge has been appropriately recognised

For the intangible asset (customer contract) recognised in the current year as part of the acquisition of WHEB Asset Management LLP ("WHEB"), we performed the following procedures:

- We obtained the valuation memo and workings of management's expert who performed the valuation of identifiable intangible assets acquired as part of the business combination
- We considered the competence of management's experts by assessing their credentials
- We challenged key estimates, judgements and assumptions including the WACC, growth rate, useful economic life and the timing, nature and amount of future cash flows
- We consulted with our internal experts to consider the appropriateness of the WACC
- We recalculated the valuation of the intangible assets recognised

Key observations:

Based on the procedures performed, we consider the valuation of intangible assets (customer contracts) to be reasonable

Independent Auditor's report

To the members of Foresight Group Holdings Limited

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	2025 £	2024 £
Materiality	2,035,000	1,716,000
Basis for determining materiality	5% of Group profit before tax	
Rationale for the benchmark applied	This was determined as the most appropriate benchmark given that profit before tax is an important measure for users of the financial statements in assessing the performance of the Group.	
Performance materiality	1,424,000	1,200,000
Basis for determining performance materiality	70% of materiality	
Rationale for the percentage applied for performance materiality	70% was determined based on the risk assessment which comprised, but was not limited to, consideration of the Company being premium listed; findings from previous audits; existence of financial statement areas subject to estimation uncertainty and complexity; and review of the Group's overall control environment.	

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, based on a percentage of between 45% and 90% (2024: between 76% and 95%) of Group performance materiality dependent on a number of factors including size, level of aggregation risk, statutory audit performance materiality and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £632,700 to £1,140,000 (2024: £917,000 to £1,140,000).

Reporting threshold

We agreed with the Audit & Risk Committee that we would report to them all individual audit differences in excess of £100,000 (2024: £86,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Independent Auditor's report

To the members of Foresight Group Holdings Limited

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements, or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regard to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 151. • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 151. • The Directors' statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities set out on page 151.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 157. • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 36 to 46. • The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 36 to 46. • The section describing the work of the Audit & Risk Committee set out on page pages 132 to 139.

Other Companies (Guernsey) Law, 2008 reporting

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- Proper accounting records have not been kept by the Parent Company
- The financial statements are not in agreement with the accounting records
- We have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit

Independent Auditor's report

To the members of Foresight Group Holdings Limited

Responsibilities of Directors

As explained more fully in the Responsibility Statement of the Directors, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates
- Discussion with management and those charged with governance, including the Audit & Risk Committee
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations

We considered the significant laws and regulations to be International Financial Reporting Standards ("IFRSs") as adopted by the European Union, UK Listing Rules, the FCA rules, the principles of the UK Corporate Governance Code, UK, Guernsey and Australian tax legislation and the Companies (Guernsey) Law 2008.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. Our procedures in respect of the above included:

- Discussions held with management, Directors and the Audit & Risk Committee and review of correspondence with regulators and review of minutes of Board meetings to assess how the Group is complying with these laws and regulations
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations
- Review of financial statement disclosures and agreement to supporting documentation
- Involvement of internal tax specialists in the audit
- Review of legal expenditure accounts to identify any legal or regulatory matters

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud
  - Internal controls established to mitigate risks related to fraud
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these

Independent Auditor's report

To the members of Foresight Group Holdings Limited

Auditor's responsibilities for the audit of the financial statements | Fraud

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition in particular for the NAV-based revenue streams, the valuation of intangible assets (customer contracts) and management override.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation
- Reviewing the consolidation and, in particular, late journals posted at consolidation level or adjustments made as part of the financial statement process
- Incorporating an element of unpredictability into our procedures by testing a sample of lower risk journals
- Assessing significant estimates and judgements made by management in the financial statements to assess their appropriateness and the existence of any bias, particularly in relation to the Net Asset Values of funds which drive management and secretarial fees (see procedures set out in the key audit matters section above) and other key areas of judgement
- Other key procedures set out in the key audit matters section above, addressing the risk of fraud in revenue recognition and the valuation of intangible assets (customer contracts)
- Obtaining an understanding of the business rationale for significant transactions that are outside the normal course of business or that appear to be unusual
- Reviewing unadjusted audit difference for indication of bias or deliberate misstatement

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including component auditors, who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component auditors, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Elizabeth Hooper (Senior Statutory Auditor)
For and on behalf of BDO LLP,
Statutory Auditor
London, UK

25 June 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Consolidated statement of comprehensive income

For the year ended 31 March 2025

	Note	31 March 2025 £000	31 March 2024 £000
Revenue	4	153,989	141,326
Cost of sales		(7,790)	(7,304)
Gross profit		146,199	134,022
Administrative expenses	6	(106,198)	(100,939)
Other operating income	9	123	—
Operating profit		40,124	33,083
Gain on business combination	31	—	16
Finance income	10	1,648	1,309
Finance expenses	10	(1,188)	(564)
Fair value gains on investments	15	75	278
Fair value gains on contingent consideration (incl. finance expense)	23	45	190
Profit on ordinary activities before taxation		40,704	34,312
Tax on profit on ordinary activities	11	(7,459)	(7,878)
Profit for the period attributable to Ordinary Shareholders		33,245	26,434
Other comprehensive income			
Items that will or may be reclassified to profit or loss:			
Translation differences on foreign subsidiaries		(1,205)	(1,679)
Total comprehensive income		32,040	24,755
Earnings per share attributable to Ordinary Shareholders			
Basic (pence)	12	28.9	22.8
Diluted (pence)	12	28.0	22.2

The notes on pages 175 to 228 form part of this financial information.

Consolidated statement of financial position

As at 31 March 2025

	Note	31 March 2025 £000	31 March 2024 £000
Non-current assets			
Property, plant and equipment	13	2,350	2,330
Right-of-use assets	22	16,506	5,768
Intangible assets	14	53,365	61,364
Investments at FVTPL	15	5,420	4,726
Deferred tax asset	25	1,615	1,563
Contract costs	17	4,903	2,777
Trade and other receivables	18	1,339	1,242
		85,498	79,770
Current assets			
Derivative assets	16	—	473
Contract costs	17	860	598
Trade and other receivables	18	37,539	27,486
Cash and cash equivalents	19	43,252	45,004
		81,651	73,561
Current liabilities			
Trade and other payables	20	(45,420)	(38,028)
Loans and borrowings	21	(138)	(121)
Lease liabilities	22	(1,146)	(2,897)
Acquisition-related liabilities	23	(5,259)	(1,005)
		(51,963)	(42,051)
Net current assets		29,688	31,510

	Note	31 March 2025 £000	31 March 2024 £000
Non-current liabilities			
Loans and borrowings	21	(242)	(388)
Lease liabilities	22	(17,916)	(4,365)
Acquisition-related liabilities	23	(226)	(3,825)
Provisions	24	(895)	(855)
Deferred tax liability	25	(10,642)	(13,273)
		(29,921)	(22,706)
Net assets		85,265	88,574
Equity			
Share capital	27	—	—
Share premium	27	61,441	61,886
Shares held in escrow reserve	27	(8,103)	(16,206)
Own share reserve	27	(1,844)	(1,195)
Treasury share reserve	27	(10,280)	(967)
Share-based payment reserve	27	10,959	14,628
Group reorganisation reserve	27	30	30
Foreign exchange reserve	27	(5,814)	(4,609)
Retained earnings	27	38,876	35,007
Total equity		85,265	88,574

The financial statements were approved and authorised for issue by the Board of Directors on 25 June 2025 and were signed on its behalf by:

Gary Fraser
Chief Financial Officer

Geoffrey Gavey
Director

The notes on pages 175 to 228 form part of this financial information.

Consolidated statement of changes in equity

For the year ended 31 March 2025

	Note	Share capital £000	Share premium £000	Shares held in escrow reserve £000	Own share reserve £000	Treasury share reserve £000	Share-based payment reserve £000	Group reorganisation reserve £000	Foreign exchange reserve £000	Retained earnings £000	Total equity £000
At 1 April 2023		—	61,886	(26,496)	(729)	—	11,118	30	(2,930)	34,360	77,239
Profit for the period		—	—	—	—	—	—	—	—	26,434	26,434
Other comprehensive income		—	—	—	—	—	—	—	(1,679)	—	(1,679)
Contributions by and distributions to owners											
Dividends	28	—	—	—	—	—	—	—	—	(25,787)	(25,787)
Purchase of own shares	27	—	—	—	(466)	(967)	—	—	—	—	(1,433)
Share-based payments	27	—	—	—	—	—	13,675	—	—	—	13,675
Deferred tax	25	—	—	—	—	—	125	—	—	—	125
Transfer on vesting of initial consideration shares issued for Infrastructure Capital acquisition	27	—	—	10,290	—	—	(10,290)	—	—	—	—
At 31 March 2024		—	61,886	(16,206)	(1,195)	(967)	14,628	30	(4,609)	35,007	88,574

Consolidated statement of changes in equity

For the year ended 31 March 2025

	Note	Share capital £000	Share premium £000	Shares held in escrow reserve £000	Own share reserve £000	Treasury share reserve £000	Share-based payment reserve £000	Group reorganisation reserve £000	Foreign exchange reserve £000	Retained earnings £000	Total equity £000
At 31 March 2024		—	61,886	(16,206)	(1,195)	(967)	14,628	30	(4,609)	35,007	88,574
Profit for the period		—	—	—	—	—	—	—	—	33,245	33,245
Other comprehensive income		—	—	—	—	—	—	—	(1,205)	—	(1,205)
Contributions by and distributions to owners											
Premium on shares issued on vesting of the Performance Share Plan	27	—	105	—	—	—	(105)	—	—	—	—
Dividends	28	—	—	—	—	—	—	—	—	(26,465)	(26,465)
Purchase of own shares	27	—	—	—	(649)	(15,989)	—	—	—	—	(16,638)
Transfer of treasury shares on exercise of share options	27	—	—	—	—	4,133	—	—	—	(4,133)	—
Transfer on exercise of share options	27	—	—	—	—	—	(1,222)	—	—	1,222	—
Sale of treasury shares	27	—	(550)	—	—	2,543	—	—	—	—	1,993
Share-based payments	27	—	—	—	—	—	5,701	—	—	—	5,701
Deferred tax	25	—	—	—	—	—	60	—	—	—	60
Transfer on vesting of initial consideration shares issued for Infrastructure Capital acquisition	27	—	—	8,103	—	—	(8,103)	—	—	—	—
At 31 March 2025		—	61,441	(8,103)	(1,844)	(10,280)	10,959	30	(5,814)	38,876	85,265

The notes on pages 175 to 228 form part of this financial information.

Consolidated cash flow statement

For the year ended 31 March 2025

	Note	31 March 2025 £000	31 March 2024 £000
Cash flows from operating activities			
Profit on ordinary activities before taxation		40,704	34,312
Adjustments for:			
Gain on business combination		—	(16)
Fair value gains on investments	15	(75)	(278)
Finance expenses	10	1,188	564
Finance income	10	(1,648)	(1,309)
Fair value gains on contingent consideration (incl. finance expense)	23	(45)	(190)
Share-based payment (including share-based staff costs – acquisitions)	8	5,726	13,730
Staff costs – acquisitions (excluding share-based staff costs – acquisitions)	7	1,456	427
Amortisation in relation to intangible assets (customer contracts)	6	2,930	3,211
Depreciation and amortisation (excluding amortisation in relation to intangible assets (customer contracts))	6	3,191	3,227
Impairment of intangible assets (customer contracts)	6	9,275	2,895
Reversal of impairment of intangible assets (customer contracts)	6	(2,930)	—
Loss on disposal of tangible and intangible fixed assets	6	—	5
Loss on disposal group classified as held for sale		—	23
Foreign currency losses/(gains)		171	(281)
(Increase)/decrease in contract costs		(2,388)	590
Increase in trade and other receivables		(10,150)	(6,916)
Increase/(decrease) in trade and other payables		9,443	(238)
Cash generated from operations		56,848	49,756
Tax paid		(12,730)	(5,082)
Net cash from operating activities		44,118	44,674

Consolidated cash flow statement

For the year ended 31 March 2025

	Note	31 March 2025 £000	31 March 2024 £000
Cash flows used in investing activities			
Acquisition of property, plant and equipment	13	(1,029)	(790)
Acquisition of intangible assets[1]	14	(1,402)	(5)
Acquisition of investments at FVTPL	15	(1,266)	(869)
Proceeds on sale of investments at FVTPL	15	647	388
Proceeds from derivative instruments	16	554	609
Interest received	10	1,567	875
Proceeds from disposal group classified as held for sale		—	40
Contingent consideration paid	23	(1,012)	(1,221)
Acquisition of WHEB net of cash and cash equivalents acquired	31	(1,000)	—
Acquisition of Wellspring net of cash and cash equivalents acquired	31	—	(4,677)
Net cash used in investing activities		(2,941)	(5,650)
Cash flows used in financing activities			
Dividends and distributions to equity members	28	(26,465)	(25,787)
FGLLP members' capital contributions	20	(24)	(744)
Purchase of own shares	27	(649)	(466)
Purchase of treasury shares	27	(15,841)	(967)
Proceeds on sale of treasury shares	27	1,993	—
Principal paid on lease liabilities	22	(1,112)	(2,669)
Interest paid on lease liabilities	22	(1,050)	(463)
Principal paid on loan liabilities	21	(121)	(2,545)

Consolidated cash flow statement

For the year ended 31 March 2025

	Note	31 March 2025 £000	31 March 2024 £000
Interest paid on loan liabilities	21	(37)	(130)
Other interest paid	10	(69)	(10)
Net cash used in financing activities		(43,375)	(33,781)
Net (decrease)/increase in cash and cash equivalents		(2,198)	5,243
Cash and cash equivalents at beginning of period	19	45,004	39,761
Exchange gains on cash and cash equivalents		446	—
Cash and cash equivalents at end of period	19	43,252	45,004

1. Acquisition of intangible assets relate to cash paid for software of £533,000 and the cash paid for the acquisition of the Healthcare share class of Thames Ventures VCT 2 plc of $869,000. See note 14.

The notes on pages 175 to 228 form part of this financial information.

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).

Notes to the financial statements

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.

Notes to the financial statements

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.

Notes to the financial statements

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

Notes to the financial statements

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

Notes to the financial statements

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)

Notes to the financial statements

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.

Appendices to the financial statements

Alternative performance measures

In reporting financial information, the Group presents alternative performance measures ("APMs"), which 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 alternative performance measures are not defined by IFRS and therefore may not be directly comparable with other companies' alternative performance measures.

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.

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.

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.

Definitions and reconciliations

In line with the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority ("ESMA"), we have provided additional information on the APMs used by the Group, including full reconciliations back to the closest equivalent statutory measure.

Appendices to the financial statements

Alternative performance measures | Definitions and reconciliations

Recurring revenue	Revenue	Refer to definition, note 4 to the financial statements and note A1	Recurring revenue is management fees, secretarial fees (including administration) and directors' and monitoring fees. The Group believes that recurring revenue may provide prospective investors with a meaningful supplemental measure to evaluate the stability and quality of earnings.
Recurring revenue %	None	Refer to definition and note A2	Recurring revenue % is recurring revenue divided by total revenue.
Adjusted profit	Profit	Refer to definition, statement of comprehensive income and note A3	Adjusted profit bridges between statutory profit 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.
Core EBITDA pre share-based payments ("SBP")	None	Refer to definition and note A3	Key metric to measure performance 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. Core EBITDA pre-SBP is calculated from adjusted profit after tax and adjustments include depreciation and amortisation, finance income and expense, tax and share-based payments. A reconciliation of the above measure is shown in note A3.
Core EBITDA pre-SBP margin (%)	None	Refer to definition and note A4	Core EBITDA pre-SBP divided by total revenue.
Core administrative expenses	Administrative expenses	Refer to definition, note 6 to the financial statements and note A5	Costs incurred and presented within administrative expenses where these expenses are related to operating costs of the business and included for core EBITDA pre-SBP. This 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. Cost of sales are not included in this APM as we do not expect the same efficiency in these costs as these will increase or decrease directly in relation to revenue generated during the period.

Appendices to the financial statements

Alternative performance measures | Definitions and reconciliations

Non-core administrative expenses	Administrative expenses	Refer to definition, note 6 to the financial statements and note A5	Certain costs incurred and presented within administrative expenses where these expenses are excluded for core EBITDA pre-SBP. These are not related to the operating costs of the business and include costs of business combinations, restructuring activities, depreciation and amortisation, and share-based payments.
Adjusted earnings per share	Earnings per share	Adjusted profit, note 12 to the financial statements and note A6	Adjusted profit for the period attributable to Ordinary Shareholders divided by weighted average number of shares in issue during the period.
Dividend payout ratio	None	Refer to definition, adjusted profit and note A7	The dividend payout ratio is the ratio of the total amount of dividends paid out to Ordinary Shareholders divided by adjusted profit for the period attributable to Ordinary Shareholders relative to the same period.
Dividend payout	None	Refer to definition and note A8	Total dividend paid or proposed for the period to Ordinary Shareholders divided by the total number of shares at the end of the relative period. The Group believes that the separate disclosure of the dividend payout per share provides additional useful information on the dividends paid and proposed.
Funds Under Management ("FUM")	None	Refer to definition	The Group's Funds Under Management, being the NAV of the funds managed plus the capital that the Group is entitled to call from investors in the funds pursuant to the terms of their capital commitments to those funds. FUM is calculated on a quarterly basis.
Assets Under Management ("AUM")	None	Refer to definition	The Group's Assets Under Management, being the sum of: (i) FUM; and (ii) debt financing at infrastructure fund level and at the asset level of these infrastructure funds at a period end. AUM is calculated on a quarterly basis.
AUM growth %	None	Refer to definition and note A9	AUM at current period end less AUM at prior period end divided by AUM at prior period end as per note A9.

Appendices to the financial statements

Alternative performance measures

A1. Recurring revenue

Amounts shown below are derived from note 4 to the financial statements.

	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
	133,393	122,372

A2. Recurring revenue %

Amounts shown below are derived from note 4 to the financial statements.

	31 March 2025 £000	31 March 2024 £000
Recurring revenue	133,393	122,372
Divided by total revenue	153,989	141,326
Recurring revenue %	86.6%	86.6%

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. Excluding these amounts would have reduced the recurring revenue percentage to 83.4%.

A3. Adjusted profit and core EBITDA pre share-based payments ("SBP")

The Group has assessed the following items as adjustments for adjusted profit and core EBITDA pre-SBP categorised by transaction type. Details of the adjustments classified as non-core administrative expenses are provided in note A5.

Adjusted profit:

Business combinations

- Staff costs – acquisitions (excluding share-based payments), being the expense of consideration from the acquisition of WHEB and Infrastructure Capital which has the requirement of continued employment
- Amortisation, reversal of impairment and impairment in relation to intangible assets (customer contracts), being directly related to the intangible assets recognised through acquisitions
- Legal and professional costs – acquisition-related: these are costs related to acquisitions in the period (see note 31)
- Gain on business combination which is directly related to acquisitions
- Fair value gains/(losses) on contingent consideration (incl. finance expense). This gain or loss is also related to contingent consideration arising from acquisitions
- Deferred tax on acquisitions and (reversal of) impairment of intangible assets (customer contracts), being directly related to the intangible assets recognised through acquisitions
- The Group has revised its calculation methodology for its APMs. Previously based on profit after other comprehensive income, it is now calculated from profit after tax. The resulting difference has been added back under foreign exchange on acquisitions to ensure consistency and comparability in reporting
- Staff costs – acquisitions (share-based payments), being the expense of consideration from the acquisition of Infrastructure Capital which has the requirement of continued employment and is payable in shares

Restructuring activities

- Non-operational staff costs: staff advances and redundancy payments expensed have been added back as these are not deemed to reflect the core underlying performance of the business and relate to Group restructuring activities
- Legal and professional costs – Group restructuring costs: these are costs related to redundancy payments and restructuring activities of the Group which are not deemed to reflect the core underlying performance of the business

Appendices to the financial statements

Alternative performance measures | A3. Adjusted profit and core EBITDA pre share-based payments ("SBP")

Core EBITDA pre-SBP:

- Other share-based payments are added back as they are not directly linked to the Group's operational performance
- All depreciation and amortisation costs are added back
- Profits or losses on disposal of fixed assets are added back as these are not deemed to reflect the core underlying performance of the business
- All other financing and taxation costs are added back

A reconciliation of net profit after tax to adjusted profit, and core EBITDA pre-SBP, is set out below:

	31 March 2025 £000	31 March 2024 £000
Net profit after tax	33,245	26,434
Business combinations		
Staff costs – acquisitions (excluding share-based payments)	1,456	427
Amortisation, reversal of impairment and impairment in relation to intangible assets (customer contracts)	9,275	6,106
Legal and professional costs – acquisition-related costs	399	—
Gain on business combination	—	(16)
Fair value gains on contingent consideration (incl. finance expense)	(45)	(190)
Deferred tax on acquisitions and impairment of intangible assets (customer contracts)	(2,686)	(1,558)
Foreign exchange on acquisitions[1]	—	(348)
Staff costs – acquisitions (share-based payments)[2]	3,432	11,520
Restructuring activities		
Non-operational staff costs and redundancy payments	1,568	2,355
Legal and professional – Group restructuring costs	325	—
Adjusted profit[3]	46,969	44,730
Depreciation and amortisation (excluding amortisation in relation to intangible assets (customer contracts))	3,191	3,227
Loss on disposal of tangible fixed assets	—	5
Finance income and expense (excluding fair value gain on derivatives)	(379)	(311)
Other tax on profit on ordinary activities	10,145	9,436
Share-based payments – PSP, SIP and Phantom Plan[2]	2,294	2,210
Core EBITDA pre-SBP	62,220	59,297

1. The Group has recalculated core EBITDA pre-SBP on profit after tax. Previously, this was calculated on profit after other comprehensive income. Core EBITDA pre-SBP has not been restated for the year ended 31 March 2024, therefore the foreign exchange on acquisitions reflects the difference between profit after tax and profit after other comprehensive income (£1,679,000) and the foreign exchange - translation differences on foreign subsidiaries adjustment (£1,331,000) in the core EBITDA pre-SBP reconciliation for the year ended 31 March 2024.
2. Total share-based payments consist of staff-costs acquisitions (share-based payments) and other share-based payments totalling £5,726,000 (2024: £13,730,000). See note 8.
3. The sum of adjustments from net profit after tax to adjusted profit is £13,724,000 (2024: £18,296,000) for the purpose of adjusted basic and adjusted dilutive earnings per share. See note 12.

Appendices to the financial statements

Alternative performance measures

A4. Core EBITDA pre-SBP margin

	31 March 2025 £000	31 March 2024 £000
Core EBITDA pre-SBP (see note A3)	62,220	59,297
Divided by total revenue (see note A2)	153,989	141,326
Core EBITDA pre-SBP margin %	40.4%	42.0%

A5. Core and non-core administrative expenses

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

Appendices to the financial statements

Alternative performance measures

A6. Adjusted earnings per share

	31 March 2025 £000	31 March 2024 as restated[1] £000
Earnings		
Adjusted profit for the period for the purpose of basic and diluted earnings per share (see note A3)	46,969	44,730

Weighted average number of Ordinary Shares and earnings per share are derived from note 12 to the financial statements.

	31 March 2025 '000	31 March 2024 '000
Number of shares		
Weighted average number of Ordinary Shares for the purpose of basic earnings per share	115,118	115,978
Weighted average number of Ordinary Shares for the purpose of diluted earnings per share	118,739	119,069

	31 March 2025 pence	31 March 2024 as restated[1] pence
Adjusted earnings per share		
Adjusted basic	40.8	38.6
Adjusted diluted	39.6	37.6

1. The Group has restated the adjusted earnings per share for the year ended 31 March 2024 using adjusted profit.

A7. Dividend payout ratio

All dividends are derived from note 28 except for the proposed final dividend for the year ended 31 March 2025, which has not yet been paid.

	31 March 2025 £000	31 March 2024 £000
Interim dividend declared[1]	8,610	7,765
Proposed final dividend	19,571	18,022
	28,181	25,787
Divided by adjusted profit for the period attributable to Ordinary Shareholders (see note A3)	46,969	44,730
Dividend payout ratio	60%	58%

1. Dividends declared and proposed are calculated on the total number of shares. The actual dividend paid will be adjusted for treasury shares held as these are not entitled to dividends. The total cash paid for the interim dividend was £8,477,000 (2024: £7,765,000). See note 28.

A8. Dividend payout

All dividends are derived from note 28 except for the proposed final dividend for the year ended 31 March 2025 which has not yet been paid.

	31 March 2025 £000	31 March 2024 £000
Interim dividend declared (see note A7)	8,610	7,765
Final dividend proposed	19,571	18,022
	28,181	25,787
Divided by total number of shares (see note 27)	116,348	116,271
Dividend payout (pence)	24.2	22.2

Appendices to the financial statements

Alternative performance measures

A9. AUM growth %

	31 March 2025 £bn	31 March 2024 £bn
AUM at current period end	13.2	12.1
Less AUM at prior period end	(12.1)	(12.2)
	1.1	(0.1)
Divided by AUM at prior period end	12.1	12.2
AUM growth %	9.1%	(0.2%)

Note the % has been subject to a rounding adjustment.

Appendices to the financial statements

Related undertakings

The Company has investments in the following undertakings:

	Domicile	Type	Country of registration	Interest
Subsidiary undertakings				
FGB S.à r.l.	Luxembourg	Company	Luxembourg	100%
Foresight Group Holdings (UK) Limited	UK	Company	England & Wales	100%
Foresight Asset Management Limited	UK	Company	England & Wales	100%
Foresight Asset Management Greece Single Member Societe Anonyme	Greece	Company	Greece	100%
Foresight Fund Managers Limited	UK	Company	England & Wales	100%
Pinecroft Corporate Services Limited	UK	Company	England & Wales	100%
Foresight NF GP Limited	UK	Company	England & Wales	100%
Foresight NF FP GP Limited	UK	Company	England & Wales	100%
Foresight Company 1 Limited	UK	Company	England & Wales	100%
Foresight Company 2 Limited	UK	Company	England & Wales	100%
Foresight Regional Investment General Partner LLP	UK	LLP	Scotland	100%
Foresight Impact Midlands Engine GP LLP	UK	LLP	Scotland	100%
Foresight Regional Investment II General Partner LLP	UK	LLP	Scotland	100%
Foresight Group Equity Finance (SGS) GP LLP	UK	LLP	Scotland	100%
NI Opportunities GP LLP	UK	LLP	Scotland	100%
Foresight Legolas Founder Partner GP LLP	UK	LLP	Scotland	100%
Foresight Regional Investment III General Partner LLP	UK	LLP	Scotland	100%
AIB Foresight SME Impact General Partner LLP	UK	LLP	Scotland	100%

Appendices to the financial statements

Related undertakings

	Domicile	Type	Country of registration	Interest
Foresight West Yorkshire Business Accelerator General Partner LLP	UK	LLP	Scotland	100%
AIB Foresight SME Impact Fund GP Limited	Ireland	Company	Ireland	100%
Foresight Regional Investment IV General Partner LLP	UK	LLP	Scotland	100%
Foresight Regional Investment V General Partner LLP	UK	LLP	Scotland	100%
Foresight Regional Investment VI GP LLP	UK	LLP	Scotland	100%
Foresight Regional Investment VII General Partner LLP	UK	LLP	Scotland	100%
Foresight Omnibus Founder Partner GP LLP	UK	LLP	Scotland	100%
Foresight Regional Investment VIII General Partner LLP	UK	LLP	England & Wales	100%
Foresight IFW Equity General Partner LLP	UK	LLP	England & Wales	100%
Foresight SYPA GP LLP	UK	LLP	England & Wales	100%
Foresight Infra Hold Co Limited	UK	Company	England & Wales	100%
PiP Manager Limited	UK	Company	England & Wales	100%
PiP Multi-Strategy Infrastructure Limited	UK	Company	England & Wales	100%
PiP Multi-Strategy Infrastructure (Scotland) Limited	UK	Company	Scotland	100%
PiP Multi-Strategy Infrastructure GP LLP	UK	LLP	England & Wales	100%
Foresight Group Holdings UK Finco Limited	UK	Company	England & Wales	100%
Foresight Group Australia Holdco Pty Ltd	Australia	Company	Australia	100%
Foresight Group Australia Bidco Pty Ltd	Australia	Company	Australia	100%
Foresight Capital Holdings Pty Limited	Australia	Company	Australia	100%

Appendices to the financial statements

Related undertakings

	Domicile	Type	Country of registration	Interest
Foresight Australia Funds Management Limited	Australia	Company	Australia	100%
Infrastructure Capital Services Pty Ltd	Australia	Company	Australia	100%
Infrastructure Specialist Asset Management Limited	Australia	Company	Australia	100%
Infra Asset Management Pty Limited	Australia	Company	Australia	100%
Foresight Group CI Limited	Guernsey	Company	Guernsey	100%
Foresight European Solar Fund GP Limited	Jersey	Company	Jersey	100%
Foresight Holdco 2 Limited	UK	Company	England & Wales	100%
VCF II LLP	UK	LLP	England & Wales	100%
Foresight Group LLP	UK	LLP	England & Wales	100%
Foresight Group Promoter LLP	UK	LLP	England & Wales	100%
Foresight Investor LLP	UK	LLP	England & Wales	100%
Foresight Group Australia Pty Limited	Australia	Company	Australia	100%
Foresight Group Iberia SL	Spain	Company	Spain	100%
Foresight Energy Infrastructure Partners GP S.à r.l.	Luxembourg	Company	Luxembourg	100%
Foresight Group S.à r.l.	Luxembourg	Company	Luxembourg	100%
Foresight Hydrogen Infrastructure Fund GP S.à r.l.	Luxembourg	Company	Luxembourg	100%
Foresight Energy Infrastructure Partners GP II S.à.r.l.	Luxembourg	Company	Luxembourg	100%
Foresight Group Luxembourg S.A.	Luxembourg	Company	Luxembourg	100%
Foresight European Solar Fund CIP GP Limited	UK	Company	Scotland	100%

Appendices to the financial statements

Related undertakings

	Domicile	Type	Country of registration	Interest
Foresight 1 VCT Limited	UK	Company	England & Wales	100%
Foresight Energy VCT Limited	UK	Company	England & Wales	100%
Foresight Venture Limited	UK	Company	England & Wales	100%
Foresight Venture Capital Limited	UK	Company	England & Wales	100%
Foresight VCT Investment Limited	UK	Company	England & Wales	100%
Foresight Ventures VCT 2 Limited	UK	Company	England & Wales	100%
Wellspring Finance Company Limited	UK	Company	England & Wales	100%
Wellspring Management Services Limited	UK	Company	England & Wales	100%

Additional Information

We invest *holistically* in natural capital.

What's in this section?

242 Sustainability strategy
243 Glossary
245 Corporate Information

Community Day at Glaisters Bridge Woodland, Scotland, Part of Foresight's Portfolio

Sustainability strategy

FY25 commitments reference table

Review and enhance processes for ESG due diligence, monitoring and engagement across the investment streams, reflecting Foresight's material sustainability topics and broader regulatory requirements.	Investment process
Enhance the Group Enterprise Risk Management ("ERM") framework by integrating identified risks from the double materiality analysis.	Risk
Enhance our Group Sustainability team function, ensuring we have the skillsets and resources in place to meet the evolving regulations and business needs.	Governance
Identify which of our funds require a sustainability label and ensure those funds secure the appropriate sustainability label.	Regulatory
Ensure all our communications referring to sustainability are in line with the SDR anti-greenwashing rules.	Regulatory
Continue to review and enhance disclosures and reporting for all our funds falling under SFDR and SDR.	Regulatory
Continue to work towards our stated objectives on diversity and inclusion within our own workforce, confirming that our disclosures are in line with the FCA consultation paper on diversity and inclusion.	Our people
Publish an overarching Group Code of Conduct.	Governance
Apply the updated UK Corporate Governance Code 2024 at Group level.	Governance
Publish fund-level TCFD Reports for applicable funds.	Regulatory – TCFD
Advance Group-level TCFD reporting by expanding the scenario analysis to include Private Equity and Foresight Capital Management divisions.	Regulatory – TCFD
Develop carbon reduction targets/climate transition plans for relevant funds or portfolios of investments.	Regulatory – TCFD
Continue to evaluate the feasibility of a Group-level carbon reduction/transition plan.	Regulatory – TCFD
Continue to evaluate whether to include climate-related KPIs for employees as part of the remuneration strategy.	Regulatory – TCFD
Further develop the Group-level exclusion list for investments to be aligned with Foresight's sustainability focus.	Governance
Initiate Group-level human rights due diligence process, and review and enhance existing processes at the investment division level where needed, to align with OECD Guidelines and UN Guiding Principles.	Investment process
For the report for FY26, we intend to integrate the Sustainability Report in the Annual Report, and report and enhance data collection to align with ISSB and upcoming UK Sustainability Reporting Standards ("SRS").	Regulatory
Over the medium term we aim to advance our reporting to meet the Corporate Sustainability Reporting Directive ("CRSD") by using the European Sustainability Reporting Standards ("ESRS").	Regulatory

Glossary

Absolute TSR	Share price appreciation plus dividends paid to show total return to a Shareholder, expressed as a percentage
AGM	Annual General Meeting
AIFM	Alternative Investment Fund Manager
AITS	Foresight's Accelerated Inheritance Tax Solution
AML	Anti-Money Laundering
AUM	Assets Under Management (FUM + DUM)
CAGR	Compound Annual Growth Rate
CASS	The Financial Conduct Authority's Client Assets Sourcebook
CFO	Chief Financial Officer of Foresight Group
Company	Foresight Group Holdings Limited
COO	Chief Operating Officer
Core EBITDA pre-SBP	Core earnings before interest, taxes, depreciation, amortisation and share-based payments. See explanation in appendix to the financial statements
CRO	Chief Risk Officer of Foresight Group
DE&I	Diversity, equity and inclusion
DTRs	Disclosure Guidance and Transparency Rules
DUM	Debt Under Management
EDD	Enhanced Due Diligence
EIS	Enterprise Investment Scheme
EPS	Earnings per share
ESG	Environmental, Social and Governance
Ethical Standard	The FRC's Revised Ethical Standard (2019)
EU	European Union
Exco	Executive Committee
Executive Group	Board, Executive Committee and the Company Secretary
Executive Management	Definition provided under the FCA's Listing Rules under LR App 1, App 1.1: "the executive committee or most senior executive or managerial body below the board (or where there is no such formal committee or body, the most senior level of managers reporting to the chief executive), including the company secretary but excluding administrative and support staff"
FCA	Financial Conduct Authority
FCM	Foresight Capital Management
FEIP	Foresight Energy Infrastructure Partners
FG Australia	Foresight Group Australia Pty Ltd
FGCI	Foresight Group CI Limited
FGLLP	Foresight Group LLP
FIIF	FP Foresight UK Infrastructure Income Fund
Foresight/ Foresight Group/ Group	Foresight Group Holdings Limited together with its direct and indirect subsidiary undertakings
Foresight SICAV	Foresight Global Real Infrastructure (Lux) Fund
FRIF	Foresight Regional Investment Fund LP
FSFC	Foresight Sustainable Forestry Company plc
FSFL	Foresight Solar Fund Limited
FTE	Full-Time Equivalent
FUM	Funds Under Management
FVTPL	Fair value through profit and loss
FY23/24/25	Year ended 31 March 2023/24/25
GHGs	Greenhouse gases
GRIF	FP Foresight Global Real Infrastructure Fund
IASB	International Accounting Standards Board
IBR	Incremental Borrowing Rate
IC	Investment Committee
I&D	Inclusion and diversity
IFA	Independent financial adviser

Glossary

IFRS	International Financial Reporting Standard(s)
IPEV	International Private Equity and Venture Capital
IPO	Initial Public Offering
ISAE 3402	International Standard on Assurance Engagements – 3402, Assurance Reports on Controls at a Service Organisation
ITS	Foresight's Inheritance Tax Solution
JLEN	JLEN Environmental Assets Group
LSE	London Stock Exchange
MAR	Market Abuse Regulation, being the UK version of Regulation (EU) No. 596/2014 which has effect in English law by virtue of the European Union (Withdrawal) Act 2018
Minority ethnic background	Definition provided under the FCA's Listing Rules under LR App 1, App 1.1: from one of the following categories of ethnic background, as set out in the tables in LR 9 Annex 2.1R(b) and LR 14 Annex 1.1R(b), excluding the category "White British or other White (including minority-white groups)"
NAV	Net Asset Value
NCIA	Sustainable Market Initiative's Natural Capital Investment Alliance
NEDs	Non-Executive Directors
OEIC	Open Ended Investment Company
O&M	Operations and maintenance
Parent Company	Foresight Group Holdings Limited
PiP	Pensions Infrastructure Platform
PRI	The UN's Principles for Responsible Investment
PSC	People & Sustainable Culture
PSP	Performance Share Plan
RCSA	Risk Control Self-Assessment
Recurring revenue	Management, secretarial and directors' and monitoring fees
REF	FP Foresight Sustainable Real Estate Securities Fund
Relationship Agreement	Pursuant to Listing Rule 9.8.4, the Company has entered into a relationship agreement with Bernard Fairman, Beau Port Investments Limited and other parties with whom they are deemed to be acting in concert
RMF	Risk Management Framework
RPI	Retail Price Index
SBP	Share-based payment
SBTi	Science Based Targets initiative
SC	Sustainability Committee
SDGs	Sustainable Development Goals
SDR	UK Sustainable Disclosure Requirements
SECR	Streamlined Energy and Carbon Reporting
SET	Sustainability Evaluation Tool
SFDR	Sustainable Finance Disclosure Regulation
SFT	Sustainable Future Themes Fund
Shareholder	Holder of the Company's Ordinary Shares
SIP	Share Incentive Plan
SSPs	Shared Socioeconomic Pathways
TCFD	Task Force on Climate-related Financial Disclosures
the Code	The UK Corporate Governance Code
ToR	Terms of Reference
TSR	Total shareholder return
UNGC	UN Global Compact
VAM	VAM Global Infrastructure Fund
VCM	Voluntary Carbon Market
VCT	Venture Capital Trust
WACC	Weighted average cost of capital

Corporate information

Registered number

51521

Directors

Bernard Fairman
(Executive Chairman)

Gary Fraser
(Chief Financial Officer and Chief Operating Officer)

Alison Hutchinson, CBE
(Senior Independent Non-Executive Director)

Geoffrey Gavey
(Independent Non-Executive Director)

Mike Liston, OBE
(Independent Non-Executive Director)

Company Secretary

Jo-anna Nicolle

Registered office

1st Floor, Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 3JX

Principal office

The Shard
32 London Bridge Street
London SE1 9SG

Joint corporate brokers

Berenberg
60 Threadneedle Street
London EC2R 8HP

Jefferies International Limited
100 Bishopsgate
London EC2N 4JL

English and US legal advisers

Travers Smith LLP
10 Snow Hill
London EC1A 2AL

Guernsey legal advisers

Ogier (Guernsey) LLP
Redwood House
St Julian's Avenue
St Peter Port
Guernsey GY1 1WA

Auditors

BDO LLP
55 Baker Street
London W1U 7EU

Registrar

Computershare Investor Services (Guernsey) Limited
13 Castle Street
St Helier
Jersey JE1 1ES

Corporate information

Registered number
51521

Directors
Bernard Fairman
(Executive Chairman)

Gary Fraser
(Chief Financial Officer and Chief Operating Officer)

Alison Hutchinson, CBE
(Senior Independent Non-Executive Director)

Geoffrey Gavey
(Independent Non-Executive Director)

Mike Liston, OBE
(Independent Non-Executive Director)

Company Secretary
Jo-anna Nicolle

Registered office
1st Floor, Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 3JX

Principal office
The Shard
32 London Bridge Street
London SE1 9SG

Joint corporate brokers
Berenberg
60 Threadneedle Street
London EC2R 8HP

Jefferies International Limited
100 Bishopsgate
London EC2N 4JL

English and US legal advisers
Travers Smith LLP
10 Snow Hill
London EC1A 2AL

Guernsey legal advisers
Ogier (Guernsey) LLP
Redwood House
St Julian's Avenue
St Peter Port
Guernsey GY1 1WA

Auditors
BDO LLP
55 Baker Street
London W1U 7EU

Registrar
Computershare Investor Services (Guernsey) Limited
13 Castle Street
St Helier
Jersey JE1 1ES

FSC
www.fsc.org
RECYCLED
Paper made from recycled material
FSC® C022913

Designed and produced by lyonsbennett.com

This report is printed on Nautilus which is made from FSC® recycled certified post-consumer waste pulp. The FSC® label on this report ensures responsible use of the world's forest resources. Printed sustainably in the UK by Pureprint, a CarbonNeutral® company with FSC® chain of custody and an ISO 14001 certified environmental management system recycling over 100% of all dry waste.

It takes *Foresight*.

Foresight
Invest Build Grow

Foresight Group Holdings Limited
1st Floor, Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
GY1 3JX

foresight.group