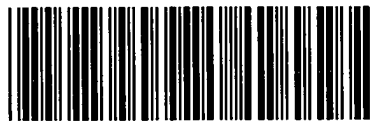


**FORESIGHT GROUP LLP**  
**MEMBERS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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# **FORESIGHT GROUP LLP**

## **LIMITED LIABILITY PARTNERSHIP INFORMATION**

<b>Designated members</b>	G Fraser Foresight Holdco 2 Limited D M Hughes
<b>Limited liability partnership number</b>	OC300878 (England and Wales)
<b>Registered office and business address</b>	C/O Foresight Group LLP The Shard 32 London Bridge Street London SE1 9SG
<b>Auditors</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Bankers</b>	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 2023

The members present their report and financial statements for the year ended 31 March 2023.

### 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 £12.2 billion (2022: £8.8 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 £90,381,840 (2022: £67,720,325) and £28,163,924 (2022: £21,319,804) respectively.

### Acquisition of Downing's technology ventures business

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

Through this acquisition, the LLP acquired the investment mandates of Downing ONE VCT Plc (renamed Thames Ventures VCT 1 Plc on 2 September 2022) and Downing FOUR VCT Plc (renamed Thames Ventures VCT 2 Plc on 2 September 2022) (excluding the Healthcare share class). As an interim measure, the LLP was also appointed sub-manager of Downing Ventures EIS Scheme (renamed Thames Ventures EIS Fund on 10 March 2023) (see below).

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

The initial cash consideration was £13,425,000, comprising an initial cash payment of £13,633,000 paid on 4 July 2022 and then an adjustment of £208,000 returned by Downing following the finalisation of the marked to market adjustments on the AUM of the AIM portfolio.

Intangible assets – customer contracts have been recognised of £14,247,000 and goodwill of £2,975,000.

### 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, taking into account its current financial position and the principal and emerging risks facing the business. The members reviewed the LLP'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 LLP's three year plan, and concluded that, taking into account plausible downside scenarios that could reasonably be anticipated, the LLP will have sufficient funds to pay its liabilities as they fall due for that period. Taking into consideration the impact of inflation and Russia's invasion of Ukraine on global markets and the wider economic environment, the forecasts have been stress tested to ensure that a robust assessment of the 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 LLP'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 LLP. 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.

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.

In considering the above, the members have formed the view that the 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.

### Designated members

The following designated members have held office since 1 April 2022 until the date of this report:

G Fraser  
Foresight Holdco 2 Limited  
D M 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 subject to the regulatory capital requirement of the LLP. 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.

## **FORESIGHT GROUP LLP**

### **MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023**

#### **Regulatory disclosures**

The LLP will be documenting and making available the disclosures required by the FCA under MIFIDPRU 8 later in 2023 and these will be available on the Foresight Group website or from the registered office.

#### **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 LLP financial statements in accordance with 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 LLP 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 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 LLP 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.

#### **Statement as to disclosure of information 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  
27 July 2023

# 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 2023 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 2023 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 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.

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.

## FORESIGHT GROUP LLP

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

#### 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';
- We considered compliance with these laws and regulations through discussions held with management and the Audit & Risk Committee and reviewed minutes of Board meetings to assess how the Group 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;
  - challenging management by reviewing the terms of the relevant agreement and re-calculating the derived fee
  - considering whether the fee recognised complies with the requirements of IFRS 15
  - challenging the NAVs which formed the basis of the management and secretarial fees
  - verifying fee calculations were in line with the supporting agreements;
  - verifying inputs to the calculation of the relevant fees
  - for the performance incentive fee, verifying the existence of the by agreeing to supporting documentation based on the crystallisation of gains and recalculating the fee for accuracy
- 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 noncompliance 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:



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Peter Smith (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, UK  
27 July 2023

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 2023**

		31 March 2023	31 March 2022
	Note	£	£
<b>Turnover</b>	<b>2</b>	<b>90,381,840</b>	<b>67,720,325</b>
<b>Cost of sales</b>		<b>(6,067,298)</b>	<b>(5,057,023)</b>
<b>Gross profit</b>		<b>84,314,542</b>	<b>62,663,302</b>
Administrative expenses		(58,960,576)	(47,312,814)
Acquisition-related costs		(476,144)	—
Other operating income	<b>3</b>	<b>1,015,665</b>	<b>5,612,456</b>
<b>Operating profit</b>	<b>4</b>	<b>25,893,487</b>	<b>20,962,944</b>
Interest receivable and similar income	<b>6</b>	<b>1,854,288</b>	<b>1,346</b>
Interest payable and similar expenses	<b>7</b>	<b>(62,151)</b>	<b>(47,695)</b>
Changes in fair value of investments	<b>11</b>	<b>150,846</b>	<b>403,209</b>
Changes in fair value of contingent consideration		327,454	—
<b>Profit for the financial year before members' remuneration and profit shares</b>		<b>28,163,924</b>	<b>21,319,804</b>
Members' remuneration charged as an expense	<b>8</b>	<b>(4,926,889)</b>	<b>(5,345,655)</b>
<b>Profit for the financial year available for discretionary division among members</b>		<b>23,237,035</b>	<b>15,974,149</b>
<b>Other comprehensive income</b>		<b>—</b>	<b>—</b>
<b>Total comprehensive income for the period</b>		<b>23,237,035</b>	<b>15,974,149</b>

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 2023

	Note	31 March 2023 £	31 March 2022 £
<b>Fixed assets</b>			
Intangible assets	9	16,690,265	252,672
Tangible assets	10	2,455,982	1,719,593
Investments	11	3,219,643	2,188,328
		<b>22,365,890</b>	<b>4,160,593</b>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	12	5,818,749	7,175,059
Debtors: amounts falling due after less than one year	12	21,334,846	24,244,502
Cash at bank and in hand		29,632,792	32,133,085
		<b>56,786,387</b>	<b>63,552,646</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>(34,667,511)</b>	<b>(36,790,828)</b>
<b>Net current assets</b>		<b>22,118,876</b>	<b>26,761,818</b>
<b>Total assets less current liabilities</b>		<b>44,484,766</b>	<b>30,922,411</b>
Creditors: amounts falling due after more than one year	18	(3,889,118)	(996,515)
Provisions for liabilities	19	(66,553)	(93,025)
<b>Net assets</b>		<b>40,529,095</b>	<b>29,832,871</b>
<b>REPRESENTED BY:</b>			
Loans and other debts due to members within one year	14	—	14,382,000
<b>Members' interests</b>			
Members' capital	14	28,896,770	5,680,220
Share-based payment reserves	14	1,367,548	397,528
Other reserves	14	10,264,777	9,373,123
<b>Total equity</b>		<b>40,529,095</b>	<b>29,832,871</b>
<b>TOTAL MEMBERS' INTERESTS:</b>			
Amounts due from members	15	(8,098,995)	(2,820,000)
Loans and other debts due to members	14	—	14,382,000
Members' other interests	14	40,529,095	15,450,871
		<b>32,430,100</b>	<b>27,012,871</b>

The financial statements were approved by the members and authorised for issue on 27 July 2023 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 FOR THE YEAR ENDED 31 MARCH 2023**

		Members'	Share-based	Other	Total
	Note	capital	payment	reserves	
		£	reserve	£	£
At 1 April 2022		5,680,220	397,528	9,373,123	15,450,871
Profit and total comprehensive income for the year		—	—	23,237,035	23,237,035
Other divisions of profit	14	—	—	(22,345,381)	(22,345,381)
Members' capital introduced	14	23,216,550	—	—	23,216,550
Share-based payment expense	14	—	970,020	—	970,020
<b>At 31 March 2023</b>		<b>28,896,770</b>	<b>1,367,548</b>	<b>10,264,777</b>	<b>40,529,095</b>

		Members'	Share-based	Other	Total
		capital	payment	reserves	
		£	reserve	£	£
At 1 April 2021		1,618,811	—	9,640,388	11,259,199
Profit and total comprehensive income for the year		—	—	15,974,149	15,974,149
Other divisions of profit		—	—	(16,241,414)	(16,241,414)
Members' capital introduced		4,168,478	—	—	4,168,478
Members' capital repaid		(107,069)	—	—	(107,069)
Share-based payment expense		—	397,528	—	397,528
<b>At 31 March 2022</b>		<b>5,680,220</b>	<b>397,528</b>	<b>9,373,123</b>	<b>15,450,871</b>

# FORESIGHT GROUP LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 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 advantage 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 2021.

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 wholly-owned 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.

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 22.

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 investments and contingent consideration that have been measured at fair value. 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.

## FORESIGHT GROUP LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

#### 1. Accounting policies (continued)

##### 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, taking into account its current financial position and the principal and emerging risks facing the business. The members reviewed the LLP'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 LLP's three year plan, and concluded that, taking into account plausible downside scenarios that could reasonably be anticipated, the LLP will have sufficient funds to pay its liabilities as they fall due for that period. Taking into consideration the impact of inflation and Russia's invasion of Ukraine on global markets and the wider economic environment, the forecasts have been stress tested to ensure that a robust assessment of the 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 LLP'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 LLP. 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.

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.

In considering the above, the members have formed the view that the 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.

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") or committed capital as defined in the funds' prospectus and/or offering documents, with some secretarial fees being based on an agreed fixed rate. Directors' fees are based on a specified fixed fee agreed with the customer.

Management, secretarial and directors' fees are recognised over time to the extent that it is probable that there will be economic benefit and income can be reliably measured. This revenue is recognised over time on the basis that the customer simultaneously receives and consumes the economic benefits of the provided asset as the LLP performs its obligations.

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 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.

# FORESIGHT GROUP LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 1. Accounting policies (continued)

#### 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 fixed assets

Goodwill arises through business combinations and represents the excess of the cost of acquisition over the LLP'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, which represent the lowest level at which goodwill is monitored for internal management purposes. Cash-generating units are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets and are no larger than the LLP's operating segments.

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 LLP 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.

Amortisation is provided, where material, at rates calculated to write off the cost, less estimated residual value, of each asset evenly using a straight-line method over its estimated useful life (charged through administrative expenses) as follows:

- Customer contracts over remaining term of investment management contract
- Computer software over three to four years

The carrying values of customer contracts (acquired) and computer software (internally generated) are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the LLP estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense in the statement of comprehensive income immediately.

For goodwill impairment, any impairment is recognised immediately in profit or loss 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 statement of comprehensive income.

#### 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:

Short leasehold property	—	Over the term of the lease
Fixtures, fittings and equipment	—	20% / 50% on a straight line basis
Motor vehicles	—	25% 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.

## FORESIGHT GROUP LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

#### 1. Accounting policies (continued)

##### 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.

###### d) Contingent consideration

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.

##### 1.12. Employee benefits

The LLP operates a defined contribution pension plan. A defined contribution plan is a pension plan under which the LLP pays fixed contributions to a third party. The LLP 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 LLP has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### 1.13. Share-based payments

The LLP recognises share-based payment transactions in respect of the FGHL (see note 22) 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.

# FORESIGHT GROUP LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 1. Accounting policies (continued)

#### 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 which are both estimations. There have been two annual grants of options under the plan as approved by the FGHL Remuneration Committee. The options have been fair valued using a Monte-Carlo simulation and appropriate retention rate percentage based on historical evidence. The LLP regularly reviews its estimation of the number of eligible employees leaving the LLP but this is not considered to be significant or material.

#### **Recognition, measurement and amortisation of intangible assets - Acquisition of Downing's technology ventures business**

The valuation of investment management contracts represents an estimation of the present value of the earnings that those contracts were expected to generate at the completion date. The net present value was calculated using a Multi-period Excess Earnings Method ("MEEM") methodology, with reference to the projected profitability of the fund over a useful life of fifteen years based on internal forecasts and a weighted average cost of capital ("WACC") of 13.8% using various inputs to reflect the operations which are principally based in the United Kingdom.

A key area of estimation is the expected useful life of the contracts especially where the contracts do not have a defined end date, which is the case for Downing. The LLP considers the nature of the contracts and also undertakes a benchmark analysis of comparable purchase price allocations.

#### **Valuation of investments**

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

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.

#### **Contingent consideration**

Contingent consideration accounted for reflects the LLP'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. This is based on the updated AUM of the two VCT's whose investment mandates were acquired. The potential undiscounted amount of all future payments that the LLP could be required to make under the contingent consideration arrangement is between £nil and £4,176,000.

#### 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.

# FORESIGHT GROUP LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 1. Accounting policies (continued)

#### 1.14 Judgements and key sources of estimation uncertainty (continued)

##### Key judgements (continued)

##### **Customer contract intangibles purchased through acquisitions**

When the LLP 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 LLP assesses the assets, liabilities, operations and processes that were the subject of the transaction against the definition of a business combination in IFRS 3. In particular, consideration is given to the scale of the operations subject to the transaction and whether ownership of a corporate entity has been acquired, among other factors. The acquisition of the technology ventures division of Downing LLP has been accounted for as the acquisition of a business under IFRS 3.

##### **Payments to newly recruited investment managers arising on acquisitions**

The LLP assesses whether payments made to newly recruited investment managers arising on acquisitions under contractual agreements represent payments for the acquisition of customer contract intangibles or remuneration for ongoing services provided to the LLP. If these payments are incremental costs of acquiring customer contracts and are considered to be recoverable (i.e. through future revenues earned from the funds that transfer), they are capitalised. Otherwise, they are judged to be in relation to the provision of ongoing services and are expensed in the period in which they are incurred. Payments made to investment managers who transferred to the LLP as result of the acquisition of the technology ventures division of Downing LLP have been expensed in the year.

### 2. Turnover

	31 March 2023 £	31 March 2022 £
Management fees	78,315,572	58,174,973
Secretarial fees	1,621,841	1,246,777
Arrangement fees	2,945,951	2,560,384
Performance incentive fees	4,356,183	3,232,259
Directors' fees	3,079,712	2,505,932
Other income	62,581	—
	<b>90,381,840</b>	<b>67,720,325</b>

### 3. Other operating income

#### a) Other operating income is made up of the following income:

	31 March 2023 £	31 March 2022 £
Service charge receivable from Foresight Asset Management Limited	100,000	100,000
Service charge receivable from Foresight Group Promoter LLP	580,000	671,700
Service charge receivable from PiP Manager Limited	335,665	120,000
Service charge receivable from Foresight Group Luxembourg S.A.	—	160,180
Portfolio fee receivable from Foresight Group Luxembourg S.A. (see note c)	—	4,310,576
Fees arising from the disposal of FRP Shirebrook Holdco Limited (note b)	—	250,000
	<b>1,015,665</b>	<b>5,612,456</b>

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

The LLP managed 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 was virtually certain that relevant contractual conditions have been met. At 31 March 2023, total fees of £2.4 million had been recognised over four years, which reflects the total contractual fees on the development.

#### c) Portfolio fee receivable from Foresight Group Luxembourg S.A.

The LLP has classified the portfolio fee receivable from Foresight Group Luxembourg S.A. of £3,842,550 as turnover in statement of comprehensive income for the year ended 31 March 2023 whereas for the year ended 31 March 2022 it was classified as other operating income. The classification is judgemental and therefore the corresponding amounts have not been restated.



## FORESIGHT GROUP LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

#### 4. Operating profit

	31 March 2023 £	31 March 2022 £
Operating profit is stated after charging:		
Gain on foreign exchange transactions	(136,084)	(46,328)
Bad debts provided for	49,536	131,464
Amortisation of intangible fixed assets	793,798	105,234
Depreciation of tangible fixed assets	435,687	386,746
Profit on disposal of tangible fixed assets	(9,592)	(320)
Share-based payment expense	970,020	397,528
Auditor's remuneration – audit services	119,361	108,510
Auditor's remuneration – other audit services invoiced to FGLLP	110,792	45,744
Auditor's remuneration – regulatory assurance services	10,010	9,100
Auditor's remuneration – other assurance services	82,500	75,000

- Auditors remuneration – audit services: These services are for the LLP statutory audit
- Auditors remuneration – other audit services invoiced to FGLLP: These services are for statutory audit to both the LLP and the wider Foresight group and the statutory 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.

#### 5. Employees

##### Number of employees

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

	31 March 2023 Number	31 March 2022 Number
Investment management	77	61
Administration, sales and marketing	94	80
	171	141

Their aggregate remuneration comprised:

	31 March 2023 £	31 March 2022 £
Wages and salaries	19,774,986	14,328,442
Social security costs	2,520,685	1,788,870
Pension costs	811,104	480,493
	23,106,775	16,597,805

## FORESIGHT GROUP LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

#### 6. Interest receivable and similar income

	31 March 2023	31 March 2022
	£	£
Bank interest	60,067	265
Other interest	—	1,081
Profit share from subsidiary LLP	1,794,221	—
	<b>1,854,288</b>	<b>1,346</b>

#### 7. Interest payable and similar expenses

	31 March 2023	31 March 2022
	£	£
Lease interest	52,289	43,798
Interest on dilapidation provisions	7,581	—
Other interest	2,281	3,897
	<b>62,151</b>	<b>47,695</b>

#### 8. Information in relation to members

	31 March 2023	31 March 2022
	£	£
Members' remuneration charged as an expense	4,926,889	5,345,655

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 £740,000 (2022: £540,000) of advances expensed in the year where members' have reached an anniversary of their contractual arrangement and can retain a further 20% of their advance.

	31 March 2023	31 March 2022
	Number	Number
The average number of members during the period was:	25	32

	31 March 2023	31 March 2022
	£	£
Profit attributable to the member with the highest entitlement:	20,000,000	14,382,000

Profit attributable to the member with the highest entitlement represents the allocation of profit to the LLP's corporate member, Foresight Holdco 2 Limited, as per the LLP's policy on members' drawings and capital. This includes an interim profit share for the two months ended 31 May 2022 of £2,300,000 and a further allocation of profit of £17,700,000 at year-end.

# **FORESIGHT GROUP LLP**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2023**

### **9. Intangible assets**

	Computer software £	Customer contracts £	Goodwill £	Total £
<b>Cost</b>				
At 1 April 2022	647,244	—	—	647,244
Additions (see below)	9,134	14,246,854	2,975,403	17,231,391
At 31 March 2023	656,378	14,246,854	2,975,403	17,878,635
<b>Amortisation/impairment</b>				
At 1 April 2022	394,572	—	—	394,572
Charge for the year	81,455	712,343	—	793,798
At 31 March 2023	476,027	712,343	—	1,188,370
<b>Net book value at 31 March 2023</b>	<b>180,351</b>	<b>13,534,511</b>	<b>2,975,403</b>	<b>16,690,265</b>

	Computer software £	Customer contracts £	Goodwill £	Total £
<b>Cost</b>				
At 1 April 2021	478,845	—	—	478,845
Additions (see below)	168,399	—	—	168,399
At 31 March 2022	647,244	—	—	647,244
<b>Amortisation/impairment</b>				
At 1 April 2021	289,338	—	—	289,338
Charge for the year	105,234	—	—	105,234
At 31 March 2022	394,572	—	—	394,572
<b>Net book value at 31 March 2022</b>	<b>252,672</b>			<b>252,672</b>

The additions in the year arise from the acquisition of Acquisition of Downing's technology ventures business. See the members' report on page 1 for further information.

# **FORESIGHT GROUP LLP**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2023**

### **10. Tangible assets**

	Short leasehold property £	Right-of-use assets £	Motor vehicles £	Fixtures fittings & equipment £	Total £
<b>Cost</b>					
At 1 April 2022	557,879	1,450,664	15,500	370,185	2,394,228
Additions	205,488	719,041	—	317,905	1,242,434
Adjustment to dilapidations (see note 19)	—	(34,053)	—	—	(34,053)
Disposals	—	—	(15,500)	(64,612)	(80,112)
At 31 March 2023	763,367	2,135,652	—	623,478	3,522,497
<b>Depreciation</b>					
At 1 April 2022	129,138	373,649	8,525	163,323	674,635
Depreciation charge for the year	65,160	162,229	2,067	206,231	435,687
Disposals	—	—	(10,592)	(33,215)	(43,807)
At 31 March 2023	194,298	535,878	—	336,339	1,066,515
<b>Net book value at 31 March 2023</b>	<b>569,069</b>	<b>1,599,774</b>	<b>—</b>	<b>287,139</b>	<b>2,455,982</b>

	Short leasehold property £	Right-of-use assets £	Motor vehicles £	Fixtures fittings & equipment £	Total £
<b>Cost</b>					
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
<b>Depreciation</b>					
At 1 April 2021	73,355	208,255	5,425	171,577	458,612
Depreciation charge for 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
<b>Net book value at 31 March 2022</b>	<b>428,741</b>	<b>1,077,015</b>	<b>6,975</b>	<b>206,862</b>	<b>1,719,593</b>

# FORESIGHT GROUP LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 11. Investments

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

	31 March 2023 £	31 March 2022 £
Investments in subsidiaries	838,636	713,771
Unlisted investments	2,381,007	1,474,557
	<b>3,219,643</b>	<b>2,188,328</b>

b) Movement in investments

	Investments in subsidiaries £	Unlisted investments £	Total £
<b>Cost or valuation</b>			
At 1 April 2022	713,771	1,474,557	2,188,328
Additions	328,197	1,080,591	1,408,788
Movement in fair value	—	150,846	150,846
Sales proceeds	(203,332)	(324,987)	(528,319)
At 31 March 2023	838,636	2,381,007	3,219,643

c) Principal investments

The LLP held more than 20% of the share capital, in either 2023 or 2022, of the following undertakings:

	Country of registration or incorporation	Class	Shares held % 2023	% 2022
<b>Subsidiary undertakings</b>				
<b>Wholly owned by the LLP</b>				
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	100
Foresight Energy VCT Limited	England & Wales	Ordinary	100	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
<b>Wholly owned by Foresight Group Australia Pty Limited</b>				
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

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 Suite 5.03, Level 5, 20 Hunter Street, 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 is Foresight Group 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 55, Allée Scheffer, L-2520, Luxembourg

# **FORESIGHT GROUP LLP**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2023**

### **12. Debtors**

	31 March 2023	31 March 2022
	£	£
Trade debtors	9,460,462	10,990,970
Amounts due from members (see note 14)	8,098,995	2,820,000
Amounts owed by group undertakings	2,212,429	10,707,705
Other debtors	1,878,714	1,162,659
Prepayments	1,537,934	1,184,326
Assets recognised for costs to fulfil a contract	3,965,061	4,553,901
<b>Less debtors: amounts falling due after more than one year</b>		
Trade debtors	1,043,846	1,120,386
Amounts due from members (see note 14)	1,340,000	2,080,000
Assets recognised for costs to fulfil a contract	3,434,903	3,974,673
	<b>5,818,749</b>	<b>7,175,059</b>
<b>Debtors: amounts falling due within one year</b>		
Trade debtors	8,416,616	9,870,584
Amounts due from members (see note 14)	6,758,995	740,000
Amounts owed by group undertakings	2,212,429	10,707,705
Other debtors	1,878,714	1,162,659
Prepayments	1,537,934	1,184,326
Assets recognised for costs to fulfil a contract	530,158	579,228
	<b>21,334,846</b>	<b>24,244,502</b>

Amounts due from members represent advances to various members. At 31 March 2023, £6,018,995 is due from the corporate member. Otherwise 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**

	31 March 2023	31 March 2022
	£	£
Lease obligations (see note 17)	205,651	141,961
Trade creditors	1,623,058	943,237
Fees received in advance	5,697,613	—
Amounts owed to group undertakings	10,279,695	20,546,735
Tax and social security	2,346,278	3,144,526
Other creditors	3,446,931	4,080,075
Accruals	9,964,300	7,934,294
Contingent consideration	1,103,985	—
	<b>34,667,511</b>	<b>36,790,828</b>

The amounts owed to group undertakings are unsecured, bear no interest and are repayable on demand.

## FORESIGHT GROUP LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

#### 14. Members' interests

##### a) The reconciliation of members' interests is as follows:

	EQUITY			DEBT			TOTAL MEMBERS' INTERESTS 2023	2022
	Members' other interests			Loans and other debts due to members				
	Members' capital	Share-based payment	Other reserves	Total	Other amounts	Total		
	£	£	£	£	£	£	£	£
<b>For year ended 31 March 2023</b>								
Amount due to members in respect of profit					14,382,000			
Amount due from members, included in debtors					(2,820,000)			
					<u>11,562,000</u>			
Members' interests at 1 April 2022	5,680,220	397,528	9,373,123	15,450,871	11,562,000	11,562,000	27,012,871	8,659,199
Members' Remuneration charged as an expense, including employment costs and retirement benefit costs	—	—	—	—	4,926,889	4,926,889	4,926,889	5,345,655
Profit and total comprehensive income for the year available for discretionary distribution among members	—	970,020	23,237,035	24,207,055	—	—	24,207,055	16,371,677
Members' interests after profit and remuneration for the year	5,680,220	1,367,548	32,610,158	39,657,926	16,488,889	16,488,889	56,146,815	30,376,531
Other divisions of profit	—	—	(22,345,381)	(22,345,381)	22,345,381	22,345,381	—	—
Members' capital introduced (see note below)	23,216,550	—	—	23,216,550	(16,682,000)	(16,682,000)	6,534,550	4,388,478
Members' capital repaid	—	—	—	—	—	—	—	(107,069)
Drawings	—	—	—	—	(30,251,265)	(30,251,265)	(30,251,265)	(7,645,069)
Members' interests at 31 March 2023	28,896,770	1,367,548	10,264,777	40,529,095	(8,098,995)	(8,098,995)	32,430,100	27,012,871
Amount due to members in respect of profit					—			
Amounts due from members, included in debtors					(8,098,995)			
					<u>(8,098,995)</u>			

##### b) Members capital introduced in the year

Members loans due to Foresight Holdco 2 Limited at 1 April 2022 were used to fund a capital contribution in the same amount to the LLP on 4 July 2022.

An interim division of profit to Foresight Holdco 2 Limited for the two months ended 31 May 2022 of £2,300,000 was used to fund a capital contribution in the same amount to the LLP on 4 July 2022.

A further £6,500,000 capital contribution was received from Foresight Holdco 2 Limited on 4 July 2022. In total, the LLP received capital contributions of £23,182,000 from Foresight Holdco 2 Limited in the year.

Further capital contributions of £34,550 were received from ordinary and participating members.

# **FORESIGHT GROUP LLP**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2023**

### **15. Loans and other debts due to members**

	31 March 2023 £	31 March 2022 £
Loans due from members (note 12)	(8,098,995)	(2,820,000)

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.

	31 March 2023 £	31 March 2022 £
Pension costs	811,104	480,493

There were no amounts owing at the year end.

### **17. Lease obligations**

	31 March 2023 £	31 March 2022 £
Within one year (see note 13)	205,651	141,961
More than one year (see note 18)	1,523,108	996,515
	1,728,759	1,138,476

Lease obligations represent rentals payable by the LLP for the Cambridge, Edinburgh, Leeds and Durham 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 (2022: £181,047).

### **18. Creditors: amounts falling due after more than one year**

	31 March 2023 £	31 March 2022 £
Lease obligations falling due after more than one year (see note 17)	1,523,108	996,515
Contingent consideration	2,366,010	—
	3,889,118	996,515

### **19. Provisions for liabilities**

	31 March 2023 £	31 March 2022 £
<b>Leasehold dilapidations</b>		
At beginning of period	93,025	—
Additions	—	93,025
Adjustment (see note 10)	(34,053)	—
Interest	7,581	—
At end of period	66,553	93,025



## FORESIGHT GROUP LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

#### 20. Commitments and contingencies

There were no capital commitments at 31 March 2023 or 31 March 2022.

Payments made under operating leases are disclosed in note 17.

#### 21. Events after the reporting date

There are no events to note.

#### 22. 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 ("FGHL"), 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.

#### 23. Turnover and profit from acquisition of Downing's technology ventures business

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

	£
Revenue contribution	2,989,968
Profit on ordinary activities before taxation	1,397,000