

Octopus Healthcare Finance Ltd

Annual Report and financial statements

For the year ended 30 April 2018

Registered number: 05794524



COMPANY INFORMATION

Directors M W Adams
T A Meggitt
B S Penaliggon
B T K Davis (appointed 24 May 2018)

Company Secretary S E L Waterhouse

Company Number 05794524

Registered Office 33 Holborn
London
EC1N 2HT

Auditor Deloitte LLP
1 New Street Square
London
EC4A 3HQ

Bankers Barclays Bank Plc
1 Churchill Place
London
E14 5HP

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DIRECTORS' REPORT

For the year ended 30 April 2018

The directors present their annual report on the affairs of Octopus Healthcare Finance Ltd ("the Company"), together with the financial statements and auditor's report, for the year ended 30 April 2018.

Small Companies Exemption

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption; accordingly no separate strategic report has been presented.

Principal activity

The Company is a designated member of Octopus Healthcare General Partners I LLP and Octopus Healthcare General Partners II LLP.

Business Review

The results for the Company show profit after tax of £257,213 for the year (2017: £120,748).

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Please see note 1 for a further assessment of going concern.

Directors

The directors who served throughout the year (except where noted) were as follows:

M W Adams

T A Meggitt

B S Penaliggon

Director's indemnities

The Company had 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.

Auditor

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

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

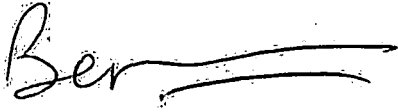
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and a resolution to reappoint them will be proposed at the next Annual General Meeting.

DIRECTORS' REPORT (continued)

For the year ended 30 April 2018

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'B T K Davis', with a long horizontal flourish extending to the right.

B T K Davis
Director
14 August 2018

Registered Office:
33 Holborn
London
EC1N 2HT

DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 30 April 2018

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). 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 judgments 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 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF OCTOPUS HEALTHCARE FINANCE LTD

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Octopus Healthcare Finance Ltd (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 April 2018 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 11.

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 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual 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.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF OCTOPUS HEALTHCARE FINANCE LTD (continued)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 directors' report.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF OCTOPUS HEALTHCARE FINANCE LTD
(continued)**

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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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.



Jessica Hodges ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK
14 August 2018

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 April 2018

	Note	2018 £	2017 £
Income from investments in associated trading LLPs	3	257,041	150,780
PROFIT BEFORE TAXATION	2	257,041	150,780
Tax on profit	4	172	(30,032)
PROFIT FOR THE FINANCIAL YEAR		257,213	120,748

All amounts relate to continuing operations.

The notes on pages 13 to 16 form part of these financial statements.

BALANCE SHEET

At 30 April 2018

	Note	2018 £	2017 £
CURRENT ASSETS			
Debtors – due within one year	5	1,451,135	1,585,179
Cash at bank and in hand		500	328
		<u>1,451,635</u>	<u>1,585,507</u>
CREDITORS: amounts falling due within one year	6	<u>(596,406)</u>	<u>(987,491)</u>
NET CURRENT ASSETS		<u>855,229</u>	<u>598,016</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>855,229</u>	<u>598,016</u>
NET ASSETS		<u>855,229</u>	<u>598,016</u>
CAPITAL AND RESERVES			
Called up share capital	7	2	2
Profit and loss account	8	<u>855,227</u>	<u>598,014</u>
SHAREHOLDERS' FUNDS		<u>855,229</u>	<u>598,016</u>

The financial statements of Octopus Healthcare Finance Ltd (registered number: 5794524) were approved by the Board of Directors and authorised for issue on 14 August 2018. They were signed on its behalf by:



B T K Davis
Director

The notes on pages 13 to 16 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2018

	Called-up share capital	Profit and loss account	Total
	£	£	£
At 30 April 2016	2	477,266	477,268
Profit for the year	-	120,748	120,748
At 30 April 2017	2	598,014	598,016
Profit for the year	-	257,213	257,213
At 30 April 2018	2	855,227	855,229

The notes on pages 13 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2018

1. Statement of accounting policies

Octopus Healthcare Finance Ltd is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The Registered Office and registered number are disclosed on page 2.

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

Basis of accounting and preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about the group of which it is a part.

The functional currency of Octopus Healthcare Finance Ltd is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

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 Healthcare Sub Holdings Ltd, which may be obtained from The Secretary, Octopus Capital Limited, 33 Holborn, London, EC1N 2HT. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement and reconciliation of share capital.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of signing of these financial statements, especially given the resources available within the wider Group. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Income from investments in associated trading LLPs

Income from investments in associated trading LLPs comprises distributions, on an accruals basis, due from Octopus Healthcare GP I LLP and Octopus Healthcare GP II LLP.

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 net 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2018

1. Statement of accounting policies (continued)

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of being 'basic' financial instruments as defined in FRS 102.11.9 are subsequently measured at amortised cost using the effective interest method.

Critical accounting judgements and key areas of estimation uncertainty

Due to the nature of the Company's business and having considered the key sources of income and expenditure, balance sheet items and Company's accounting policies, the directors do not believe there are any critical accounting judgements or key sources of estimation uncertainty.

2. Profit before Taxation

Audit fee

The statutory audit fee for the Company of £4,000 (2017: £3,760) has been borne by the fellow group company Octopus Healthcare Management Ltd. There were no non-audit fees in the year (2017: £nil). Octopus Healthcare Management Ltd recharges the audit fee to the Company via a cost plus 10% mark-up management recharge.

Directors remuneration

The Company's directors were remunerated by a fellow group company, Octopus Capital Limited, and then recharged to Octopus Healthcare Management Ltd (a fellow subsidiary of Octopus Capital Ltd). No recharge is made to Octopus Healthcare Finance Ltd given the size of the group and the practicality of making such a charge. The directors have assessed that, having regard to the level of time spent and the nature of the Company's affairs, a fair apportionment of the directors annual remuneration that would be attributable to this Company is approximately £1,000 (2017: £1,000).

Staff costs

The Company has no employees other than the directors, all employees are employed by the ultimate parent company, Octopus Capital Ltd. Total salary costs for the group can be seen in the financial statements of the parent company Octopus Capital Sub Holdings Ltd.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2018

3. Income from investments in associated trading LLPs

	2018	2017
	£	£
Octopus Healthcare GP I LLP	88,603	69,028
Octopus Healthcare GP II LLP	168,438	81,752
Total income from investments in associated trading LLPs	257,041	150,780

4. Tax on profit

The tax charge comprises:

	2018	2017
	£	£
Profit before tax	257,041	150,780
Tax on profit at standard UK corporation tax rate of 19.00% (2017: 19.92%)	48,838	30,032
Group relief claimed	(48,838)	-
Adjustments in respect of prior periods	(172)	-
Current tax (credit)/charge for the period	(172)	30,032

The standard rate of tax applied to reported profit is 19.00% (2017: 19.92%). The applicable tax rate has changed following the substantive enactment of the Finance Act 2017.

5. Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	1,451,133	1,572,532
Corporation tax	-	12,645
Other debtors	2	2
	1,451,135	1,585,179

Amounts owed by group undertakings are repayable on demand, unsecured and interest free.

6. Creditors

	2018	2017
	£	£
Amounts falling due within one year:		
Amounts owed to group undertakings	566,374	987,491
Corporation tax	30,032	-
	596,406	987,491

Amounts owed to group undertakings are repayable on demand, unsecured and interest free.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2018

7. Called-Up Share Capital

	2018	2017
	£	£
Allotted, called-up and fully-paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

The Company did not issue any Ordinary shares during the period (2017: nil).

8. Reserves

	Profit and loss account
	£
At 1 May 2017	598,014
Result for the period	<u>257,213</u>
At 30 April 2018	<u>855,227</u>

9. 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.

10. Immediate and Ultimate Parent Undertaking and Controlling Party

The immediate parent company is Octopus Healthcare Sub Holdings Ltd, a company incorporated in the United Kingdom and registered in England and Wales and the ultimate parent company is Octopus Capital Limited a company also incorporated in the United Kingdom and registered in England and Wales. The smallest level of consolidated accounts that are prepared is Octopus Healthcare Sub Holdings Ltd and the largest is Octopus Capital Limited, a copy of which can be obtained from The Secretary, Octopus Capital Limited, 33 Holborn, London, EC1N 2HT. The registered address of the ultimate parent company is also 33 Holborn, London, EC1N 2HT.

11. Subsequent Events

Since 30 April 2018, the directors are not aware of any matters or circumstances that have significantly affected or may significantly affect the Company.