

**Octopus Renewables Limited**  
**(formerly Octopus Healthcare Adviser Ltd)**

Annual Report and financial statements

For the year ended 30 April 2021

Registered number: 05857926



## COMPANY INFORMATION

|                          |   |
|--------------------------|---|
| <b>Directors</b>         | M W Adams (resigned 13 January 2021)<br>B T K Davis (resigned 13 January 2021)<br>K T Beirne (resigned 13 January 2021)<br>A D K Brierley (appointed 13 January 2021)<br>C R Hulatt (appointed 13 January 2021)<br>M G Setchell (appointed 13 January 2021) |
| <b>Company Secretary</b> | Octopus Company Secretarial Services Limited  |
| <b>Company Number</b>    | 05857926  |
| <b>Registered Office</b> | 6 <sup>th</sup> Floor<br>33 Holborn<br>London<br>EC1N 2HT   |
| <b>Auditor</b>           | Deloitte LLP<br>1 New Street Square<br>London<br>EC4A 3HQ<br>United Kingdom   |
| <b>Bankers</b>           | Barclays Bank Plc<br>1 Churchill Place<br>London<br>E14 5HP   |

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## **DIRECTORS' REPORT**

For the year ended 30 April 2021

The directors present their annual report on the affairs of Octopus Renewables Limited ("the Company"), together with the financial statements and auditor's report, for the year ended 30 April 2021.

### **Small Companies Exemption**

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

### **Principal activities**

The principal activity of the Company as an FCA-authorised fund manager specialising in healthcare property funds was the provision of investment advisory, property management services and corporate services to four Healthcare funds for the first part of the year. Following the transfer of the fund management agreements with Octopus Healthcare Fund, Octopus Healthcare PV Fund, MedicX Healthfund II LP and UK Retirement Living Fund to another Octopus entity on 1 August 2020, the principal activity will be to provide investment management services to five renewables funds which is a new service for Octopus Renewables Limited (whose name changed from Octopus Healthcare Adviser Ltd on 16 February 2021). During the year, there was not any revenue earned from the five renewable funds as investment management services commenced on 1 July 2021. There is no other activity taking place within the Company in the current year.

### **Results and dividends**

The results for the Company show a profit after tax of £1,065,139 for the year (2020: £1,663,775). The directors recommend a final dividend of £32,845,549 (2020: £nil).

### **Directors**

The directors who served throughout the year and up to the date of this report, except where noted, were as follows:

M W Adams (resigned 13 January 2021)  
B T K Davis (resigned 13 January 2021)  
K T Beirne (resigned 13 January 2021)  
A D K Brierley (appointed 13 January 2021)  
C R Hulatt (appointed 13 January 2021)  
M G Setchell (appointed 13 January 2021)

### **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 2021

### **Future Developments**

During the current financial year and continuing to the date the financial statements are approved, the coronavirus outbreak (Covid-19) continues to cause extensive disruptions to businesses and economic activities globally, and many companies have been significantly affected.

On 1 August 2020 the Company transferred all of its Healthcare fund management agreements to fellow Group company Octopus Investments Limited but from the 1 July 2021 the Company will start to provide investment management services to five renewables funds. From this date the immediate parent company changed from Octopus Healthcare Sub Holdings Ltd to Octopus Energy Generation Holdco Limited, whilst its ultimate parent and controlling company remained Octopus Capital Limited.

Therefore at the date of approving the Financial Statements, the Directors have reasonable expectations that the Company will continue to operate as it has been for the foreseeable future.

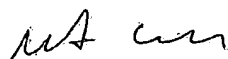
### **Brexit**

The Company has considered the effect on the activities performed following the exit of the UK from the European Union on the 31st of January 2020 and with the transitional period ending at the end of the 2020 calendar year the business has remained resilient and unaffected. The conclusion remains that the current business model will be sustainable even with no new trading agreement reached and the relationship defaults to World Trade Organisation rules, and the Directors do not consider that there would be a material impact to the financial statements, as our funds under management and resulting revenues are UK based.

### **Going concern**

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



M G Setchell  
Director

10 August 2021

Registered Office:  
6<sup>th</sup> Floor,  
33 Holborn,  
London,  
EC1N 2HT

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

For the year ended 30 April 2021

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 judgments 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 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 RENEWABLES LIMITED**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Octopus Renewables Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 April 2021 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;
- the related notes 1 to 12.

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.

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.

## **INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF OCTOPUS RENEWABLES LIMITED (continued)**

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](http://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. These included the UK Companies Act and tax legislation; and
- 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.

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 accuracy of investment advisory fee revenue, and our specific procedures performed to address it are described below:

- obtaining an understanding of the relevant internal controls and evaluating the effectiveness of the design and implementation of these controls. We tested the accuracy of the inputs, specifically the Net Asset Value, Committed Capital and the advisory fee rates to supporting documentation and recalculated the total investment advisory fee revenue.



## **INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF OCTOPUS RENEWABLES LIMITED (continued)**

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 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 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.

#### **Matters on which we are required to report by exception**

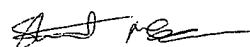
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

#### **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.



Stuart McLaren (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

10 August 2021

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 April 2021

|                                      | Note | 2021<br>£ | 2020<br>£   |
|--------------------------------------|------|-----------|-------------|
| <b>TURNOVER</b>                      | 1    | 1,904,982 | 8,115,697   |
| Administrative expenses              |      | (698,806) | (6,538,239) |
| <b>OPERATING PROFIT</b>              |      | 1,206,176 | 1,577,458   |
| Income from investments              |      | 28,105    | 161,730     |
| Interest income                      | 3    | 16,728    | 2,081       |
| Change in fair value of investments  | 6    | 7,872     | 108,034     |
| <b>PROFIT BEFORE TAXATION</b>        | 2    | 1,258,881 | 1,849,303   |
| Tax on profit                        | 4    | (193,742) | (185,528)   |
| <b>PROFIT FOR THE FINANCIAL YEAR</b> |      | 1,065,139 | 1,663,775   |

The notes on pages 13 to 20 form part of these financial statements.

All amounts relate to discontinuing operations. There were no items of other comprehensive income in the current or prior period.

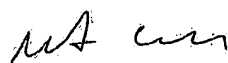
# BALANCE SHEET

As at 30 April 2021

|   | Note | 2021<br>£ | 2020<br>£   |
|---|------|-----------|-------------|
| <b>FIXED ASSETS</b>                                   |      |           |             |
| Intangible assets                                     | 5    | -         | 2,088,296   |
| Investments   | 6    | -         | 3,867,308   |
|   |      | -         | 5,955,604   |
| <b>CURRENT ASSETS</b>                                 |      |           |             |
| Debtors: amounts falling due within one year          | 7    | 299,424   | 27,306,842  |
| Cash at bank and in hand                              |      | 578       | 805         |
|   |      | 300,002   | 27,307,647  |
| <b>CREDITORS:</b> amounts falling due within one year | 8    | (194,881) | (1,437,720) |
| <b>NET CURRENT ASSETS</b>                             |      | 105,121   | 25,869,927  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      | 105,121   | 31,825,531  |
| <b>NET ASSETS</b>                                     |      | 105,121   | 31,825,531  |
| <b>CAPITAL AND RESERVES</b>                           |      |           |             |
| Called up share capital                               | 9    | 3         | 2           |
| Share premium account                                 |      | 59,999    | -           |
| Profit and loss account                               |      | 45,119    | 31,825,529  |
| <b>SHAREHOLDERS' FUNDS</b>                            |      | 105,121   | 31,825,531  |

The notes on pages 13 to 20 form part of these financial statements.

The financial statements of Octopus Renewables Limited (registered number: 05857926) were approved by the Board of Directors and authorised for issue on 10 August 2021. They were signed on its behalf by:



M G Setchell  
Director

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2021

|   | Called-up<br>share<br>capital | Share<br>premium<br>account | Profit and<br>loss account | Total          |
|---|-------------------------------|-----------------------------|----------------------------|----------------|
|   | £                             | £                           | £                          | £              |
| <b>At 1 May 2019</b>  | 2                             | -                           | 30,161,754                 | 30,161,756     |
| Profit and<br>comprehensive<br>income for the<br>financial year | -                             | -                           | 1,663,775                  | 1,663,775      |
| <b>At 30 April 2020</b>   | 2                             | -                           | 31,825,529                 | 31,825,531     |
| Dividends paid  | -                             | -                           | (32,845,549)               | (32,845,549)   |
| Profit and<br>comprehensive<br>income for the<br>financial year | -                             | -                           | 1,065,139                  | 1,065,139      |
| Issue of share capital  | 1                             | 59,999                      | -                          | 60,000         |
| <b>At 30 April 2021</b>   | <b>3</b>                      | <b>59,999</b>               | <b>45,119</b>              | <b>105,121</b> |

The notes on pages 13 to 20 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2021

### 1. Statement of accounting policies

Octopus Renewables Limited 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 activity is stated on page 4.

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, modified to include financial instruments recognised at fair value and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the Companies Act 2006. 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 Renewables Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Octopus Renewables Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. The Company is consolidated into Octopus Capital Limited, whose accounts may be found on the Companies House website and whose registered address is the same as the Company. Exemptions have been taken in relation to financial instruments, related party disclosures, presentation of a cash flow statement, remuneration of key management personnel and reconciliation of share capital.

#### Going concern

During the current financial year and continuing to the date the financial statements are approved, the coronavirus outbreak (Covid-19) continues to cause extensive disruptions to businesses and economic activities globally, and many companies have been significantly affected.

On 1 August 2020 the Company transferred all its investment advisory, property management services and corporate services to four Healthcare funds to fellow Group Company Octopus Investments Limited. From the 1 July 2021 the Company started to provide investment management services to five Renewables funds. Therefore at the date of approving the Financial Statements, the Directors have reasonable expectations that the Company will continue to operate as it has been for the foreseeable future, that being at least 12 months from the date of approval of the annual report.

#### 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 2021

### **1. Statement of accounting policies (continued)**

#### **Turnover**

Turnover is recorded net of VAT and represents amounts earned in the year for investment advisory services, property management services and corporate services. Turnover is recognised when a right to receive consideration has been obtained through the performance of contractual commitments.

Turnover is all generated by one segment and in the UK, hence no segmental or geographical analysis is required.

#### **Interest receivable**

Interest receivable comprises interest due to the Company, on an accruals basis, on balances due from financial and non-financial institutions.

#### **Investment Income**

Investment Income comprises distributions, on an accruals basis, due from the investments in Octopus Healthcare Fund and Octopus Healthcare PV Fund.

#### **Fixed asset investments**

Investments are held as fixed assets and are shown at fair value through profit or loss. The investment comprises equity shares which are traded on the London Stock exchange (relating to a group to which the company provides investment management services) with the fair value being the number of shares held multiplied by the share price. Fund portfolio investment valuations are in line with IPEV guidelines.

#### **Intangible assets**

The intangible asset relates to contractual rights acquired and are held at cost less amortisation. The period of amortisation is set dependent upon contract specific factors, and these are reviewed periodically. The carrying value of the intangible asset is reviewed for impairment at the end of the first full year following recognition and after other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### **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.

The Company's financial assets and liabilities include debtors, cash and cash equivalents and creditors which are measured at par'.

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.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 1. Statement of accounting policies (continued)

#### Financial instruments (continued)

##### 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 judgments and key areas of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgments, 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.

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. The area of critical judgement is valuation of unlisted investments and the directors do not believe there are any key sources of estimation uncertainty.

Investments are recorded at fair value or at amounts whose carrying values approximate fair value. While valuations of investments are based on assumptions that the Company believes are reasonable under the circumstances, the actual realized 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.

The valuation method used is based on the Company's share of the total net asset value of the unlisted investments per the latest management accounts, the Company's share being the number of units it holds divided by the total units. The Company believes this to be the most appropriate valuation method because the unlisted investment is into a real estate fund whose value is derived from the underlying property assets of the fund.

### 2. Profit before Taxation

Profit before taxation is stated after charging:

|                                     | 2021    | 2020      |
|-------------------------------------|---------|-----------|
|                                     | £       | £         |
| Management charge                   | 508,686 | 5,937,265 |
| Change in fair value of investments | (7,872) | (108,034) |
| Amortisation of intangible asset    | 153,633 | 538,519   |

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 2. Profit before Taxation (continued)

#### Management charge

Octopus Healthcare Management Ltd recharges administrative expenses (including payroll) to the Company via a cost plus 10% mark-up management recharge. The cost illustrated above is for 3 months to July-20 whereby management charges moved centrally to Octopus Investments Limited, thereafter.

#### Audit fee

The fee for the auditing of the Company's financial statements amounting to £26,207 (2020: £30,510) has been borne by the fellow group company Octopus Investments Limited. There were £7,480 of other audit related fees in the year (2020: £7,150) all of which relate to its CASS audit.

#### Director's remuneration

The Company's directors were remunerated by a fellow group company, Octopus Capital Limited, and then recharged to Octopus Investments Limited (a fellow subsidiary of Octopus Capital Limited). No recharge is made to Octopus Renewables Limited 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 £234,996 (2020: £549,728).

|                      | 2021    | 2020    |
|----------------------|---------|---------|
|                      | £       | £       |
| Aggregate emoluments | 234,996 | 549,728 |

#### Remuneration of the highest paid director:

|                      | £       | £       |
|----------------------|---------|---------|
| Aggregate emoluments | 124,659 | 190,540 |

There are no directors' benefits accruing under outstanding defined benefit pension schemes. The Company made no contributions to defined contribution pension schemes on behalf of the directors.

#### Staff costs

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

### 3. Interest income

|                | 2021   | 2020  |
|----------------|--------|-------|
|                | £      | £     |
| Other interest | 16,728 | 2,081 |
|                | 16,728 | 2,081 |



## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 4. Tax on profit

In the March 2021 budget, the UK government announced their intention to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. This change has not been substantively enacted into UK law yet. The tax charge comprises:

|   | 2021           | 2020           |
|---|----------------|----------------|
|   | £              | £              |
| <b>Current Tax</b>                      |                |                |
| UK corporation tax                      | -              | -              |
| Adjustments in respect of prior periods | 238,861        | 185,528        |
| <b>Total current tax</b>                | <b>238,861</b> | <b>185,528</b> |

The standard rate of tax applied to reported profit is 19.00% (2020: 19.00%).

|  | 2021           | 2020           |
|--|----------------|----------------|
|  | £              | £              |
| Profit before tax  | 1,258,881      | 1,849,303      |
| Tax on profit at standard UK corporation tax rate of 19.00% (2020: 19.00%) | 239,187        | 351,368        |
| <b>Effects of:</b>   |                |                |
| Expenses not deductible for tax purposes                                   | (1,496)        | (1)            |
| Income not taxable for tax purposes  | -              | (20,526)       |
| Movement in DT not recognised  | 12,861         | -              |
| Effects of group relief/other relief                                       | (55,672)       | (328,185)      |
| Adjustments to tax charge in respect of prior periods                      | -              | 183,152        |
| Tax rate changes   | (1,138)        | (280)          |
| <b>Current tax charge for the year</b>                                     | <b>193,742</b> | <b>185,528</b> |

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 5. Intangible assets

|                         | £           |
|-------------------------|-------------|
| Cost                    |             |
| At 1 May 2020           | 3,072,651   |
| Disposals at book value | (3,072,651) |
| At 30 April 2021        | -           |
| Amortisation            |             |
| At 1 May 2020           | 984,355     |
| Charge for the year     | (153,633)   |
| Disposals at book value | (830,722)   |
| At 30 April 2021        | -           |
| Net book value          |             |
| At 30 April 2020        | 2,088,296   |
| At 30 April 2021        | -           |

The intangible assets above represent payments to secure rights to income from Octopus Healthcare Fund, an evergreen fund which converted from a limited life fund (formerly known as MedicX Healthfund I LP) on 30 August 2018. Intangible fixed assets are amortised on a straight line basis over five years. The brought forward balance has been amortised on the same basis and has an amortisation period remaining of three years. The intangible assets were transferred to fellow group company Octopus Investment Limited on 1 August 2020 at book value.

### 6. Fixed Asset Investments

|                                    | Unlisted<br>Investments<br>£ |
|------------------------------------|------------------------------|
| Fair value at 1 May 2020           | 3,867,308                    |
| Additions at cost value            | 311,690                      |
| Change in fair value of investment | 7,872                        |
| Disposals at book value            | (4,186,870)                  |
| Fair value at 30 April 2021        | -                            |

During the year, the Company transferred all units to fellow group company Octopus Healthcare Sub Holdings Ltd in Octopus Healthcare Fund, registered address Regency Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 1WW. The units were transferred at their book value. Distributions of £28,105 were receivable in the year (2020: £161,730).

The Company also transferred all units to fellow group company Octopus Healthcare Sub Holdings Ltd in Octopus Healthcare PV Fund, registered address Regency Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 1WW, which also invests in secondary healthcare property in the UK. Distributions of £nil were receivable in the year (2020: £nil).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 7. Debtors

|   | 2021           | 2020              |
|---|----------------|-------------------|
|   | £              | £                 |
| <b>Amounts falling due within one year:</b> |                |                   |
| Trade debtors                               | -              | 1,455,361         |
| Amounts owed by group undertakings          | 299,424        | 24,718,791        |
| Other debtors                               | -              | 613,706           |
| Corporation tax                             | -              | 493,984           |
| Prepayments                                 | -              | 25,000            |
|   | <u>299,424</u> | <u>27,306,842</u> |

Amounts owed by group undertakings are repayable on demand, unsecured and interest free. The balance is wholly due from its immediate company, Octopus Healthcare Sub Holdings Ltd, and is largely made up of corporation tax £240,000 (see note 8) and purchase of share capital £60,000.

### 8. Creditors

|   | 2021           | 2020             |
|---|----------------|------------------|
|   | £              | £                |
| <b>Amounts falling due within one year:</b> |                |                  |
| Amounts owed to group undertakings          | -              | 770,723          |
| Corporation tax                             | 194,881        | -                |
| Social security and other taxes             | -              | 462,196          |
| Accruals and deferred income                | -              | 204,801          |
|   | <u>194,881</u> | <u>1,437,720</u> |

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

### 9. Called-Up Share Capital

|   | 2021     | 2020     |
|---|----------|----------|
|   | £        | £        |
| <b>Allotted, called-up and fully-paid</b> |          |          |
| 3 Ordinary shares of £1 each              | <u>3</u> | <u>2</u> |

The Company issued 1 Ordinary share during the period (2020: nil). Total consideration was £60,000 with £1 added to share capital and £59,999 to the share premium account.

### 10. 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.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 30 April 2021

### **11. Immediate and Ultimate Parent Undertaking and Controlling Party**

From 1 July 2021 the immediate parent company is Octopus Energy Generation Holdco Limited, a company incorporated in the United Kingdom and registered in England and Wales. The ultimate parent and controlling company is Octopus Capital Limited a company also incorporated in the United Kingdom and registered in England and Wales. The smallest and largest level of consolidated accounts that are prepared is Octopus Capital Limited, copies of which can be obtained from The Secretary, Octopus Capital Limited, 6<sup>th</sup> Floor, 33 Holborn, London, EC1N 2HT. The registered address of the immediate and ultimate parent company is also 6<sup>th</sup> Floor, 33 Holborn, London, EC1N 2HT.

### **12. Subsequent Events**

On 1 July 2021 the immediate parent company changed from Octopus Healthcare Sub Holdings Ltd to Octopus Energy Generation Holdco Limited, both companies incorporated in the United Kingdom and registered in England and Wales.

The directors are not aware of any other matters or circumstances that have significantly affected or may significantly affect the Company since 30 April 2021.