

Octopus Renewables Limited for the year ended 30 April 2023

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# Octopus Renewables Limited

## Annual report and financial statements

For the year ended 30 April 2023

Registered number: 05857926



Octopus Renewables Limited for the year ended 30 April 2023

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**COMPANY INFORMATION**

**Directors**

A Brierley  
M Setchell  
C Hulatt  
T Heal  
Z North-Bond

**Company Registration Number**

05857926

**Registered Office**

UK House  
5<sup>th</sup> Floor  
164-182 Oxford Street  
London  
W1D 1NN

**Auditor**

Deloitte LLP  
2 New Street Square  
London  
EC4A 3BZ

**Bankers**

HSBC plc  
31 Holborn  
London  
EC1N 2HR

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## **DIRECTORS' REPORT**

For the year ended 30 April 2023

The directors present the annual report on the audited financial statements of Octopus Renewables Limited ("the Company"), together with the financial statements and auditor's report, for the year ended 30 April 2023.

### **Principal activity**

The principal activity of the Company is providing investment management services to funds who own and construct renewable energy assets. The Company is authorised and regulated by the Financial Conduct Authority to provide these fund management products and services.

### **Future developments**

ORL's objective is to become a leading global player in the renewable energy sector, with operations being expanded globally. Further detail can be found within the strategic report.

### **Engaging with stakeholders**

It is the Board's priority to ensure that the Directors and other decision makers act both individually and collectively for the benefit of its members as a whole and with regard to all its stakeholders and that processes are in place to support this. Further detail can be found within the strategic report.

### **Dividends**

The directors did not recommend interim or final dividend to be paid during the period (2022: £nil).

### **Going concern**

The Company is currently in a net asset position at 30 April 2023 and the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The directors have assessed the liquidity of the business by reviewing forecasts and projections for the period after 12 months from the date of issue of financials. The key risks considered in assessment of the entities going concern are deterioration of the investment pipeline which would impact the ability to deploy investors capital into suitable opportunities, material changes in macroeconomic factors, such as wholesale energy prices and interest rates, materially impacting valuations, and potential loss of investors having a material impact on turnover due to concentration.

The above risks have been stress tested in the forecasting exercise undertaken by management to ensure that the business is prepared for any negative outcomes. The Company has ongoing assessments of these risks throughout the year to ensure that there are sufficient controls and policies in place to mitigate risks.

Considering together the risks facing the Company and its access to liquidity the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

### **Directors**

The directors who served throughout the period and as of the date of this report were as follows:

A Brierley  
M Setchell  
C Hulatt  
T Heal  
Z North-Bond

Octopus Renewables Limited for the year ended 30 April 2023

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## **DIRECTORS' REPORT (CONTINUED)**

### **Directors' 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

### **Financial risks**

The Company's principal financial assets are bank balances and cash, trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

### **Events after the balance sheet date**

Details of significant events since the balance sheet date are contained in note 20 to the financial statements.

### **Auditor**

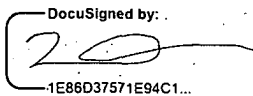
Each of the persons who is a director at the date of approval of this report confirms that:

- 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 will be deemed to be reappointed and will therefore continue in office, pursuant to Section 487 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

DocuSigned by:  
  
1E86D37571E94C1...

Z North-Bond  
Director  
31 July 2023  
Registered office:  
UK House  
5th Floor  
164-182 Oxford Street  
London  
W1D 1NN

## Octopus Renewables Limited for the year ended 30 April 2023

**STRATEGIC REPORT**

For the period ended 30 April 2023.

**Purpose and mission**

Octopus Renewables Limited ("ORL"), is an FCA regulated fund manager, that manages funds invested in renewable energy operating and construction assets, development projects, developers and companies relating to energy transition. It is our ambition to unlock capital required to support a pathway to net zero to achieve ORL's mission to "Accelerating the transition to a world powered by clean energy". At our core ORL is values driven and invests responsibly on behalf of the investors in the funds we manage. Our approach is to seek to ensure that social and environmental benefits are considered and maximised alongside financial returns, both at the time of initial investment and throughout the ongoing management of the investments.

**Strategy and business model**

This year ORL has worked closely with like-minded investors to unblock investment into climate saving assets. It is the Company's belief that we can support those investors to engage with their stakeholders in making their money matter, driving desire to invest more in impact portfolios, specifically renewable and transitional energy assets. Our turnover is derived from providing fund and investment management services which include origination of sustainable investment opportunities, making investment decisions, actively managing investment portfolios and providing performance reporting back to investors. ORL builds long term relationships with institutional investors to continue to develop products that unlock capital to support the transition to a green energy future, growing our assets under management and resulting turnover. Our objective is to grow assets under management to £20bn and beyond by expanding our products, services, and client base from being mostly UK and Europe into Asia and the USA. By being part of Octopus Energy Group Limited, a global clean energy tech pioneer, our strategy will support our focus on changing the entire energy lifecycle and make every green electron matter, delivering the best outcomes for customers, investors, the environment, and society.

**Review of business performance**

Our KPI's	2023	2022	% Change
Turnover (£'000s)	25,496	16,468	54%
Gross profit (£'000s)	24,658	15,439	59%
Profit before tax (£'000s)	4,266	2,876	48%
Assets Under Management (AUM) (£' Billion)	5.8	4.2	38%

As at 30th April 2023, ORL manages a portfolio of 250 large scale infrastructure assets and nearly 4,500 small scale (solar rooftop) assets as well as developers and other portfolio companies, which in aggregate total £5.8 billion in assets under management ("AUM" <sup>1</sup>).

ORL demonstrated a continued growth trajectory during its second year of trading within Octopus Energy, expanding its investment portfolio and geographical presence with an additional 500MW of generation assets added to the portfolio, representing an increase of 18% to 3.3GW. This is funded through investors in ORL's managed funds, and throughout the 2023 financial year, ORL successfully launched three new funds to investors. In total, 20 new investments were made across 8 countries with a total market value of £1.5 billion. This was a key driver in ORL's AUM increasing from £4.2 billion to £5.8 billion by the end of FY23.

<sup>1</sup> Assets under management is defined as the fund level gross asset values (equity and debt) plus asset level committed equity and debt (e.g. committed funds for construction).

## Octopus Renewables Limited for the year ended 30 April 2023

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### STRATEGIC REPORT (CONTINUED)

For the period ended 30 April 2023.

In the year investments of £38k were made into two new funds. Trade and other receivables increased by £5.3m to £12.5m, whilst cash increased by £6.9m to £11.2m. The company remained in a net asset position, with net assets growing to £14.6m (+£8.4m).

ORL has delivered a robust financial performance this year, achieving a profit before tax of £4.3 million, representing a notable improvement compared to the previous year's profit of £2.8 million. The turnover increased by 54% (+£9m) and gross profit increased by 50% (+£9.2m) as the Company continues to expand its investment portfolio.

This year, ORL successfully developed and launched three new funds for investors to invest their capital into; Octopus Energy Transition Fund, Octopus Energy Offshore Wind and Renewable Energy Income Partnership V. The investment strategy of these are detailed below.

- *Octopus Energy Transition*: Energy transition platforms and infrastructure in Europe
- *Octopus Energy Offshore Wind*: Offshore wind development, construction and operational assets, Global
- *Renewable Energy Income Partnership V*: Offshore wind

These new products have enabled ORL to capitalise on fresh investment opportunities within the offshore wind market, as well as to expand the portfolio under management through investments in energy transition opportunities, that are outside of renewable generation (such as hydrogen, EV charging infrastructure and ground source heat pumps). ORL are now the portfolio manager for one listed investment trust, nine institutional funds and one other mandate.

As well as investors into these new funds, we have brought in new investor relationships into existing funds resulting in increased turnover streams for ORL as well as enabling our underlying funds to enhance the diversification of assets that they are invested in and that we manage on their behalf. Less positively, within the investment trust universe, most renewable infrastructure companies traded at discounts, restricting the ability to fund further acquisitions of assets through new equity issuance. This resulted in the investment trust that we manage not raising any new capital during the period.

ORL extended its operations into international markets including Singapore and New York, USA as well as Germany, Italy, Spain and France. This expansion into new markets facilitated the first successful deal completion in Asia, on behalf of our investors. This is a solar development platform in Japan to develop an initial 76MWp of utility-scale assets. This expansion drives greater scale in our ability to originate investment opportunities in climate saving assets, developers and portfolio companies as well as access to deeper pools of capital across the USA, Asia and Europe to underpin ORL's overall future success.

#### Engaging with stakeholders – Section 172 Report

This report sets out how the Directors comply with the requirements of Section 172 Companies Act 2006, and how these requirements are considered in the Board's decision making throughout the year.

The requirements of Section 172 of the Company Act can be summarised as follows:

A Director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the Company's employees,
- the need to foster the Company's business relationships with suppliers, customers and others,
- the impact of the Company's operations on the community and the environment,
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between members of the Company.

## **STRATEGIC REPORT (CONTINUED)**

For the period ended 30 April 2023.

It is the Board's priority to ensure that the Directors and other decision makers act both individually and collectively for the benefit of its members as a whole and with regard to all its stakeholders and that processes are in place to support this.

### **Our customers**

We work with institutional investors - including pension funds, insurance companies, sovereign wealth funds and endowments - to invest in renewable energy and energy transition assets and related portfolio companies on their behalf. We work closely with prospective investors to understand their investment objectives, including risk profile, and provide carefully selected investment products to enable them to make their money matter - many of the underlying customers of the institutional investors are individuals who contribute into large pension schemes. From understanding investor demand, this resulted in the decision to create three new funds during the year.

Prior to accepting any new investors into our funds, we conduct comprehensive know your customer diligence to protect both the business and our customers.

Once investors have made the decision to invest in one of our investment products, we actively manage those funds. We pride ourselves on providing high-quality reports to our investors – both for transparency but also to enable investors to engage their stakeholders and underlying investors with their investments. We also regularly meet with investors to engage in deeper discussion and ensure that we continue to offer products that match their investment objectives and own requirements as well as excellent customer service.

### **Business relationships**

We carefully select partners and suppliers to work with and have in place a third-party risk management framework.

This framework aims to ensure that:

- We know the business through collecting and analysing sufficient information
- We want to do business with through ensuring share values and ethical business practices
- Their business is resilient and with sufficient data and cyber protection
- They are competent in what they are being contracted to do

When entering into a new business relationship, as well as a competency assessment, a risk assessment is undertaken that considers organisation, ownership and financial risks, environmental, social and governance risks, resilience, data protection and cyber risks.

ORL is committed to respecting human rights in its broader relationships and respects the UN Guiding Principles on Business and Human Rights. This is reflected in our wider policies and in how we conduct our business relationships. All material counterparties have either signed up to our Supplier Code of Conduct or have their own that meets our standards. As part of the due diligence on service providers and suppliers are required to complete an Environmental, Social and Governance ("ESG") questionnaire to ensure alignment with our values. This contains specific questions in relation to Human Rights which is reviewed before appointment alongside their policies, for example anti bribery and corruption policies. These processes have underpinned decisions on supplier appointments during the period.



## **STRATEGIC REPORT (CONTINUED)**

For the period ended 30 April 2023.

### **Community and environment**

We are a responsible investor on behalf of our funds and a signatory of the UN PRI and aim to provide services which are economically, environmentally, and socially responsible. Our responsible investment policy has been updated during the year and can be found via the link below.

<https://a.storyblok.com/f/154679/x/1316bccc4c/oegen-responsible-investment-policy-22-08-04.pdf>

In addition to our overarching responsible investment policy, we put in place tailored ESG policies for each fund we manage that are reviewed annually. These policies are based around our fundamental pillars: Performance, Planet and People.

#### *Performance*

Across our renewable energy assets, we ensure robust governance structures, rigorous due diligence, risk analysis and asset optimisation, all to deliver resilient investment returns for our investors. This all means we can maximise the amount of green electrons our portfolio produces creating the biggest positive impact on the environment. Our risk mitigation strategy considers environmental, social and governance issues, protecting and enhancing the long-term value of our investments.

#### *Planet*

Our renewable energy assets under management have the potential to avoid 2.2 million tonnes of carbon dioxide, the equivalent of planting nearly 11 million trees. In the way we operate these assets under management, we aim to identify ways we can enhance biodiversity in the surrounding environment, from wildflower meadows, to wetland creation and local beekeeping projects. We also look to mitigate any environmental risks associated with the construction and operation of our renewables. This year we have decided to launch our Biodiversity Mission Statement that outlines how we champion biodiversity at our sites.

<https://a.storyblok.com/f/154679/x/02325cb1f1/biodiversity-statement.pdf>

#### *People*

We look at how our investments impact society, mitigating any risks and promoting a “just transition” to a green energy future. Whether it’s hiring locally, engaging with employees, local communities and school children, we always think about the positive effect we can have on people through the green energy projects we manage. This also means championing Human Rights and working with suppliers who meet the high standards of our Supplier Code of Conduct. This year we developed a procurement policy to help mitigate supply chain human rights risks associated with solar panels.

Our Performance, Planet, People framework embeds our approach into the investment processes, asset management and reporting. This allows us to manage our impact on the community and environment and ensure we screen out investments that will cause unmitigated harm. The executive team is deeply engaged in the detail of the business and relationships with key stakeholders, and have a fundamental understanding of the industry, investor needs and the impact on the community and environment and this underpins day to day decisions on the way we do business.

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**Octopus Renewables Limited for the year ended 30 April 2023**

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**STRATEGIC REPORT (CONTINUED)**

For the period ended 30 April 2023.

**Engagement with Employees**

ORL is part of the Octopus Energy Group and employees are formally employed by other entities within the group structure. Therefore ORL doesn't have any direct employees and instead is recharged for the staff and resources that ORL utilises. This year has seen a significant increase in our available workforce from 83 to 119, a 43% year on year growth. This resource growth supports our strategic priorities to expand globally and scale our AUM.

To succeed, we are committed to building a team that represents everyone in our society and strive to nurture an environment in which people can bring their full selves to work each day, without fear of judgement or discrimination across all levels of the business. We believe that the perspectives of a diverse workforce enable better decision-making processes and enables our business to thrive. We empower people to reflect these values in their dealings with our customers and all other stakeholders. ORL put in place an Equity, Diversity and Inclusion policy during 2023P.

**Ultimate shareholders**

Our immediate shareholder is, Octopus Energy Generation Holdco Limited. Our ultimate shareholders comprise of six key groups:

1. Octopus Capital, who have supported the Octopus Energy vision, mission, and growth since inception
2. Origin Energy who, in 2020, invested in the Group to support continual growth
3. Tokyo Gas, who first invested in 2021 – and together with whom the Group is expanding into Japan through a joint venture
4. Generation Investment Management, chaired by climate champion Al Gore, invested in 2021 to acquire a minority stake in Group to unlock licensing, strategic and financing partnerships
5. CPPIB, one of the largest global pension funds, provided equity investment in 2021 for a minority stake
6. Our people: all employees own shares in the Group, so derive added benefit from the growth and success of the business to which they contribute

We are committed to openly engaging with our shareholders and all shareholder interests are represented at the Company's board meetings. Employee shareholder interests – i.e. the interests of those that make up the Company – are represented by the three founding board members.

**Principal risks and uncertainties**

The purpose of the risk management framework and policies adopted by ORL is to identify risks and enable the Board to respond to risks with mitigating actions to reduce the potential impacts should the risk materialise.

Our risk framework is designed to:

- Identify applicable risks, both to the ORL and to the funds under management
- Establish a risk appetite including tolerances
- Identify risk mitigations
- Establish appropriate policies to enable risks to be managed
- Adopt a "Three lines of Defence" model

We have carried out a robust assessment of its principal and emerging risks and these are monitored on an ongoing basis by the Governance, Risk and Compliance Committee. The Board considers the following to be the principal and other risks faced by the ORL along with the potential impact of these risks and the steps taken to mitigate them.

## Octopus Renewables Limited for the year ended 30 April 2023

**STRATEGIC REPORT (CONTINUED)**

For the period ended 30 April 2023.

Risk	Potential Impact	Mitigation
Regulatory compliance	Failure to comply with any relevant regulatory rules could result in financial penalties, loss of required regulatory status, legal proceedings against the ORL and/or its Directors or reputational damage.	The Board monitors compliance and regulatory information provided by the Governance, Risk and Compliance Committee and the Head of Compliance and the assessment of regulatory risks forms part of the Board's risk management framework. All parties are appropriately qualified professionals and ensure that they keep informed with any developments or updates to the legislation.
Health and Safety	Developing, constructing and operating renewable energy infrastructure has inherent HSE risks that could lead to injuries or loss of life of our resources or those of our service providers.	A Head of Health and Safety is employed to oversee and advise on the HSE system for renewable assets. The Board receives quarterly reports on HSE performance and actions taken.
Loss of investors / investor divestment / loss of mandate	Our funds investors are currently concentrated, such that if a significant investor decided to divest it would have a material impact on turnover.	We build strong relationships with investors and our investment trust board through active engagement to ensure that we offer the best service possible. We work with investors to meet their needs to minimise risk of divestment. We are actively fundraising and new investors are coming into our funds reducing concentration of large investors over time.
Conflicts of Interest	Conflicts of interest may arise where the corporate, commercial, personal interests or loyalties of ORL, its shareholders, senior management, Directors or staff conflict with the interests of clients or, where the interests of one client conflicts with the interests of another client.	We have established procedures designed to identify, mitigate and manage conflicts. These include organisational and administrative arrangements and controls designed to safeguard the interests of clients including a Conflicts Committee.
Cyber Security	Attempts may be made to access the IT systems and data used by ORL, our assets, our investee companies, or our service providers through a cyber-attack or malicious breaches of confidentiality that could impact ORL's reputation or result in financial loss.	ORL has in place its own internal IT cyber controls. Cyber security policies and procedures implemented by key service providers are reviewed on appointment and periodically to ensure conformity. Thorough third-party due diligence is carried out on all suppliers engaged to service the ORL, funds or our assets. All providers have processes in place to identify cyber security risks and apply and monitor appropriate risk plans.
Systems and Controls	ORL manages cash on behalf of its investors. Failure to have in place adequate systems and controls could lead to a material financial or reputational impact.	ORL has in place appropriate financial controls and policies, business continuity plans, processes and procedures and a comprehensive compliance manual and ensures appropriate controls for its service providers. Issues monitoring is in place and regular reviews are undertaken where issues occur to mitigate future impacts.

## Octopus Renewables Limited for the year ended 30 April 2023

**STRATEGIC REPORT (CONTINUED)**

For the period ended 30 April 2023.

Cashflow and liquidity risks	Unexpected costs or delayed turnover could result in cashflow risks, or an inability to maintain regulatory capital	ORL manages cash responsibly and has clear sight to expected cash requirements. It is a cash generative business based on fees, generating stable, predictable income. Regulatory capital and P&L are monitored on a monthly basis and presented to the Board quarterly, including scenario analysis.
Deployment	A deterioration of the investment pipeline may impact the ability to commit and deploy investors capital into suitable opportunities in the expected time frame. Competition in the infrastructure market remains strong which could limit the ability of ORL to acquire assets on behalf of investors in line with target returns or incur abort costs where transactions are unsuccessful. Both deployment risks could ultimately impact business performance through slower growth in AUM and related fee income.	We have an experienced team with strong relationships in the renewables market. Our investment mandates are diversified giving a broad landscape of opportunities. The Board monitors deployment on a quarterly basis.
Material valuation impacts	These could result from material changes in macroeconomic factors e.g wholesale energy prices, prices achievable for off-taker contracts, interest rates, FX or could be due to operational performance of assets including grid outages. Any material variances would ultimately impact ORL turnover.	<p>Diversification of the assets we manage is most effective mitigation to this risk.</p> <p>Through our fund management activities, mitigations against macroeconomic variations at fund level are put in place where possible which may include interest rate swaps, inflation linked turnover, FX hedging or fixed rate financing.</p> <p>ORL monitors energy price forecasts and puts in place mitigating strategies. This could be through the use of short-term PPA contracts to fix the electricity prices where possible, or to hedge the exposure of fluctuating electricity prices through derivative instruments.</p> <p>We have an experienced asset management team who oversee and manage asset and site level issues and regular preventative maintenance and a level of spares is maintained from diversified manufacturers. We use established relationships with relevant DNOs and works closely with them to maintain grid connection.</p>
Government, political and regulatory risks	Demand for renewable investments can be directly impacted both adversely and positively by government policy interventions of changes in regulatory frameworks. Significant adverse changes could result in it being more difficult to raise investor capital, difficulties in deploying into assets that meet investment return targets, redemption requests which would have a negative impact on business performance.	As part of the business strategy, investments are made in a diversified portfolio of Renewable Energy Assets and so it is unlikely that all assets will be impacted equally by a change in legislation. There is also strong public demand for support of the renewables market to hit "net zero" carbon emission targets, but remain agile to the changing geopolitical environment and continue to evolve and reassess appropriate mitigation strategies.

## Octopus Renewables Limited for the year ended 30 April 2023

**STRATEGIC REPORT (CONTINUED)**

For the period ended 30 April 2023.

Reliance on third-party service providers	A deterioration in the performance of any of the key service providers could have an impact on the ORL's business performance and there is a risk we may not be able to find appropriate replacements should the engagement with the service providers be terminated. In the current economic climate, there is also an increased risk that service providers default on their contractual obligations or suffer an insolvency event.	Each contract was entered into after full and proper consideration of the quality and cost of services offered, including the financial control systems in operation. All of the above services are subject to ongoing oversight and the performance of the key service providers is reviewed on a regular basis.
ESG related risks	Material ESG risks may arise such as slave labour in the supply chain, biodiversity, unfair advantage, bribery, corruption and environmental damage.	ESG is embedded in the investment cycle with a formal ESG matrix including a minimum target ESG score required for approval of any new investments. Ongoing operational and construction ESG risk management is reviewed periodically, working closely with service providers on ESG and impact standards reporting.
Climate related risks  For further detail, please see the TCFD entity report on our Website.	We consider material climate related risks and opportunities are those that could impact the valuation of the assets we manage as well as risks and opportunities in relation to capital available for investment. There are limited climate related risks and opportunities directly related to our own cost base and therefore we have evaluated these as non-material.	<p>ORL and the asset we manage are position to benefit from a transition to clean energy, but there are also number of risk mitigation strategies that we can utilise to mitigate climate-related risks to the assets under management.</p> <ul style="list-style-type: none"> <li>• Hedge and fix pricing, maintaining diversification of turnover sources between merchant, fixed offtake, corporate and government sources of income</li> <li>• Diversify the portfolio across technologies, geographies and development stage</li> <li>• Seek strategic opportunities from emerging markets and technologies</li> <li>• Invest in developers to provide proprietary pipeline of assets to avoid competitive transaction processes</li> <li>• Put in place appropriate levels of insurance for assets</li> <li>• Source appropriate levels of equipment spares to minimise downtime associated with damaged equipment</li> <li>• Active management and engagement with asset managers and O&amp;M contractors on climate-related issues, risks and opportunities</li> <li>• Work with policy makers and regulators to educate and influence policy and frameworks to accelerate the transition to a clean energy future and actively engage with stakeholders and communities to mitigate resistance to Renewable Energy Assets</li> </ul>

Octopus Renewables Limited for the year ended 30 April 2023

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**STRATEGIC REPORT (CONTINUED)**

For the period ended 30 April 2023.


**Future developments**

As part of ORL's growth strategy, we are actively expanding operations globally. ORL's objective is to become a leading global player in the renewable energy sector.

In the upcoming fiscal year, ORL intends to continue raise investor capital into its existing funds while introducing new products to enable continued growth in Assets Under Management. One of these is expected to be a new platform enabling investors access into multiple funds and we are seeking to innovate products suitable for defined contribution pension schemes and high net worth clients. We will also seek to look at different currency sleeves in exiting funds.

The tailwinds behind the sector remain as strong as ever, and in a world where energy security and decarbonisation are increasingly important, ORL remains well positioned to take advantage of opportunities that will create a positive impact.

Approved by the Board of Directors and signed on its behalf by:

DocuSigned by:  
  
1E86D37571E94C1...

Z North-Bond  
Director  
31 July 2023  
Registered office:  
UK House  
5th Floor  
164-182 Oxford Street  
London  
W1D 1NN

Octopus Renewables Limited for the year ended 30 April 2023

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**DIRECTORS' RESPONSIBILITIES STATEMENT**

For the year ended 30 April 2023

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 FRS102 "The Financial Reporting Standard applicable in the UK and the 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 year.

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; 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.

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.

Octopus Renewables Limited for the year ended 30 April 2023

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## **Independent auditor's report to the members of Octopus Renewables Limited**

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

#### **Opinion**

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

- give a true and fair view of the state of the company's affairs as at 30<sup>th</sup> April 2023 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 profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 20.

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.



## Octopus Renewables Limited for the year ended 30 April 2023

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### **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 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](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.

## Octopus Renewables Limited for the year ended 30 April 2023

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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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

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 including relevant internal specialists such as tax, and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

- Turnover recognition – As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

Management fee turnover: Turnover recognition in relation to the company's contracts to manage certain funds is based on NAV and other metrics like capital committed for those funds and therefore there is judgement involved in estimating the fund management fee. We assessed the accuracy of management's estimates by recalculating the Management fee for those funds specifically. For other funds which contribute to less than 10% of the total turnover we tested turnover by obtaining supporting evidence for the management fee turnover invoiced and tracing those to cash payments received.

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:

**Octopus Renewables Limited for the year ended 30 April 2023**

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- 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 and 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; or

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.



Anthony Matthews FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, UK

31/07/2023

## Octopus Renewables Limited for the year ended 30 April 2023

**PROFIT AND LOSS ACCOUNT**

For the year ending 30 April 2023

		2023	2022
	Notes	£'000s	£'000s
Turnover	5	25,496	16,468
Cost of sales		(838)	(1,029)
<b>Gross profit</b>		<b>24,658</b>	<b>15,439</b>
Administrative expenses	6	(20,392)	(12,563)
<b>Operating profit</b>		<b>4,266</b>	<b>2,876</b>
<b>Profit before taxation</b>		<b>4,266</b>	<b>2,876</b>
Tax on profit	9	(1,226)	(107)
<b>Profit for the financial period</b>		<b>3,040</b>	<b>2,769</b>

All amounts relate to continuing operations.

There is no other comprehensive income or loss and as such no separate statement of other comprehensive income or loss have been prepared.

The notes on pages 23 to 31 form part of these financial statements.

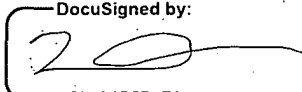
## Octopus Renewables Limited for the year ended 30 April 2023

**BALANCE SHEET**

At 30 April 2023

	Notes	30 Apr 2023 £'000s	30 Apr 2022 £'000s
<b>Fixed assets</b>			
Intangible fixed assets	10	13,808	14,621
Investments	11	38	
<b>Total fixed assets</b>		<b>13,846</b>	<b>14,621</b>
<b>Current assets</b>			
Debtors: due within one year	12	12,550	7,179
Cash at bank and in hand		11,232	4,326
<b>Total current assets</b>		<b>23,782</b>	<b>11,505</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	13	(8,358)	(5,222)
Deferred tax	9	-	(107)
Group tax relief	9	(1,216)	-
<b>Total current liabilities</b>		<b>(9,574)</b>	<b>(5,329)</b>
<b>Net current assets</b>		<b>14,208</b>	<b>6,176</b>
<b>Net assets</b>		<b>28,054</b>	<b>20,797</b>
<b>Capital and reserves</b>			
Called up share capital	14	-	-
Share premium account		17,983	17,983
Other reserves	15	4,217	-
Profit and loss account		5,854	2,814
<b>Total equity</b>		<b>28,054</b>	<b>20,797</b>

The financial statements of Octopus Renewables Limited (registered number: 05857926) were approved by the Board of Directors and authorised for issue on 31 July 2023. They were signed on its behalf by:

DocuSigned by:  
  
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Z North-Bond  
 Director  
 31 July 2023  
 Registered office:  
 UK House  
 5th Floor  
 164-182 Oxford Street  
 London  
 W1D 1NN

## Octopus Renewables Limited for the year ended 30 April 2023

**STATEMENT OF CHANGES IN EQUITY**

For the year ending 30 April 2023

	Note	Share premium account	Share option reserve	Capital contribution	Profit and loss account	Total
		£'000s	£'000s	£'000s	£'000s	£'000s
<b>At 1 May 2021</b>		60	-	-	45	105
Total comprehensive profit for the period		-	-	-	2,769	2,769
Other reserves		-	-	-	-	356
Issue of shares		17,923	-	-	-	17,923
<b>At 30 April 2022</b>		<b>17,983</b>	-	-	<b>2,814</b>	<b>20,797</b>
Total comprehensive profit for the period		-	-	-	3,040	3,040
Other reserves		-	356	-	-	356
Capital contribution	15	-	-	3,860	-	3,860
<b>At 30 April 2023</b>		<b>17,983</b>	<b>356</b>	<b>3,860</b>	<b>5,854</b>	<b>28,054</b>

The notes on pages 23 to 31 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS***For the year ending 30 April 2023***1. Company information**

Octopus Renewables Limited, is a private Company, limited by shares, incorporated on 26 June 2006 in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is shown on the Company information page. The nature of the Company's operations and its principal activities are outlined in the Directors' report. The statements have been prepared for the year ending 30th April 2023.

**2. Accounting Policies****2.1 Basis of preparation of financial statements accounting and preparation of financial statements**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis unless otherwise specified within these accounting policies.

The functional currency of the Company is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which the Company operates.

The Company is exempt from the requirement to prepare consolidated financial statements on the grounds of satisfying the criteria under FRS102 Section 9.3. Please refer to note 17 for information on where copies of the consolidated financial statements for Octopus Energy Group Limited in which this entity and its subsidiaries are consolidated can be found.

**2.2 Financial reporting standard 102 – reduced disclosure exemptions**

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the following disclosure exemptions available to it in respect of its separate financial statements:

- (a) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- (b) The requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- (c) The requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A
- (d) The requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of its parent Company Octopus Energy Group Limited as at 30 April 2023, which may be obtained from the registered office UK House, 5th Floor, 164-182 Oxford Street, London, W1D 1NN.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ending 30 April 2023

**2.3 Going concern**

The Company is currently in a net asset position and after reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements.

The Company is currently in a net asset position at 30 April 2023 and the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The directors have assessed the liquidity of the business by reviewing forecasts and projections for the 12 months from the date of approval of financial statements. The key risks considered in assessment of the entities going concern are material changes in macroeconomic factors, potential loss of investors, deterioration of the investment pipeline, and the operational risks arising from a weakness or failure in the business' systems and controls.

The above risks have been stress tested in the forecasting exercise undertaken by management to ensure that the business and the Octopus Energy Group are prepared for any negative outcomes. The Company has ongoing assessments of these risks throughout the year to ensure that there are sufficient controls and policies in place to mitigate risks.

Considering together the risks facing the Company and its access to liquidity the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

**3. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described below, 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 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.

**Key source of estimation uncertainty — fair value of contracts**

Management reviews the recoverable amount of each customer contract at the end of the reporting period to assess if there is any indication of impairment. Management must determine the recoverable amount of each contract, using assumptions about future operating results. This requires estimates to be made for the recoverable amount of each investment, including discount rates and cash flow forecasts. Refer to Note 10 for the disclosures.

**Critical judgements — useful life of contracts**

Management has made a judgment in relation to determine the useful life of contracts. The current amortisation period for contracts is between 10 – 25 years. In determining the estimated useful life (UEL) of the contracts the Company have taken the date of termination as stated in the signed agreements. In the absence of a termination date in the agreement, the UEL of the contract has been taken from the remaining UEL of the assets owned by that fund. A key judgement has been made where the UEL of these assets is over 25 years, the Company then capped the UEL to 25 years, as the renewable assets are expected to receive stable turnover over the 25 years.

There are no other critical sources of estimation uncertainty or accounting judgements that require disclosure.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ending 30 April 2023

### 4. Principal accounting policies

#### 4.1 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 or 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 that 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.

#### 4.2 Turnover

Fund management fees are derived from providing fund and investment management services which include origination of sustainable investment opportunities, making investment decisions, actively managing investment portfolios and providing performance reporting back to investors. Fees for providing these services are based on the value of the assets managed within those funds. The turnover from these services is recognised over the period that these services are provided to its customers.

#### 4.3 Intangible Fixed Assets

##### Fund Contracts

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 indicators of impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

The intangible assets are amortised over the following useful economic lives:

Contracts 10-25 years

#### 4.4 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

#### 4.5 Debtors

Short term debtors are measured at transaction price.

## Octopus Renewables Limited for the year ended 30 April 2023

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ending 30 April 2023

**4.6 Creditors**

Short term trade creditors and Other financial liabilities, including loans, are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method.

**4.7 Share Based Payments**

Octopus Energy Group Limited operates an equity-settled, share based payment scheme, under which the Company receives services from employees as consideration for equity instruments of the parent. The fair value of the employee services received in exchange for the grant of the equity instrument is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted. The fair value of the equity instruments issued is measured using the Black Scholes model, the share price from the most recent investment round along with the exercise price, the time to expiration, the risk free rate and a measure of volatility are all input into the Black Scholes model. The expense for the share options granted is recognised over the period between the grant date and the vesting date of those options, which is the period over which all of the specified vesting conditions are satisfied, adjusted for annual attrition rates. A reasonable allocation is made of the parent Company's total expense, considering where each individual's service is rendered, with a corresponding adjustment to equity

**5. Turnover**

Turnover is recorded net of VAT and represents amounts earned in the year for fund management. Turnover is recognised when a right to receive consideration has been obtained through the performance of contractual commitments. All turnover is generated within the U.K. through the provision of fund management services.

**6. Profit before Taxation**

Profit before taxation is stated after charging:

	2023	2022
Note	£'000	£'000
Salary costs	14,429	9,432
Amortisation of intangibles	814	678
Legal and professional	1,375	315
Audit fees	29	15
Consultancy and other staff costs	405	390
Share option expense	356	-
Related party recharges	2,249	1,556
General and administration	735	178
	<b>20,392</b>	<b>12,564</b>

## Octopus Renewables Limited for the year ended 30 April 2023

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ending 30 April 2023

The analysis of auditor's remuneration is as follows:

	2023 £'000	2022 £'000
Fees payable to the Company's auditor for the audit of the annual accounts	29	15
Other services provided by the Company's auditor	8	8
<b>Total fees payable to the Company's auditor</b>	<b>37</b>	<b>23</b>

**7. Staff costs**

The average monthly number of employees, including executive directors, during the year was:

	2023 £'000	2022 £'000
Administration	-	-

Their aggregate remuneration comprised:

	2023 £'000	2022 £'000
Wages and salaries	12,335	8,084
Social security costs	1,547	896
Other pension costs (see note 15)	547	452
	<b>14,429</b>	<b>9,431</b>

All staff are employed by Octopus Energy Group Limited and wages, social security and pension costs are recharged to Octopus renewables (2022: staff were employed by Octopus Energy Generation Holdco Ltd but have since moved to Octopus Energy Group).

**8. Directors' Remuneration and Transactions****Directors' remuneration**

	2023 £'000s	2022 £'000s
Emoluments	-	-
Company contributions to defined contribution pension schemes	-	-
	<b>-</b>	<b>-</b>

There are 5 Directors who did not receive any remuneration in respect of services to the Company. Four Directors are remunerated by other Group Companies and the remaining Director is employed by the Company's shareholders and does not specifically receive any remuneration in respect of the Company.

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.

## Octopus Renewables Limited for the year ended 30 April 2023

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ending 30 April 2023

**9. Taxation**

The tax (credit) / charge comprises:

	2023 £'000s	2022 £'000s
<b>Current Tax</b> (see note below)		
UK corporation tax	-	117
Group relief payable	1,216	-
<b>Total current tax charge</b>	<u>1,216</u>	<u>117</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	10	(10)
<b>Total deferred tax</b>	<u>10</u>	<u>(10)</u>
<b>Total tax per profit and loss</b>	<u>1,226</u>	<u>107</u>

The (credit) / charge for the year can be reconciled to the profit as follows:

	2023 £'000s	2022 £'000s
Profit / (Loss) on ordinary activities before tax	<u>4,266</u>	<u>2,876</u>
Charge/ (credit) at standard UK tax rate of 19.49% (2022: 19%)	832	546
<b>Effects of:</b>		
Fixed asset differences	158	130
Expenses not deductible for tax purposes	234	1
Group relief surrendered / (claimed)	(1,216)	(569)
Payment for group relief	1,216	-
Impact for change in tax rate	2	(1)
<b>Current tax charge/(credit) for the year</b>	<u>1,226</u>	<u>107</u>
<b>Deferred tax assets/(liabilities)</b>		
Provision at start of period	10	-
Deferred tax credit/(charge) to income statement for the period	<u>(10)</u>	<u>10</u>
	<u>-</u>	<u>10</u>

The standard rate of tax applied to the reported profit on ordinary activities is 19.49% (2022: 19%). Deferred tax has been calculated at 25% at 30 April 2023 as this rate has been enacted at the balance sheet date effective from 1 April 2023

## Octopus Renewables Limited for the year ended 30 April 2023

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ending 30 April 2023

**10. Intangible Assets**

	<b>Fund Contracts</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>		
At 1 May 2022	15,299	15,299
Additions	-	-
At 30 April 2022	15,299	15,571
<b>Amortisation</b>		
At 1 May 2022	(678)	(678)
Charge for the year	(814)	(814)
At 30 April 2023	(1,492)	(1,492)
<b>Net book value</b>		
At 30 April 2022	14,621	14,621
At 30 April 2023	13,808	13,808

**11. Investments**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>		
At 1 May 2022	-	-
Investments during the period	38	-
As at 30 April 2023	38	-

The Company registered a new subsidiary and paid £10.5k for 100 shares of Octopus Energy Offshore Wind GP Sarl in October 2022. The registered office of Octopus Energy Offshore Wind GP Sarl is UK House, 5th Floor, 164-182 Oxford Street, London, W1D 1NN.

The Company registered a new subsidiary and paid £14.3k for 100 shares of Octopus Energy Transition GP Sarl in October 2022. The registered office of Octopus Energy Transition GP Sarl is UK House, 5th Floor, 164-182 Oxford Street, London, W1D 1NN. To satisfy capital requirements a further £13k was invested in February 2023 bringing the total investment to £27.3k.

**12. Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£'000s</b>	<b>£'000s</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	2,896	870
Amounts owed by group undertakings	2,979	114
Accrued income	1,373	1,228
Prepayments	96	39
Amounts owed by related party	5,206	4,928
	12,550	7,179

Amounts owed by a related party include management fees due from Octopus Investments Limited of £3.8m (2022: £3.4m) and Octopus AIF Management Limited of £1.4m (2022: £1.5m).

## Octopus Renewables Limited for the year ended 30 April 2023

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ending 30 April 2023

**13. Creditors**

	2023 £'000s	2022 £'000s
<b>Amounts falling due within one year:</b>		
Trade creditors	43	34
Other creditors	792	1,896
Amounts owed to group undertaking	4,036	163
Deferred income	2,129	2,045
Accruals	1,244	749
Amounts owed to related party	114	336
	<b>8,358</b>	<b>5,222</b>

Amounts owed to group undertaking include intercompany recharges payable to Octopus Energy Group Ltd of £2,791k and Octopus Energy Ltd of £468k. £184k is due to Octopus Energy Italy and £320k to Octopus Energy US for salary recharges. £271k is owed to Kraken Flex Ltd for IT licenses.

**14. Called-Up Share Capital**

	2023 £'s	2022 £'s
<b>Allotted, called-up and fully-paid</b>		
Ordinary shares of £1 each	4	4

The Company issued nil shares during the year (2022: 1). The share was issued to Octopus Capital prior to acquisition at a premium of £17,923k.

**15. Other reserves**

During the year the Company received a £3.86m capital contribution from Octopus Energy Group Limited to fund its growth strategy in new markets.

**16. Retirement benefit schemes**

The Company operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company under the control of trustees. Contributions accrue to the scheme for qualifying employees during the dates of their contracts of employment.

Contributions are usually made as a percentage of an individual employee's gross annual salary. The total costs charged to the Statement of Comprehensive Income of £547k (2022: £452k) represents contributions payable to the scheme by the Company.

**17. Ultimate Parent Undertaking and Controlling Party**

The smallest and largest group in which the results of the Company are consolidated is that headed by Octopus Energy Group Limited, UK House, 5th Floor, 164-182 Oxford Street, London, W1D 1NN. Copies of Octopus Energy Group Limited consolidated financial statements can be obtained from UK House, 5th Floor, 164-182 Oxford Street, London, W1D 1NN.

Octopus Renewables Limited for the year ended 30 April 2023

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ending 30 April 2023

The immediate parent Company is Octopus Energy Generation Holdco Limited, a Company incorporated in the United Kingdom and registered in England and Wales, registered office: UK House, 5th Floor, 164-182 Oxford Street, London, W1D 1NN.

The ultimate parent Company is Octopus Energy Group Limited, a Company incorporated in the United Kingdom and registered in England and Wales, registered office: UK House, 5th Floor, 164-182 Oxford Street, London, W1D 1NN.

*Copies of these financial statements can be obtained from the registered office, UK House, 5th Floor, 164-182 Oxford Street, London, W1D 1NN.*

**18. Related Party Transactions**

The Company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose related party transactions with other wholly owned members of the group. In accordance with FRS102 the Company is exempt from disclosing transactions with subsidiaries that are wholly-owned by the group.

At the balance sheet date £3.8m is owed from Octopus Investments Limited for fund management fees, and £1.4m is owed from Octopus AIF Management Limited for fund management fees.

**19. Share based payments**

The Company's employees have been granted share options by the parent company, Octopus Energy Group Limited. The Company makes use of the exemption in Section 26 of FRS 102 to account for the expense. This is based on a reasonable allocation of the parent Company's total expense, considering where each individuals' employment contract is held. The Company has calculated its expense based on the number of share options granted and the estimated vesting over 48 months, adjusted for annual attrition rates.

**20. Subsequent events**

Fern is one of the largest funds under management within ORL, and is a key source of revenue. Fern has made the decision as of 17<sup>th</sup> May 2023 to divest the Fern Power Company from the portfolio. This decision stems from the fact that its subsidiaries, which primarily deal with reserve power, have a carbon footprint, and do not align with fully renewable energy practices. As a result of this divestment, an estimated loss of approximately £1.5 million in management fees is anticipated in FY24 for ORL. The proceeds from the sale of the Fern Power Company will be utilized to explore alternative investment opportunities; however, no concrete prospects are currently in consideration.

The Directors are not aware of any other matters or circumstances that have significantly or may significantly affect the Company.