

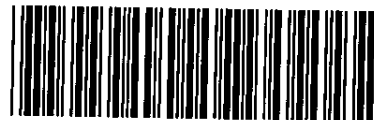
Limited Liability Partnership Registration No. OC300878 (England and Wales)

FORESIGHT GROUP LLP

**MEMBERS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2022

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FORESIGHT GROUP LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	G Fraser Foresight Holdco 2 Limited D Hughes
Limited liability partnership number	OC300878
Registered office and business address	C/O Foresight Group LLP The Shard 32 London Bridge Street London SE1 9SG
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Bank of Scotland P.O. Box No.5 The Mound Edinburgh EH1 1YZ

FORESIGHT GROUP LLP

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FORESIGHT GROUP LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The members present their report and financial statements for the year ended 31 March 2022.

Principal activities and review of the business

Foresight Group LLP ("the LLP") is a leading independent investment manager in the United Kingdom. It is part of the wider Foresight Group with £8.8 billion (2021: £7.2 billion) of assets under management, raised from institutional investors, family offices, private and high net-worth individuals.

The results for the period and the financial position at the period end were considered satisfactory by the members. The members expect continued growth in the foreseeable future.

The LLP's turnover and profit for the financial year before members' remuneration and profit shares were £67,720,325 (2021: £58,904,179) and £21,319,804 (2021: £20,033,233) respectively.

Parent company admission to London Stock Exchange and group reorganisation

The ultimate parent company of the LLP is Foresight Group Holdings Limited ("FGHL"), a company registered in Guernsey. On 4 February 2021, FGHL was admitted to the London Stock Exchange. In order to implement a corporate structure that was appropriate upon admission, a corporate reorganisation was undertaken.

On this date, Foresight Holdco 2 Limited, a subsidiary of FGHL, purchased a 100% interest in the LLP, becoming its corporate member. The LLP also transferred certain of its UK subsidiaries to another group undertaking, Foresight Group Holdings (UK) Limited, on this date.

On 18 March 2022, a further restructuring was undertaken whereby the governance rights of the LLP held by Foresight Holdco 2 Limited were transferred into a bare trust in favour of Foresight Group Holdings Limited. All other rights were retained by Foresight Holdco 2 Limited.

Going concern

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

The members of the LLP have considered the resilience of the LLP and its subsidiaries ("Group"), taking into account its current financial position and the principal and emerging risks facing the business, including the impact of COVID-19, inflation and Russia's invasion of Ukraine on global markets and potential implications for the Group and LLP's financial performance. The members reviewed the Group and LLP's cash flow forecasts and trading budgets for a period of at least 12 months from the date of approval of these accounts, and concluded that, taking into account plausible downside scenarios that could reasonably be anticipated, the Group and LLP will have sufficient funds to pay its liabilities as they fall due for that period. Taking into consideration the current economic environment, the forecasts have been stress tested to ensure that a robust assessment of the Group and LLP'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 and LLP's trading performance. Any mitigating actions available to protect working capital and strengthen the balance sheet, including deferring non-essential capital expenditure and increased cost control, were also taken into account.

The LLP is a key player in two markets that are growing rapidly: worldwide renewable energy infrastructure and UK-based regional private equity. Renewable energy infrastructure is being driven by favourable economics, as well as the heightened focus on energy security, following Russia's invasion of Ukraine. This benefits LLP's infrastructure funds and its sustainability orientated investment products within the Foresight Capital Management division.

In considering the above, the members have formed the view that the Group and LLP 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.

FORESIGHT GROUP LLP

MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Designated members

The following designated members have held office since 1 April 2021:

G Fraser
Foresight Holdco 2 Limited
P D English (resigned 31 May 2021)
D Hughes (appointed 8 July 2022, effective 31 May 2021)

Policy on members' drawings and capital

Ordinary and participating members are entitled to a Tier One profit share with the balance remaining being allocated to the corporate member. Each member is entitled to draw their Tier One profit share except at the discretion of the Executive Committee in respect of ordinary members if there is insufficient operating profits to cover such payment.

Each member is required to contribute ordinary capital in the LLP in an amount equal to at least 25% of anticipated Tier One profit share for the following accounting period. Any further capital required by the LLP shall be provided by the corporate member. Ordinary capital is only repaid on resignation of the member, the winding up of the LLP, if any excess capital has been contributed or following an ordinary resolution.

Regulatory disclosures

The LLP has documented the Pillar III disclosures required by the FCA under BIPRU 11 and these are available on the Foresight Group website or from the registered office.

The LLP will be documenting and making available the disclosures required by the FCA under MIFIDPRU 8 later in 2022.

Statement of members' responsibilities

The members are responsible for preparing the members' report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the Limited Liability Partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under these regulations the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Limited Liability Partnership and of the profit or loss for that year.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions, disclose with reasonable accuracy at any time the financial position of the LLP, and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FORESIGHT GROUP LLP

MEMBERS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2022**

Statement of disclosure to auditors

All of the members as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The members are not aware of any relevant audit information of which the LLP's auditor is unaware.

On behalf of the members



G Fraser
Designated Member
22 July 2022

FORESIGHT GROUP LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORESIGHT GROUP LLP

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted IFRS recognition and measurement principles, together with FRS 101 "Reduced Disclosure Framework" (FRS101); and
- have been prepared in accordance with the requirements of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of Foresight Group LLP ("the Limited Liability Partnership") for the year ended 31 March 2022 which comprise the 'Statement of comprehensive income', 'Statement of financial position', 'Statement of changes in equity' and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including UK-adopted IFRS recognition and measurement principles and Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Basis of 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.

Independence

We are independent of the Limited Liability Partnership 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 Limited Liability Partnership'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.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The members are responsible for the other information. The other information comprises the information included in the members' report 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.

FORESIGHT GROUP LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF FORESIGHT GROUP LLP

Other information (continued)

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.

Other Companies Act 2006 reporting as applied to limited liability partnerships

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the 'Statement of members' responsibilities', the members 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 members 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 members are responsible for assessing the Limited Liability Partnership'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 members either intend to liquidate the Limited Liability Partnership 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:

- We gained an understanding of the legal and regulatory framework applicable to the entity and the industry in which it operates, and considered the risk of acts by the Limited Liability Partnership which were contrary to applicable laws and regulations, including fraud;
- We considered the significant laws and regulations to be the Companies Act 2006 as applied to limited liability partnerships, the relevant rules of the Financial Conduct Authority that apply to the entity and the UK-adopted IFRS recognition and measurement principles and Financial Reporting Standard 101 'Reduced Disclosure Framework';

FORESIGHT GROUP LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF FORESIGHT GROUP LLP

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

- We considered compliance with these laws and regulations through discussions held with management and the parent Audit & Risk Committee and reviewed minutes of Board meetings of the parent to assess how the entity is complying with these laws and regulations;
- We assessed the susceptibility of the financial statements to material misstatement including fraud and considered the significant fraud risk areas to be revenue recognition which involves management judgement, and is therefore subject to bias, and management override of controls. Our procedures for fraud risk in relation to revenue recognition included but were not limited to: assessing whether accounting policies were aligned to the requirements of the standard; verifying fee calculations were in line with the supporting agreements; reviewing the ISAE 3402 controls report to identify any issues which could affect the determination of the net asset values which drive the majority of the management and secretarial fees; and vouching fund net asset values to audited accounts and RNS announcements, where relevant. In respect of management override, we have tested a risk-based sample of journals back to supporting documentation; and
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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: <https://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 Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 as applied by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership'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 Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Peter Smith

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Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
22 July 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FORESIGHT GROUP LLP

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Note	£	£
Turnover	2	67,720,325	58,904,179
Cost of sales		<u>(5,057,023)</u>	<u>(4,635,637)</u>
Gross profit		62,663,302	54,268,542
Administrative expenses		(47,312,814)	(35,746,053)
Other operating income	3	<u>5,612,456</u>	<u>831,864</u>
Operating profit	4	20,962,944	19,354,353
Gain on disposal		-	528,537
Interest receivable and similar income	6	1,346	107,505
Interest payable and similar expenses	7	(47,695)	(51,681)
Changes in fair value of investments	11	<u>403,209</u>	<u>94,519</u>
Profit for the financial year before members' remuneration and profit shares		21,319,804	20,033,233
Members' remuneration charged as an expense	8	<u>(5,345,655)</u>	<u>(5,521,301)</u>
Profit for the financial year available for discretionary division among members		15,974,149	14,511,932
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>15,974,149</u>	<u>14,511,932</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

FORESIGHT GROUP LLP

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

		2022	2021
	Note	£	as restated £
Fixed assets			
Intangible assets	9	252,672	189,507
Tangible assets	10	1,719,593	1,788,400
Investments	11	2,188,328	1,828,512
		4,160,593	3,806,419
Current assets			
Debtors: amounts falling due after more than one year	12	7,175,059	4,062,344
Debtors: amounts falling due after less than one year	12	24,244,502	15,798,328
Cash at bank and in hand		32,133,085	10,721,574
		63,552,646	30,582,246
Creditors: amounts falling due within one year	13	(36,790,828)	(21,990,991)
Net current assets		26,761,818	8,591,255
Total assets less current liabilities		30,922,411	12,397,674
Creditors: amounts falling due after more than one year	18	(996,515)	(1,138,475)
Provisions for liabilities	19	(93,025)	-
Net assets		29,832,871	11,259,199
REPRESENTED BY:			
Loans and other debts due to members within one year	14	14,382,000	-
Members' interests			
Members' capital	14	5,680,220	1,618,811
Share-based payment reserves	14	397,528	-
Other reserves	14	9,373,123	9,640,388
		29,832,871	11,259,199
TOTAL MEMBERS' INTERESTS:			
Amounts due from members	15	(2,820,000)	(2,600,000)
Loans and other debts due to members	15	14,382,000	-
Members' other interests	14	15,450,871	11,259,199
		27,012,871	8,659,199

The financial statements were approved by the members and authorised for issue on 22 July 2022 and are signed on their behalf by:



G Fraser

Designated Member

Limited Liability Partnership Registration No. OC300878

FORESIGHT GROUP LLP

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2022

	Note	Members' capital £	Share-based payment reserves £	Other reserves £	Total £
Balance at 31 March 2020		163,442	100,840	7,378,486	7,642,768
Profit and total comprehensive income for the year		-	-	14,511,932	14,511,932
Other divisions of profit		-	-	(12,386,092)	(12,386,092)
Members' capital introduced		1,455,369	-	-	1,455,369
Share-based payment expense		-	35,222	-	35,222
Vested share-based payment awards		-	(25,825)	25,825	-
Cessation of share-based payment awards		-	(110,237)	110,237	-
Balance at 31 March 2021		<u>1,618,811</u>	<u>-</u>	<u>9,640,388</u>	<u>11,259,199</u>
Profit and total comprehensive income for the year		-	-	15,974,149	15,974,149
Other divisions of profit	14	-	-	(16,241,414)	(16,241,414)
Members' capital introduced	14	4,168,478	-	-	4,168,478
Members' capital repaid	14	(107,069)	-	-	(107,069)
Share-based payment expense		-	397,528	-	397,528
Balance at 31 March 2022		<u>5,680,220</u>	<u>397,528</u>	<u>9,373,123</u>	<u>15,450,871</u>

FORESIGHT GROUP LLP

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

1 Accounting policies

1.1 Limited liability partnership information

Foresight Group LLP is a limited liability partnership incorporated in England and Wales. The registered office is C/O Foresight Group LLP, The Shard, 32 London Bridge Street, London, SE1 9SG.

The LLP's principal activities are disclosed in the Members' Report.

1.2 Accounting convention

These financial statements have been prepared in accordance with UK-adopted IFRS recognition and measurement principles, together with FRS 101 "Reduced Disclosure Framework" ("FRS 101") which allows individual companies in a group to take advantages of exemptions from various disclosures. These financial statements are also in compliance with the Companies Act 2006 as applied by the Partnership and the Statement of Recommended Practice ("SORP"), Accounting by Limited Liability Partnerships, issued in December 2018.

The disclosure exemptions adopted by the LLP in accordance with FRS 101 are as follows:

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of paragraph 24(b) of IFRS 6 Exploration for and Evaluation of Mineral Resources;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases; the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group; and
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

No new accounting standards were applicable for the current year.

FORESIGHT GROUP LLP

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

1 Accounting policies (continued)

1.2 Accounting convention (continued)

Where required, equivalent disclosures are given in the group accounts of Foresight Group Holdings Limited. The group accounts of Foresight Group Holdings Limited are available to the public as set out in note 23.

The financial statements are prepared in sterling, which is the functional currency of the LLP. Monetary amounts in these financial statements are rounded to the nearest £. The financial statements have been prepared on the historical cost convention except for the fair value of unlisted investments. The principal accounting policies adopted are set out below.

1.3 Exemption from preparation of consolidated financial statements

The financial statements contain information about the LLP as an individual entity and do not contain consolidated financial information as the parent of a group. The LLP has taken advantage of the exemption conferred by s400 of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 not to produce consolidated financial statements as it is included in the consolidated accounts of Foresight Group Holdings Limited.

1.4 Going concern

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

The members of the LLP have considered the resilience of the LLP and its subsidiaries ("Group"), taking into account its current financial position and the principal and emerging risks facing the business, including the impact of COVID-19, inflation and Russia's invasion of Ukraine on global markets and potential implications for the Group and LLP's financial performance. The members reviewed the Group and LLP's cash flow forecasts and trading budgets for a period of at least 12 months from the date of approval of these accounts, and concluded that, taking into account plausible downside scenarios that could reasonably be anticipated, the Group and LLP will have sufficient funds to pay its liabilities as they fall due for that period. Taking into consideration the current economic environment, the forecasts have been stress tested to ensure that a robust assessment of the Group and LLP'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 and LLP's trading performance. Any mitigating actions available to protect working capital and strengthen the balance sheet, including deferring non-essential capital expenditure and increased cost control, were also taken into account.

The LLP is a key player in two markets that are growing rapidly: worldwide renewable energy infrastructure and UK-based regional private equity. Renewable energy infrastructure is being driven by favourable economics, as well as the heightened focus on energy security, following Russia's invasion of Ukraine. This benefits LLP's infrastructure funds and its sustainability orientated investment products within the Foresight Capital Management division.

In considering the above, the members have formed the view that the Group and LLP 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.

1.5 Turnover

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

The LLP's revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue represents the fair value of the consideration receivable in respect of services provided during the period, exclusive of value added taxes.

FORESIGHT GROUP LLP

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

1 Accounting policies (continued)

1.5 Turnover (continued)

A contract with a customer is recognised when a contract is legally enforceable by the LLP; this will be prior to the commencement of work for a customer and therefore before any revenue is recognised by the LLP. Performance obligations are identified on a contract by contract basis; where contracts are entered into at the same time with the same customer at differing rates, these may be considered a single contract for the purposes of revenue recognition.

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

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

Management, secretarial and Director fees are recognised on an accruals basis to the extent that it is probable that there will be economic benefit and income can be reliably measured.

Arrangement fees are based on a set rate agreed with the customer and recognised 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 when management have certainty as to the receipt of such revenue, such that it is highly probable that a significant reversal in the amount of revenue recognised will not occur.

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

1.6 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with IAS 32. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

1.7 Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment

Identifiable computer software and development costs are capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. Amortisation begins when the intangible asset is available for use. Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software development costs - 20% on a straight line basis

FORESIGHT GROUP LLP

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

1 Accounting policies (continued)

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings long leasehold	- Over the term of the lease
Land and buildings short leasehold	- Over the term of the lease
Fixtures, fittings and equipment	- 20% / 50% on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of comprehensive income.

1.9 Investments in subsidiaries

Investments in subsidiaries are all held at cost less impairment in the financial statements of the LLP.

1.10 Assets recognised for costs to fulfil a contract

The LLP may enter into placement agency agreements with providers who will seek to raise investor monies. Where placement agency fees are incremental to obtaining, extending or modifying a contract with a customer, these fees are capitalised and then amortised on a systematic basis consistent with the pattern of transfer of the services to which the asset relates. Where placement agency fees are not considered to be incremental, these are expensed as they are incurred. Capitalised placement fees are included within assets recognised for costs to fulfil a contract. 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.

1.11 Financial instruments

a) Trade and other debtors/ trade and other creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors 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, less any impairment losses in the case of trade debtors. For trade debtors 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"). Trade debtors are stated after accounting for any impairment losses. 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.

b) Cash at bank and in hand

Cash at bank and in hand comprise cash on hand and on-demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

c) Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries are shown at fair value through profit and loss.

FORESIGHT GROUP LLP

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

1 Accounting policies (continued)

1.12 Employee benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Share-based payments

The LLP recognises share-based payment transactions in respect of the FGHL Performance Share Plan and UK Share Incentive Plan as the subsidiary which receives services from certain employees and members who participate in the plans. Employees and members are granted the right to either shares or options over shares, subject to certain vesting conditions and exercise prices. These have been accounted for as equity-settled share-based payments.

The fair value of the awards granted in the form of shares or share options is recognised as an expense over the appropriate performance and vesting period. The corresponding credit is recognised in retained earnings within total equity.

The fair value of the awards is calculated using an option pricing model, the principal inputs being the market value on the date of award and an adjustment for expected and actual levels of vesting which includes estimating the number of eligible employees and members leaving the LLP and the number of employees and members satisfying the relevant performance conditions. Shares and options vest on the occurrence of a specified event under the rules of the relevant plan.

1.14 Judgements and key sources of estimation uncertainty

In the application of the LLP's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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

FGHL's Performance Share Plan allows for the grant of nil cost options with vesting dependent on the performance of the FGHL Group and continued service by the participant. The first grant of options under the plan was made on 6 September 2021 as approved by the FGHL Group Remuneration Committee. The options have been fair valued using a Monte-Carlo simulation and appropriate retention rate percentage based on historical evidence.

Valuation of investments

Investments in underlying funds are recorded at fair value. Fair value is calculated as the share of net assets of the underlying fund to which the investment relates.

While valuations of investments are based on assumptions that the members 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.

FORESIGHT GROUP LLP

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

1 Accounting policies (continued)

1.14 Judgements and key sources of estimation uncertainty (continued)

Leases – estimating the incremental borrowing rate

The LLP cannot readily determine the interest rates implicit in the leases; therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the LLP would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the LLP "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when adjustments are required to reflect the underlying economic market where overseas subsidiaries are located).

The LLP estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's standalone credit rating).

Key judgements

Assets recognised for costs to fulfil a contract

When deciding whether placement agency fees are incremental to obtaining, extending or modifying a contract with a customer, the LLP 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.

2 Turnover

	2022	2021
	£	£
Management fees	58,174,973	43,958,690
Secretarial fees	1,246,777	9,752,285
Arrangement fees	2,560,384	2,869,787
Performance incentive fees	3,232,259	-
Directors fees	2,505,932	2,306,075
Other income	-	17,342
	<u>67,720,325</u>	<u>58,904,179</u>

FORESIGHT GROUP LLP

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

3 Other operating income

a) Other operating income is made up of the following income:	2022 £	2021 £
Advisory fee receivable from Foresight Group CI Limited	-	43,000
Service charge receivable from Foresight Asset Management Limited	100,000	40,000
Service charge receivable from Foresight Group Promoter LLP	671,700	-
Service charge receivable from PiP Manager Limited	120,000	40,758
Service charge receivable from Foresight Group Luxembourg S.A.	160,180	127,662
Portfolio fee receivable from Foresight Group Luxembourg S.A.	4,310,576	-
Service charge receivable from Foresight Group Iberia SL	-	186,227
Fees arising from the disposal of FRP Shirebrook Holdco Limited (note b)	250,000	348,250
Grant income (note c)	-	45,967
	<u>5,612,456</u>	<u>831,864</u>

b) Fees arising from the disposal of FRP Shirebrook Holdco Limited

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

c) Grant income

In the year ended 31 March 2021, the LLP applied for a Government support programme introduced in response to the global pandemic. Included in the comparative Statement of Comprehensive Income is £45,967 of Government grants obtained relating to supporting the payroll of the LLP's employees. The LLP has presented this Government grant separately, rather than reducing the related expense. The LLP had to commit to spending the assistance on payroll expenses. The LLP does not have any unfulfilled obligations relating to this programme.

4 Operating profit

	2022 £	2021 £
Operating profit is stated after charging:		
Gain on foreign exchange transactions	(46,328)	(258,644)
Bad debts provided for	131,464	88,099
Amortisation of intangible assets	105,234	95,040
Depreciation of tangible fixed assets	386,746	363,199
Profit on disposal of tangible fixed assets	(320)	(169,992)
Share-based payment expense	397,528	35,222
Auditor's remuneration – audit services	108,510	66,900
Auditor's remuneration – other audit services invoiced to FGLLP	45,744	-
Auditor's remuneration – regulatory assurance services	9,100	8,520
Auditor's remuneration – other assurance services	75,000	82,000
Auditor's remuneration – other services	<u>105,000</u>	<u>35,000</u>

FORESIGHT GROUP LLP

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

4 Operating profit (continued)

- Auditors remuneration – audit services: for 2021 includes a credit of £30,000 in respect of interim audit services (for the period ended 30 September 2020) which were invoiced to the ultimate parent company, Foresight Group Holdings Limited.
- Auditors remuneration – other audit services invoiced to FG LLP: These services are for group audit services not specifically related to the LLP and the audit of Foresight Investor LLP.
- Auditors remuneration – Regulatory assurance services: These services are for the CASS assurance audit.
- Auditors remuneration – Other assurance services: These services are for the ISAE 3402 assurance report on the internal controls.
- Auditors remuneration – Other services: These services are in respect of an offer for new shares in Foresight VCT plc, Foresight Enterprise VCT plc and Foresight Solar & Technology VCT (2022 and 2021).

5 Employees

Number of employees

The average number of persons (excluding members) employed by the LLP during the year was:

	2022 Number	2021 Number
Investment management	61	57
Administration, sales and marketing	80	70
	<u>141</u>	<u>127</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	14,328,442	12,622,048
Social security costs	1,788,870	1,673,804
Pension costs	480,493	410,471
	<u>16,597,805</u>	<u>14,706,323</u>

6 Interest receivable and similar income

	2022 £	2021 £
Bank interest	265	2,099
Group interest receivable	-	105,406
Other interest	1,081	-
	<u>1,346</u>	<u>107,505</u>

FORESIGHT GROUP LLP

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

7 Interest payable and similar expenses

	2022	2021
	£	£
Lease interest	43,798	47,499
Other interest	<u>3,897</u>	<u>4,182</u>
	<u>47,695</u>	<u>51,681</u>

8 Information in relation to members

	2022	2021
	£	£
Members' remuneration charged as an expense	<u>5,345,655</u>	<u>5,521,301</u>

The remuneration above is that paid to the members by agreement. Remuneration representing a division of profit is included in the allocation of profit figures in note 14. Members' remuneration includes £540,000 (2021: £420,000) of advances expensed in the year where members' have reached the first anniversary of their contractual arrangement and can retain 20% of their advance.

	2022	2021
	Number	Number
The average number of members during the year was:	<u>32</u>	<u>38</u>

	2022	2021
	£	£
Profit attributable to the member with the highest entitlement:	<u>14,382,000</u>	<u>6,838,292</u>

9 Intangible assets

	Software and development costs
	£
Cost	
At 1 April 2021	478,845
Additions	<u>168,399</u>
At 31 March 2022	<u>647,244</u>
Amortisation	
At 1 April 2021	289,338
Amortisation charged for the year	<u>105,234</u>
At 31 March 2022	<u>394,572</u>
Net book values	
At 31 March 2022	<u><u>252,672</u></u>
At 31 March 2021	<u><u>189,507</u></u>

FORESIGHT GROUP LLP

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

10 Tangible assets

	Short leasehold property	Right-of-use assets	Motor vehicles	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2021	557,331	1,357,639	15,500	316,542	2,247,012
Additions	548	93,025	-	226,865	320,438
Disposals	-	-	-	(173,222)	(173,222)
At 31 March 2022	557,879	1,450,664	15,500	370,185	2,394,228
Depreciation					
At 1 April 2021	73,355	208,255	5,425	171,577	458,612
Depreciation charged in the year	55,783	165,394	3,100	162,469	386,746
Disposals	-	-	-	(170,723)	(170,723)
At 31 March 2022	129,138	373,649	8,525	163,323	674,635
Net book values					
At 31 March 2022	428,741	1,077,015	6,975	206,862	1,719,593
At 31 March 2021	483,976	1,149,384	10,075	144,965	1,788,400

FORESIGHT GROUP LLP

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

11 Investments

a) The following are included in the net book value of investments:

	2022 £	2021 £
Investments in subsidiaries	713,771	835,406
Unlisted investments	1,474,557	993,106
	<u>2,188,328</u>	<u>1,828,512</u>

b) Movement in investments

	Investments in subsidiaries £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2021	835,406	993,106	1,828,512
Additions	182,243	388,887	571,130
Disposals	(303,878)	(26,991)	(330,869)
Movement in fair value	-	403,209	403,209
Repayments	-	(283,654)	(283,654)
At 31 March 2022	<u>713,771</u>	<u>1,474,557</u>	<u>2,188,328</u>
Impairment			
At 1 April 2021	-	-	-
Impairment charged for the year	-	-	-
At 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>
Net book values			
At 31 March 2022	<u>713,771</u>	<u>1,474,557</u>	<u>2,188,328</u>
At 31 March 2021	<u>835,406</u>	<u>993,106</u>	<u>1,828,512</u>

FORESIGHT GROUP LLP

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

11 Investments (continued)

c) Principal investments

The LLP held more than 20% of the share capital, in either 2022 or 2021, of the following undertakings:

	Country of registration or incorporation	Class	Shares held	
Subsidiary undertakings			% 2022	% 2021
Wholly owned by the LLP				
Foresight Group S.R.L.	Italy	Ordinary	100	100
Foresight Group Australia Pty Limited	Australia	Ordinary	100	100
Foresight Group Iberia SL	Spain	Ordinary	100	100
Foresight Group Promoter LLP	England & Wales	Voting rights	100	100
Foresight Investor LLP	England & Wales	Voting rights	100	100
Foresight Solar LLP	England & Wales	Voting rights	100	100
Foresight 1 VCT Limited	England & Wales	Ordinary	100	-
Foresight Energy VCT Limited	England & Wales	Ordinary	100	-
Foresight European Solar Fund CIP GP Limited	Scotland	Ordinary	100	100
Foresight Group S.à r.l.	Luxembourg	Ordinary	100	100
Foresight Energy Infrastructure Partners GP S.à r.l.	Luxembourg	Ordinary	100	100
Foresight Group Luxembourg S.A.	Luxembourg	Ordinary	100	100
Wholly owned by Foresight Group Australia Pty Limited				
FGA Ventures Pty Limited	Australia	Ordinary	100	100
Foresight Group Australia Services Pty Limited	Australia	Ordinary	100	100
Above It Pty Limited	Australia	Ordinary	100	100
Wholly owned by Foresight Group S.R.L.				
* FV Solar Lab S.R.L.	Italy	Ordinary	100	50

* On 21 January 2022, Foresight Group S.R.L. acquired 50% of the Ordinary shares in FV Solar Lab S.R.L., which, together with the 50% already held at that date made it a wholly owned subsidiary from that date.

d) Registered office of subsidiaries

The registered office of the subsidiaries is the same as for the LLP except for the following:

- Subsidiary with the registered office C/O Foresight Group LLP Clarence House, 133 George Street, Edinburgh, Scotland, Scotland, EH2 4JS is Foresight European Solar Fund CIP GP Limited.
- Subsidiaries with the registered office Level 35 One International Tower, 100 Barangaroo Avenue, Sydney, NSW 2000 Australia are Foresight Group Australia Pty Limited, FGA Ventures Pty Limited, Foresight Group Australia Services Pty Limited and Above It Pty Limited.
- Subsidiaries with the registered office Piazza Barberini, 52 00187 Roma, Italy are Foresight Group S.R.L. and FV Solar Lab S.R.L..
- Subsidiary with the registered office Paseo de la Castellana 43, Madrid 28046, Spain is Foresight Group Iberia SL.
- Subsidiary with the registered office 17, Boulevard F. W. Raiffeisen L - 2411 Luxembourg is Foresight Group S.à r.l.
- Subsidiary with the registered office 6C, Rue Gabriel Lippmann, L - 5365 Munsbach, Luxembourg is Foresight Energy Infrastructure Partners GP S.à r.l.
- Subsidiary with the registered office 19-21 Route d'Arlon Serenity Building Bloc C L-8009 Strassen Grand-Duché de Luxembourg is Foresight Group Luxembourg S.A.

FORESIGHT GROUP LLP

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

12 Debtors	2022	2021 as restated
	£	£
Trade debtors	10,990,970	8,731,503
Amounts due from members (see note 14)	2,820,000	2,600,000
Amounts owed by group undertakings	10,707,705	4,249,508
Other debtors	1,162,659	2,345,059
Prepayments	1,184,326	1,097,379
Assets recognised for costs to fulfil a contract	4,553,901	837,223
Less debtors: amounts falling due after more than one year		
Trade debtors	1,120,386	1,470,537
Amounts due from members (see note 14)	2,080,000	1,880,000
Assets recognised for costs to fulfil a contract	3,974,673	711,807
	<u>7,175,059</u>	<u>4,062,344</u>
Debtors: amounts falling due after less than one year		
Trade debtors	9,870,584	7,260,966
Amounts due from members (see note 14)	740,000	720,000
Amounts owed by group undertakings	10,707,705	4,249,508
Other debtors	1,162,659	2,345,059
Prepayments	1,184,326	1,097,379
Assets recognised for costs to fulfil a contract	579,228	125,416
	<u>24,244,502</u>	<u>15,798,328</u>

Amounts due from members represent advances to various members. The advances are to be expensed over five years in line with the contractual terms of the advances but are repayable if the relevant members resign from the LLP.

13 Creditors: amounts falling due within one year	2022	2021
	£	£
Lease obligations (see note 17)	141,961	137,250
Trade creditors	943,237	1,061,650
Amounts owed to group undertakings	20,546,735	8,095,934
Tax and social security	3,144,526	3,147,375
Other creditors	4,080,075	4,244,907
Accruals	7,934,294	5,303,875
	<u>36,790,828</u>	<u>21,990,991</u>

FORESIGHT GROUP LLP

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

14	Members' interests		EQUITY			DEBT		TOTAL
		Note	Members' other interests			Loans and other debts due to members		MEMBERS' INTEREST
			Members' capital	Share-based payment	Other reserves	Total	Other amounts	Total
			£	£	£	£	£	£
	Amounts due from members, included in debtors						(2,600,000)	
	Members' interests at 1 April 2021		1,618,811	-	9,640,388	11,259,199	(2,600,000)	8,659,199
	Members' Remuneration charged as an expense, including employment costs and retirement benefit costs		-	-	-	-	5,345,655	5,345,655
	Profit and total comprehensive income for the year available for discretionary distribution among members		-	397,528	15,974,149	16,371,677	-	16,371,677
	Members' interests after profit and remuneration for the year		1,618,811	397,528	25,614,537	27,630,876	2,745,655	30,376,531
	Other divisions of profit		-	-	(16,241,414)	(16,241,414)	16,241,414	-
	Members' capital introduced		4,168,478	-	-	4,168,478	220,000	4,388,478
	Members' capital repaid		(107,069)	-	-	(107,069)	-	(107,069)
	Drawings		-	-	-	-	(7,645,069)	(7,645,069)
	Members' interests at 31 March 2022		5,680,220	397,528	9,373,123	15,450,871	11,562,000	27,012,871
	Amount due to members in respect of profit						14,382,000	
	Amounts due from members, included in debtors						(2,820,000)	
							11,562,000	

FORESIGHT GROUP LLP

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

15	Loans and other debts due to members	2022	2021
		£	£
	Loans due from members (note 12)	<u>(2,820,000)</u>	<u>(2,600,000)</u>

Loans due from members represent advances entered into with individual members.

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

16 Retirement benefit schemes

The LLP operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the LLP in an independently administered fund.

	2022	2021
	£	£
Pension costs	<u>480,493</u>	<u>410,471</u>

There were no amounts owing at the year end.

17 Lease obligations

	2022	2021
	£	£
Within one year (see note 13)	141,961	137,250
More than one year (see note 18)	<u>996,515</u>	<u>1,138,475</u>
	<u>1,138,476</u>	<u>1,275,725</u>

Lease obligations represent rentals payable by the LLP for the Cambridge and Edinburgh office buildings. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. All leases are secured against their related assets.

The total cash outflow for the leases during the year was £181,047 (2021: £154,344).

18 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Lease obligations falling due after more than one year (see note 17)	<u>996,515</u>	<u>1,138,475</u>

FORESIGHT GROUP LLP

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

19 Provisions for liabilities

	2022	2021
	£	£
Leasehold dilapidations	93,025	-

20 Commitments and contingencies

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

Payments made under operating leases are disclosed in note 17.

21 Restatement of corresponding amounts

	As restated 31 March 2021 £	As reported 31 March 2021 £	Change 31 March 2021 £
Debtors: amounts falling due after more than one year			
Trade debtors	1,470,537	-	1,470,537
Amounts due from members	1,880,000	-	1,880,000
Assets recognised for costs to fulfil a contract	711,807	-	711,807
Debtors: amounts falling due after less than one year			
Trade debtors	7,260,966	8,731,503	(1,470,537)
Amounts due from members	720,000	2,600,000	(1,880,000)
Prepayments	1,097,379	1,934,602	(837,223)
Assets recognised for costs to fulfil a contract	125,416	-	125,416

Corresponding amounts in the statement of financial position at 31 March 2021 have been restated due to reclassification of amounts presented in "Debtors: amounts falling due after less than one year" to "Debtors: amounts falling due after more than one year" and amounts presented in trade debtors and prepayments to assets recognised for costs to fulfil a contract. These reclassifications are as follows:

- The adjustment to assets recognised for costs to fulfil a contract arises from the reclassification of capitalised incremental placement agency fees from prepayments. In the financial statements for the year ended 31 March 2021, capitalised incremental placement agency fees were included in prepayments as they were not material for disclosure as assets recognised for costs to fulfil a contract. A specific accounting policy for costs arising from placement agency fees is disclosed above, see note 1.10.
- The adjustment to trade debtors from "Debtors: amounts falling due after less than one year" to "Debtors: amounts falling due after more than one year" arises as amounts were not expected to be recovered within 12 months of the reporting date in respect of Foresight Williams Technology EIS Fund management fees.
- The adjustment to amounts due from members from "Debtors: amounts falling due after less than one year" to "Debtors: amounts falling due after more than one year" arises as the amounts were not expected to be released to the statement of comprehensive income within 12 months of the reporting date.

FORESIGHT GROUP LLP

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

22 Events after the reporting date

Subsidiaries

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

Business combinations

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

Completion of the acquisition was on 4 July 2022. Accordingly, at the date these financial statements were authorised for issue, it was impracticable to disclose all the information required by IFRS 3 Business Combinations as the LLP has not completed its initial accounting of the business combination including the purchase price allocation. More specifically, the valuation of investment management contracts acquired, and valuation of the deferred consideration have not yet been finalised.

The acquisition is expected to contribute c.£4.8 million and c.£1.6 million to LLP revenue and profit respectively in the post-acquisition period to 31 March 2023.

Capital contribution

On 4 July 2022, the LLP received a capital contribution from Foresight Holdco 2 Limited, the LLP's corporate member, of £23,182,000.

23 Control

The LLP's corporate member is Foresight Holdco 2 Limited, a company registered in England and Wales.

Foresight Holdco 2 Limited holds governance rights on behalf of Foresight Group Holdings Limited in a bare trust following a group restructuring that was undertaken on 18 March 2022. Foresight Holdco 2 Limited retains all other rights in the LLP.

The ultimate controlling party is Foresight Group Holdings Limited, a company registered in Guernsey.

The smallest and largest group in which the results of the LLP are consolidated is that headed by Foresight Group Holdings Limited. Group financial statements are available at C/O Foresight Group LLP, The Shard, 32 London Bridge Street, London, United Kingdom, SE1 9SG.