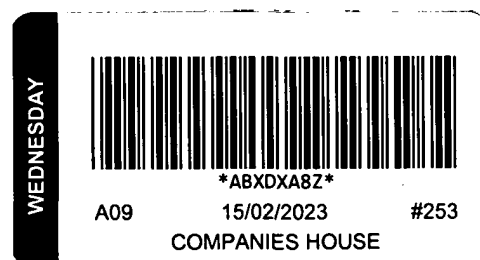


Octopus Administrative Services Limited

Annual report and financial statements

For the year ended 30 April 2022

Registered number: 03974202



COMPANY INFORMATION

DIRECTORS

C R Hulatt
S A Rogerson
P S Latham (resigned 14 July 2021)

COMPANY SECRETARY

Octopus Company Secretarial Services Limited

COMPANY NUMBER

03974202

REGISTERED OFFICE

6th Floor
33 Holborn
London
EC1N 2HT

AUDITOR

Deloitte LLP
1 New Street Square
London
EC4A 3HQ
United Kingdom

BANKERS

HSBC plc
31 Holborn
London
EC1N 2HR

CONTENTS

	Page
Strategic Report	4
Directors' Report.....	6
Directors' Responsibilities Statement	7
Independent Auditor's Report	8
Statement of Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	14
Notes to the Financial Statements	15-24

STRATEGIC REPORT

For the year ended 30 April 2022

Principal activity

The principal activity of the Company during the year was that of a holding company.

Business review and key performance indicators

The results for the Company show a post-tax loss of £918,212 for the year (2021 profit: £4,204,183) and turnover of £3,746,885 for the year (2021: £5,696,042). The decrease in revenue was due to a reduction in loan interest receivable due to a reset of the interest rate on a shareholder loan to a subsidiary as well as a performance fee that was received in 2021 that did not recur in 2022. With the challenging market conditions persisting at the end of 2022, the Company's investments held at fair value did not perform as strongly as in 2021 which moved the Company from a profit to a loss.

Principal risks and uncertainties

The directors identify, assess, and manage risks associated with the Company's business objectives and strategy. Risks arise from external sources, those which are inherent commercial risks in the marketplace and business and from operational risks contained within the systems and processes employed within the business.

External Risks

External risks can arise from changes to the political, legal, and regulatory environment within which the Company's investments reside. The Directors and relevant investment teams ensure that they have a detailed understanding of the political, legal, and regulatory environments, and that the Company holds a diversified portfolio of investments.

Operational Risk

Operational risk arises from a weakness or failure in a business's systems and controls. Octopus (Octopus Capital Limited, the parent company, and its subsidiaries) relies on efficient and well-controlled processes. The potential impact and likelihood of processes failing, and operational risk materialising is assessed on a regular basis. Where these likelihoods are felt to be outside of the directors' appetite for risk, management actions and/or control improvements are identified in order to bring each potential risk back to within acceptable levels. Octopus also has a disaster recovery plan in place covering current business requirements.

Business Risk

The majority of the Company's revenues are derived from interest and dividend income depending upon the performance of the underlying investments. The Company operates in the highly competitive financial services market. This encompasses issues such as the availability of assets for investment across the industry and reputational issues that affect the sector as a whole.

The reputation of the business is one of the Company's most important assets since it operates in an industry where customer trust and confidence are key. There is a system of internal controls which seek to ensure that events which would damage the reputation of the business are prevented. Management is active in seeking knowledge on changes to the business environment which may have an impact on the way the Company does business.

During the financial year, the outbreak of a war between Ukraine and Russia has caused extensive disruptions to businesses and economic activities globally. Russia and Ukraine are important suppliers of raw materials such as energy, metals, and agricultural products. There are concerns that a further increase in the price of these input factors could translate into higher inflation. Inflation in the UK is being driven by Covid-19, supply chain-related issues, increase in energy prices and outbreak of Ukraine vs Russia war.

However, the funding for investments is interest free, therefore inflation will not negatively impact this. In addition, since the investments of the Company are United Kingdom based, the Ukraine and Russia should not have an adverse effect on the portfolio of investments. The Directors have noted the access to liquid funding from Octopus Capital Limited, the parent company, in the form of intercompany loans available as well as a guarantee of support for the next 12 months, and are comfortable that COVID-19, inflation and the war between Ukraine and Russia will not affect the Company's ability to meet its liabilities as they become due for a period of at least 12 months from the date these financial statements are signed.

STRATEGIC REPORT (continued)

For the year ended 30 April 2022

Credit risk

The Company's principal financial assets are bank balances and cash, trade and other receivables, and investments. The credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by credit agencies and the Company is not party to any derivative financial instruments.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company holds its cash reserves in short-term bank deposits. The funding provided by Octopus Capital Limited is held within short-term bank deposits and is available as required.

Market risk

The Company's listed and unlisted investments are held at fair value which are exposed to market risk. The market risk is mitigated across the portfolio as the investments are made in a range of sectors, as well as stages of their life cycle.

Future developments

With view of the prevailing economic conditions, the Directors are satisfied that there is no material uncertainty leading to a significant doubt in regard to the future operations of the Company. There are no plans to change the principal business activities of the Company.

Going concern

The Company has financial resources in the form of cash balances and intercompany loan facilities together with long-term investments across multiple companies. Furthermore, £97.8m of the amounts due within one year are owed to Octopus Capital Limited, the parent company, and while this is repayable on demand, Octopus Capital Limited has provided a guarantee that it will not call its loan within 12 months from the date of signing the financial statements.

With view of the prevailing economic conditions, the Directors are satisfied that there is no material uncertainty leading to a significant doubt on the Company's ability to operate as a going concern. As such it is appropriate to continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note in the financial statements.

Approved by the Board and signed on its behalf by:



C R Hulatt

Director

9 December 2022

Registered Office: 6th floor, 33 Holborn, London, EC1N 2HT

DIRECTORS' REPORT

For the year ended 30 April 2022

The directors present their annual report on the affairs of Octopus Administrative Services Limited ("the Company"), together with the financial statements and auditor's report, for the year ended 30 April 2022.

Directors

The directors who served throughout the year and up to the date of signing were as follows (unless otherwise stated):

C R Hulatt

S A Rogerson

P S Latham (resigned 14 July 2021)

Director's indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Principal risks and uncertainties

Details of the principal risks and uncertainties can be found in the Strategic Report on page 4.

Dividends

The directors do not propose the payment of a dividend for the year ended 30 April 2022 (2021: £nil).

Future developments

Details of future developments can be found in the Strategic Report on page 5.

Political donations

No donations have been made to any political party in 2022 (2021: £nil).

Business review

Details of the business review can be found in the Strategic Report on page 4.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



C R Hulatt

Director

9 December 2022

Registered Office: 6th Floor, 33 Holborn, London, EC1N 2HT

DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 30 April 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland". Under company law the directors 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors 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 Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF OCTOPUS ADMINISTRATIVE SERVICES LIMITED

For the year ended 30 April 2022

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Octopus Administrative Services Limited (the 'company'):

- give a true and fair view of the state of the Company's affairs as at 30 April 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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 company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF OCTOPUS ADMINISTRATIVE SERVICES LIMITED (continued)

For the year ended 30 April 2022

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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered 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 considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the UK Companies Act 2006 and tax legislation.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. This included General Data Protection Regulation (GDPR).

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF OCTOPUS ADMINISTRATIVE SERVICES LIMITED (continued)

For the year ended 30 April 2022

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

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud to be presented in the valuation of investments. The specific procedure performed to address it are described below:

- evaluating significant inputs to the valuations and agreeing these to supporting documentation; and
- developing an independent view of management's assumptions, challenging management around the material unobservable inputs and assumptions within the valuations.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements.
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

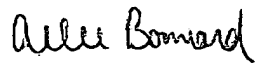
We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF OCTOPUS ADMINISTRATIVE SERVICES LIMITED (continued)

For the year ended 30 April 2022

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Allee Bonnard (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

9 December 2022

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 April 2022

		2022	2021
	Notes	£	£
TURNOVER	2	3,746,885	5,696,042
Provisions for accrued interest	3	(1,976,786)	(1,278,284)
Administrative expenses		35,417	(113,667)
OPERATING PROFIT		<u>1,805,516</u>	<u>4,304,091</u>
Impairment of investments	3	(1,033,081)	(973,788)
Change in fair value of investments	7	(1,643,116)	2,005,589
Realised gain of unlisted investment		451,740	17,970
(LOSS)/PROFIT BEFORE TAXATION		<u>(418,941)</u>	<u>5,353,862</u>
Tax on (loss)/profit	6	(499,271)	(1,149,679)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(918,212)</u>	<u>4,204,183</u>

All amounts relate to continuing operations.

There were no items of other comprehensive income in the current or prior year other than the loss for the year and, accordingly, no statement of other comprehensive income is presented.

The notes on pages 15 to 24 form part of these financial statements.

BALANCE SHEET

As at 30 April 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Subsidiaries	7	52,612,077	15,508,221
Associates and joint ventures	7	1,267,594	2,265,482
Unlisted Investments	7	36,052,903	14,002,357
Listed Investments	7	2,747,410	2,911,859
		<u>92,679,984</u>	<u>34,687,919</u>
CURRENT ASSETS			
Debtors due after one year	8	1,198,124	509,426
Debtors due within one year	8	-	200,000
Cash at bank		37,051	50,000
CREDITORS: amounts falling due within one year	9	<u>(98,638,468)</u>	<u>(39,252,442)</u>
NET CURRENT LIABILITIES		<u>(97,403,293)</u>	<u>(38,493,016)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(4,723,309)</u>	<u>(3,805,097)</u>
NET LIABILITIES		<u>(4,723,309)</u>	<u>(3,805,097)</u>
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Profit and loss account		<u>(4,723,310)</u>	<u>(3,805,098)</u>
SHAREHOLDER'S DEFICIT		<u>(4,723,309)</u>	<u>(3,805,097)</u>

The financial statements of Octopus Administrative Services Limited (registered number: 03974202) were approved by the Board of Directors and authorised for issue on 9 December 2022. They were signed on its behalf by:



C R Hulatt
Director

The notes on pages 15 to 24 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2022

	Called-up share capital	Profit and loss account	Total
	£	£	£
At 30 April 2020	1	(8,009,281)	(8,009,280)
Total profit for the financial year	-	4,204,183	4,204,183
At 30 April 2021	1	(3,805,098)	(3,805,097)
Total loss for the financial year	-	(918,212)	(918,212)
At 30 April 2022	1	(4,723,310)	(4,723,309)

The notes on pages 15 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2022

1. Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

General information

Octopus Administrative Services Limited is a company incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activity are set out in the Strategic Report on page 4.

The functional currency of Octopus Administrative Services Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

Basis of accounting and preparation of financial statements

The financial statements have been prepared under the historical cost convention modified to include certain items at fair value and in accordance with Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, Octopus Capital Limited, which may be obtained from the Secretary, Octopus Capital Limited, 6th floor 33 Holborn, London, EC1N 2HT. Exemptions have been taken in these Company financial statements in relation to the presentation of a cash flow statement, financial instruments and related party transactions with other group entities.

Going concern

The financial statements have been prepared using the going concern basis of accounting.

The Company has financial resources in the form of cash balances and intercompany loan facilities together with long-term investments across multiple companies. Furthermore, £97.8m of the amounts due within one year are owed to Octopus Capital Limited, the parent company, and while this is repayable on demand, Octopus Capital Limited has provided a guarantee that it will not call its loan within 12 months from the date of signing the financial statements.

With view of the prevailing economic conditions, the Directors are satisfied that there is no material uncertainty leading to a significant doubt on the Company's ability to operate as a going concern. As such it is appropriate to continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note in the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2022

1. Accounting Policies (continued)

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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the accounting policies & the key source of estimation uncertainty

The assumptions concerning the future, and other key judgements and sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Investment valuations

Investments that are held at fair value include unlisted investments. The Company's policy is to use reported earnings based on the latest management accounts available from the company, adjusted for non-recurring items. The multiple used is the key valuation input which could change fair values significantly if a reasonably possible alternative assumption was made.

Investments that are held at cost less impairment include subsidiaries and associates. The key judgement made is with regards to whether these investments are impaired and is based on valuation models using revenue and earnings multiples. The value in use and recoverable amount, less any costs of disposal, is assessed and compared to the carrying value. While valuations of investments are based on assumptions that the Company believes are reasonable under the circumstances, the actual realised gains or losses will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, 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.

There were no financial liabilities at fair value as at 30 April 2022 or 30 April 2021.

Financial instruments

All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Debt instruments that comply with all of the condition of paragraph 11.9 of FRS 102 are classified as 'basic'. For debt instruments that do not meet the conditions of FRS 102.11.9, the Group considers whether the debt instrument is consistent with the principle in paragraph 11.9A of FRS 102 in order to determine whether it can be classified as basic. Instruments classified as 'basic' financial instruments are measured subsequently at amortised cost using the effective interest method.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

As the Company is a holding company and its intention is to hold investments long term, this results in classifying all unlisted investments as fixed. All listed investments that can easily be sold are classified as current.

i) Subsidiary undertakings

Investments in subsidiaries are valued at cost less impairment.

ii) Associated undertakings

Investments in associates are accounted for at cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2022

1. Accounting Policies (continued)

Financial instruments (continued)

iii) Unlisted investments

Unlisted investments include equity as well as loans and are shown at fair value through profit and loss. In considering the valuation of each investment on an individual investment the following hierarchy is used:

- I. quoted price for an identical asset in an active market;
- II. recent transaction price if no significant change in economic circumstances; and
- III. appropriate valuation technique.

iv) Listed investments

Listed investments are shown at fair value through profit and loss. Listed investments are valued at the quoted price in an active market as at the balance sheet date.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover comprises revenue which is recognised to the extent that it is probable that economic benefits will flow to the Company and such revenue can be reliably measured. Revenue represents amounts receivable from returns on investments in the form of dividends, loan interest and performance fees. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Turnover is all generated by one segment, that of a holding company, and in the UK.

Interest Receivable

Interest receivable, where received, comprises interest earned on bank balances. Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2022

2. Turnover

An analysis of the Company's turnover is set out below:

	2022	2021
	£	£
Dividend income from Associates	375,000	500,000
Performance Fees	-	3,292,902
Loan interest on debt holdings in investments	2,625,770	1,423,967
Other Income (distributions from funds)	746,115	479,173
	<u>3,746,885</u>	<u>5,696,042</u>

3. Profit before Taxation

Profit before taxation is stated after charging / (crediting):

	2022	2021
	£	£
Impairment of investments	1,033,081	973,788
Provisions for accrued interest	1,976,786	1,278,284
Change in fair value of investments	1,643,116	(2,005,589)
Profit on disposal of fixed asset	(451,740)	(17,970)
Foreign exchange (gains)/losses	(44,416)	8,558

The fees payable to the Company's auditor for the audit of the financial statements is £40,400 (2021: £43,622).

4. Staff Costs

There were no employees during the current or preceding year, other than the directors (Note 5).

5. Directors' Remuneration and Transactions

The Directors are contractually employed, and received their remuneration through, Octopus Investments Limited, however they received no remuneration in relation to services to the Company. The directors do not beneficially own any shares in Octopus Administrative Services Limited.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2022

6. Tax on profit

The tax charge comprises:

	2022	2021
	£	£
Current Tax (see note below)		
UK corporation tax on profit for the year	707,781	942,733
Adjustment in respect of previous periods	(208,510)	206,946
Total current tax	499,271	1,149,679
Deferred tax		
Adjustment in respect of previous periods	-	-
Total deferred tax	-	-
Tax on profit	499,271	1,149,679
 (Loss)/profit before tax for the year	 (418,941)	 5,353,862
 Tax on (loss)/profit at standard UK tax rate of 19% (2021: 19%)	 (79,599)	 1,017,234
Effects of:		
Expenses not deductible for tax purposes	524,925	431,281
Income not taxable	(71,250)	(508,249)
Effects of group relief/other reliefs	333,705	2,467
Adjustment from previous periods	(208,510)	206,946
Tax charge/(credit) for the year	499,271	1,149,679

In the March 2021 budget, the UK government increased the main rate of corporation tax from 19% to 25% from 01 April 2023.

7. Fixed Assets

	2022	2021
	£	£
Subsidiary undertakings	52,612,077	15,508,215
Associates and joint ventures	1,267,594	2,265,482
Financial Assets		
- Unlisted equity investments at fair value	35,783,434	14,002,357
- Unlisted debt investments at amortised cost	269,469	-
- Listed equity investments at fair value	2,747,410	2,911,859
	92,679,984	34,687,913

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2022

7. Fixed Assets (continued)	Subsidiary undertakings	Associates
	£	£
Cost		
At 1 May 2021	15,508,221	8,928,842
Additions	37,103,856	35,192
Disposals	-	-
At 30 April 2022	<u>52,612,077</u>	<u>8,964,034</u>
Provisions for impairment		
At 1 May 2021	-	(6,663,360)
Impairment	-	(1,033,080)
At 30 April 2022	<u>-</u>	<u>(7,696,440)</u>
Carrying value		
At 30 April 2021	<u>15,508,221</u>	<u>2,265,482</u>
At 30 April 2022	<u>52,612,077</u>	<u>1,267,594</u>

During 2022, the previous debt facility provided by Terido LLP to Aurora Care & Education Holdings Limited (a subsidiary of the Company) was refinanced by the Company with a new £51m facility due 2026 made available. In December 2021, £37,103,856 was drawn down from the Company with no further drawdowns/repayments in the year.

In May 2021, FF New Energy Venture, S.A. drew an additional £35,192.

Provisions for impairment were added to VouchedFor Limited and RCVP Retirement Living Limited, and reduced for FF New Energy Venture, S.A. as a result of revaluing the Company's holding to the best estimate of recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2022

7. Fixed Assets (continued)**Associates and joint ventures**

The Company held the following investments in associates and joint ventures during the year:

Associates/Joint Ventures	Country of incorporation	Holding	Voting rights held	Nature of business
*Apus Energy Limited**	United Kingdom	A Ordinary Shares	50.0%	Renewable Energy
Astonbrook Care Holdings Limited***	United Kingdom	B Shares and loan note	37.5%	Healthcare
FF New Energy Venture SA	Spain	A Shares and loan notes	20.0%	Renewable Energy
*RCVP Retirement Living Limited	United Kingdom	B shares and loan note	60.0%	Healthcare
VouchedFor Limited	United Kingdom	A Shares	35.9%	Financial Advice
*Winnipeg Heat Limited	United Kingdom	Ordinary Shares	50.0%	Renewable Energy

* Despite owning 50% of the Class A ordinary shares of Apus Energy Limited, 50% of the ordinary shares of Winnipeg Heat Limited and Tanganyika Heat Limited and 60% of the Class B ordinary shares of RCVP Retirement Living Limited the Company does not have control and therefore does not treat these investments as subsidiaries.

** Apus Energy Limited is recognised as a Joint Venture

*** Astonbrook Care Holdings Limited was placed into administration with proceedings starting in October 2019.

The registered address for Apus Energy Limited is Fourth Floor, 2 Kingsway, Cardiff, United Kingdom, CF10 3FD

The registered address for Astonbrook Care Holdings Limited is 2nd Floor 110 Cannon Street, London, EC4N 6EU

The registered address for FF New Energy Venture SA is Calle Alcala, 58 - BJ DR, Madrid, Spain, 28014

The registered address for RCVP Retirement Living Limited and Winnipeg Heat Limited is 6th Floor 33 Holborn, London, England, EC1N 2HT

The registered address for VouchedFor Limited is 8 Waldegrave Road, Teddington, Middlesex, TW11 8HT

The registered address for Winnipeg Heat Limited is 33 Holborn, London, EC1N 2HT

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2022

7. Fixed Assets (continued)**Subsidiary undertakings**

The Company held the following investments in subsidiary undertakings during the year:

Subsidiary undertakings	Country of incorporation	Share class	Holding	Nature of business
Aurora Care & Education Holdings Limited	United Kingdom	Ordinary A Shares and loan note	80%	Specialist Education and Care
Catria Limited	United Kingdom	Ordinary Shares	99%	Energy Generation
Choctaw Limited	United Kingdom	Ordinary Shares	99%	Energy Generation
Kabardin Limited	United Kingdom	Ordinary Shares	99%	Energy Generation
Red Poll Power Limited	United Kingdom	Ordinary Shares	99%	Energy Generation
Teralba Limited	United Kingdom	Ordinary Shares	99%	Energy Generation
Valloire Power Limited	United Kingdom	Ordinary Shares	99%	Energy Generation
Woodlawn Power Limited	United Kingdom	Ordinary Shares	99%	Energy Generation

The registered address for Aurora Care and Education Holdings Limited is Unit 13, Twigworth Court Business Centre, Tewkesbury Road, Gloucester, England, GL2 9PG and the registered address for the remainder of the above entities is: 6th Floor, 33 Holborn, London, England EC1N 2HT.

Categories of financial assets at fair value

	Fixed assets	
	2022	2021
	£	£
Investments carried at fair value		
Unlisted investments	35,783,434	14,002,357
Listed investments	2,747,410	2,911,859
	<u>38,530,844</u>	<u>16,914,216</u>
Changes in value of financial instruments at fair value for the year		
Charge/(credit) to the Statement of Comprehensive Income:		
Unlisted investments	1,275,082	(1,199,650)
Listed Investments	<u>368,034</u>	<u>(805,938)</u>

The fair value of listed investments, which are all traded in active markets, was determined with reference to the quoted market price at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2022

8. Debtors

	2022	2021
	£	£
Due after one year		
Prepayments and accrued income	1,198,124	509,426
Due within one year		
Amounts due from group undertakings	-	200,000
	<u>1,198,124</u>	<u>709,426</u>

Amounts due from Group undertakings are unsecured, interest free, and may be repaid at any time. Amounts due to the Company in 2021 were owed from Octopus Energy Group Holdings Limited, a fellow Group company, and related to surplus cash that had been transferred for investment purposes across the Group.

Included in the prepayments and accrued income due after one-year balance are provisions for accrued interest of £7,332,274 (2021: £5,355,488), as well as £1,097,868 (2021: £0) from Aurora Care and Education Midco Limited, a subsidiary of the Company.

9. Creditors

	2022	2021
	£	£
Due within one year		
Amounts owed to group undertakings	97,905,682	38,309,702
Creditors	25,005	-
Corporation tax payable	707,781	942,734
	<u>98,638,468</u>	<u>39,252,436</u>

The amounts owed to group undertakings are unsecured, interest free and may be repaid at any time. Amounts are owed to Octopus Capital Limited, the immediate parent company, for funding provided to make new investments, as well as Octopus Investments Limited, a fellow Group company, for cash that had been repaid to the Company by one of the investee companies that was initially loaned by Octopus Investments Limited.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2022

10. Called-Up Share Capital

	2022	2021
	£	£
Allotted, called-up and fully paid		
£1 ordinary shares	1	1
£0.01 deferred shares	-	-

On 2 July 2021, the Company issued 1 deferred share of £0.01 in exchange for 2,450,000 ordinary shares in Valloire Power Limited.

Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights.

Deferred shares have no voting rights or rights to dividends. On a return of capital, once ordinary shareholders have received an amount equal to £100, deferred shareholders are entitled to receive an aggregate amount of £1, prior to the remainder balance being distributed to the ordinary shareholders.

11. Related Party Transactions

The Company has taken advantage of the exemption in paragraph 33.1A of FRS 102 not to disclose transactions with wholly owned Group companies wherein any subsidiary undertaking which is a party to the transactions is wholly owned by a member of the Group.

12. Ultimate Parent Undertaking and Controlling Party

The immediate and ultimate parent undertaking for the year ended 30 April 2022 was Octopus Capital Limited, a company incorporated in the United Kingdom and registered in England and Wales.

The smallest and largest group of undertakings of which the company is a member that draws up group financial statements is that of Octopus Capital Limited. Copies of these accounts can be obtained from the registered address of the parent company; The Secretary, Octopus Capital Limited, 6th Floor, 33 Holborn, London, EC1N 2HT.

13. Subsequent Events

In May 2022, the Company purchased the entire share capital of NewArch Homes Limited, formerly Rex Housing Limited, for £1.9m cash consideration. The acquisition provides the Company with access to an affordable housing permission as well as a pipeline development of housing stock.

In October 2022, the Company reached an agreement in principle for a part disposal of its holding in FF New Energy Venture SA. Octopus Energy Developer Partnership will invest, alongside other external investors, valuing the business at a post money valuation of €25m.

Since 30 April 2022, the directors are not aware of any other matters or circumstances that have significantly affected or may significantly affect the Company.