Octopus Group Holdings Limited

Annual report and consolidated financial statements

For the year ended 30 April 2023

Registered number: 14002583

COMPANY INFORMATION

Directors	C R Hulatt (appointed 25 March 2022) S A Rogerson (appointed 20 April 2022) J J Browett (appointed 29 November 2022) R A Handcock (appointed 29 November 2022) S J Quickenden (appointed 29 November 2022)
Company Secretary	Octopus Company Secretarial Services Limited
Company Registration Number	14002583
Registered Office	6th Floor 33 Holborn London EC1N 2HT United Kingdom
Auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ United Kingdom
Bankers	HSBC plc 31 Holborn London EC1N 2HR United Kingdom

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STRATEGIC REPORT

For the year ended 30 April 2023

Principal activities

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

Octopus Group Holdings Limited and its subsidiaries (herein "Octopus") are a group of entrepreneurially minded businesses, that are on a mission to invest in the people, ideas and industries that will change the world. Founded in 2000, Octopus has grown into one of the most disruptive and progressive companies across the financial services, energy and education sectors. We believe that how a company behaves is as important as what it does, we want to change the role business plays in society too.

Financial Services Business

Octopus Investments acts as fund manager to a range of products and funds within venture capital, real estate, renewable energy and quoted investments on behalf of retail and institutional investors.

Seccl is on a mission to rebuild the infrastructure of investments and advice. Their custody and investment technology helps financial advisors, investment managers and fintechs of all sizes to operate their own investment platform more easily and more affordably than ever.

Octopus Money offers money coaching and financial advice to people across the UK, regardless of how much they earn or are able to invest. Along with Octopus Legacy, Octopus Money provides services that offers customers deeper money and emotional support through big life events.

Energy Business

Octopus Energy comprises 10 businesses in 14 countries across 4 continents. It serves more than 5 million domestic customers, over 40,000 business customers, with 30 million contracted accounts for their entech platform, Kraken. During the year, a group reconstruction took place whereby the stake in Octopus Energy Group Limited that was previously held by Octopus Capital Limited was separated from the remainder of the Group's activities and held by a new holding company OE Holdco Ltd. As a result of this, the Group's share of result of Octopus Energy Group Limited is only included up to the point of the demerger, which is the end of October 2022.

Education Services

The Aurora Group provides education and care for children, young people and adults with special educational needs and disabilities. Aurora's mission is to provide innovative and high-quality education, care, and support, enabling all children and young people to thrive and fulfil their aspirations.

STRATEGIC REPORT (continued)

For the year ended 30 April 2023

Business review and key performance indicators

The Group now manages £10.5bn of funds (2022: £10.3bn) across both retail and institutional investors.

We benefit from being a privately-owned group with significant founder and employee ownership. This allows us to take a long-term view and to continue to invest in the growth of new businesses even where these may incur significant operating losses during their start-up and expansion phases. The strength of our fund management group performance and balance sheet has allowed the Group to continue to invest in its new businesses this year. The overall results for the Group show a pre-tax loss of £10m for the year (2022: profit £184m) on turnover of £294m (2022: £1,413m), which was in line with expectations. In 2022, the Group lost control of the energy supply business and only consolidated its results up to October 2021. The Group also recorded a £187m dilution gain on holding of associate investment following the loss of control which contributed to the significant profits in 2022. Following the loss of control of Octopus Energy, the continuing results of the Group reflect the predominantly fund management activities which generate much lower revenues but are profitable to the Group.

The Group is well capitalised, with no long-term recourse debt, and total capital employed of £249m (2022: £306m) at 30 April 2023.

£m	**Fund management**		**Energy supply & investment* (Discontinued)**		**Education services**		**Total**	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
Turnover	**236**	287	**-**	1,075	**58**	51	**294**	1,413
Gross profit	**204**	259	**-**	35	**21**	19	**225**	313
Profit/(loss) before tax	**72**	90	**(84)**	76	**2**	18	**(10)**	184

*The Energy supply & investment segment includes the results of Octopus Energy when consolidated prior to the loss of control in October 2021, and the subsequent share of associate result until the de-merger of the Group's remaining investment in November 2022. From this point, the Group no longer retains any exposure to the results of Octopus Energy. Refer to note 1.1 for further details of the group reconstruction that took place during the year.

The Group increased funds under management by £0.2bn, split between retail and institutional clients via growth within existing funds as well as successful new fund launches. These included Senior Living Investment Partnership, a newly launched retirement living fund, and successful tax fundraises into Octopus Inheritance Tax Service. Turnover and profits fell in 2023 as the Group earned less performance fees on its Venture Capital funds as a result of tougher market conditions for early-stage companies which negatively impacted valuations.

Aurora has had a strong year executing its strategy of turning around school performance and increasing occupancy through the acquisition of new school sites as well as development of existing facilities. Their results for 2022 included a gain on sale and leaseback of 4 school sites which did not recur in 2023.

The Octopus Group became a B Corp in 2021. B Corporations are grounded on the belief that how a company behaves is just as important as what it does, and it is these businesses that consider their wider stakeholders when making decisions, that will be more successful in the future. Because people will want to work for, buy from and invest in companies that understand what it means to make the world a better place. Our B Impact score was 85.4 which is above the minimum requirement of 80 to be certified as a B Corp. Every three years B Corps must recertify, and we're aiming to score in the top 10% of all B Corps globally in 2024.

STRATEGIC REPORT (continued)

For the year ended 30 April 2023

Business review and key performance indicators (continued)

As part of the certification process, companies are graded on five pillars:

1. Governance
2. Employees
3. Community
4. Environment
5. Customers

The Group has changed its articles of association to commit to considering all five stakeholders when making decisions and setting its strategy, alongside the considerations of shareholders and the financial performance of the Group. Examples of this includes the launch of our new Affordable Housing fund, which aims to accelerate the delivery of high quality, genuinely affordable homes, as well as targeting 7,000 volunteering hours in 2024 across our staff and partners.

Principal risks and uncertainties

Taking risk is an inherent part of the Group's business activities. Governance frameworks are established to help ensure that the Group only takes on risks it understands, can manage, and where the potential benefits justify the risk, are taken.

Approach to Risk Management

The structure for managing risk across the Group comprises of independent governance and oversight of risk, risk management frameworks (including risk appetite statements and policies) and a formalised process for providing risk reporting to the Board via the Board's Audit and Risk Committee.

On an annual basis the Board review the principal risks using scenario analysis and stress testing techniques to understand the level of exposure.

Governance

A structured approach to risk management ensures an effective level of alignment between oversight and management responsibility for risk.

This approach includes a 'three lines of defence' model which is used to manage risk and provide assurance to management and the Board with regards to the effectiveness of the Group's control environment:

The first line of defence comprises business management and employees (outside the second line of defence). They are the risk owners and have the primary responsibility to manage risk relating to their business activities.

The second line of defence includes Risk and Compliance functions, parts of the Finance team and parts of the People team. They provide objective oversight, monitoring, and independent challenge.

The third line of defence includes the Internal Audit function who provide independent and objective assurance to the Audit and Risk Committee.

In addition, Non-Executive Directors oversight of the risk management process is exercised through the Audit and Risk Committee.

Risk Management Framework

The Group's risk management framework sets out the approach to identify, assess, manage, monitor, and report risks. The risk assessment processes enable the Group to identify and assess the most significant risks it faces and compare these against risk appetite statements agreed by the Board's Audit and Risk Committee. The assessments allow executive management to make informed risk-based decisions on a day-to-day and forward-looking basis.

Good conduct is a focus area at the Group and is essential for the effective management of risk. For example, as part of the appraisal process, a significant focus is placed on how staff have delivered their objectives and 'how' they have conducted themselves in general, as opposed to only just considering 'what' has been achieved.

STRATEGIC REPORT (continued)

For the year ended 30 April 2023

Risk Management Framework (continued)

The Group's regulated fund management entities, Octopus Investments Limited and Octopus AIF Management Limited, are required to hold appropriate levels of financial resources to ensure their viability. Octopus Investments Limited is a MIFIDPRU investment firm and the approach to determining its level of resources held given the principal risks, size and complexity of the firm is documented in the Internal Capital and Risk Assessment (ICARA) process document. This includes harm scenario analysis and stress testing, as well as assessing the cost of an orderly wind-down process.

Principal Risks and Uncertainties

Principal risks are assessed to consider current and emerging risks facing the Group.

Strategic and Business Risk

The Risk of Tax Legislation Changes

The risk of tax legislation changes significantly impacting the Group's product range.

Mitigations

To manage this risk to the business, executives and relevant investment teams ensure that they have a detailed understanding of current tax legislation and are aware of evolving HMRC rules on the horizon. A clear strategy is in place to expand the current non-tax offerings for example through institutional fundraising.

Change in risk in current year: increased (due to political uncertainty in the UK).

The Risk of Adverse Energy Market Impacts

The risk of hedging policies not being effective to supply electricity and gas customers.

Mitigations

Octopus Energy has highly efficient operations, with secure hedging policies in place, and therefore the directors believe it is well placed to continue to establish itself among the leading independent energy suppliers.

Change in risk in current year: decreased (due to group reconstruction that took place in year).

Operational Risk

The Risk of a Cyber Attack

The risk that a successful cyber-attack could result in the loss of Group assets, client data or cause significant disruption to key systems.

Mitigations

The Group adopts a multi-layered approach to cyber security, consisting of training throughout the Group, policies and cyber controls. The effectiveness of controls in place are regularly reviewed and tested, for example through penetration testing, vulnerability scanning and through cyber incident response simulations. Governance frameworks have been established which specifically focus on cyber and information security.

Change in risk in current year: no change.

The Risk of a Data Breach

The risk of failures in information and data management resulting in a loss to the Group.

Mitigations

Within an overarching information security framework, specific measures that are in place to help mitigate this risk include mass mailing and data management controls, cyber security controls (see above) and third-party due diligence. Information Security is a key area of focus and necessitates a cycle of continuous improvement.

Change in risk in current year: no change.

STRATEGIC REPORT (continued)

For the year ended 30 April 2023

Principal risks and uncertainties (continued)
The Risk of Critical Outsourced Provider Failure

The risk that an outsourced provider fails to provide the service required either through their own organisational failure, or through substandard performance.

Mitigations

The Group outsources certain activities like fund administration and depository services to third-parties, and also relies on third-party systems for investment and trade management. Third party due diligence frameworks and policies are in place to assist in mitigating the risks associated with outsourcing. Conditions that the business does not have an appetite for include 1) arrangements where senior personnel delegate their responsibilities to a third party, and 2) arrangements which could undermine the firm's regulatory status and obligations. Initial and ongoing due diligence is performed on third parties and scrutiny is increased if the nature of the relationship necessitates greater oversight and assurance.

Change in risk in current year: no change.

The Risk of IT Failure

The risk of critical systems or connectivity failures leading to an inability of the Group to operate for a period of time.

Mitigations

Various internal policies (for example, those governing the software development lifecycle, or the laptop build requirements) reduce the likelihood of IT failure. These are in addition to cyber security and outsourced provider management measures that the Group has in place. Effective incident reporting and escalation frameworks are also in place to promptly identify and triage any user issues and limit their impact. Business continuity and disaster recovery measures further mitigate the impact of failures if they occur. These measures include infrastructure redundancy, data backups and disaster recovery environments which are subject to failover testing from the production environment.

Change in risk in current year: no change.

The Risk of Control Failure Resulting in operational errors

The risk that inadequate or failed processes, people, systems and controls or from external events could result in direct financial losses, reputational damage and failure to attract new clients.

Mitigations

Effective governance and oversight arrangements are in place through Board Committees and the three lines of defence.

Policies and procedures outline internal controls and escalation protocols. These measures significantly reduce the risk posed by events which could cause harm to clients, markets, and the reputation of the business. Management is active in seeking knowledge on changes to the business environment which may have an impact on the way the Company does business.

The Group also has business continuity and disaster recovery plans in place, and insurance is in place to mitigate significant financial loss.

Change in risk in current year: no change.

STRATEGIC REPORT (continued)

For the year ended 30 April 2023

Principal risks and uncertainties (continued)

Financial Risk

Credit risk

The risk that the Group suffers a loss due a counterparty failing to meet contractual obligations.

Mitigations

The Group's principal financial assets are cash and trade and other receivables. The credit risk is primarily attributable to its trade receivables and regulated property loans. The amounts presented in the balance sheet are net of allowances for doubtful receivables. Management regularly reviews aged balances and maintain active dialogue with any counterparties in arrears to maximise recovery of amounts owed.

The credit risk on cash balances is limited, and the Group has a policy to only deposit cash in institutions and products that are AAA credit related (or equivalent). The Group also utilises multiple banking/treasury providers to protect against risk of failure of one institution on the Group's cash.

Change in risk in current year: no change.

Liquidity risk

The risk that the Group, although solvent, either does not have available sufficient financial resources, or cannot secure sufficient financial resources without excessive cost, to meet its financial obligations as they fall due.

Mitigations

To maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group holds its cash reserves in current and short-term liquid investments. These include low-volatility NAV Money Market Funds which provide same-day access to cash should it be needed.

The Group's regulated entity, Octopus Investments Limited, is required to report to the FCA on its liquidity via its MIF002 quarterly return with minimum levels of Liquid Assets maintained largely based on the it's ICARA which is prepared based on forecast trading and harms scenarios.

Management monitors the cash flow forecasts of the Group monthly, and the projections are shared with the Board committees as part of the financial reporting. Stress scenarios are included which details impacts to the Group's cash under adverse scenarios and ensures smooth running of operations.

The Group's regulated entities have complied with their Liquid Assets required throughout the current and prior year and this is expected to be the case in future years too.

Change in risk in current year: no change.

Treating customers fairly

Treating customers fairly is part of the Group's business ethos and ensures its regulated business complies with the FCA principle, "A firm must pay due regard to the interests of its customers and treat them fairly". The fair treatment of customers is central to the corporate culture. The Octopus Group (Octopus Group Holdings Limited and its subsidiaries, also "Octopus") is a certified B Corp and has changed its Articles of Association so that we are legally required to manage our business in line with the interests of all our stakeholders.

A Conflicts Committee is responsible for ensuring that customers are treated fairly in decisions that the Group makes, whether that be ensuring that Octopus does not unfairly benefit at the expense of the customer, or one customer over another within Octopus products. This is achieved through identification of actual or perceived conflicts, controls over the handling of sensitive information, and training employees to manage identified conflicts.

STRATEGIC REPORT (continued)

For the year ended 30 April 2023

Business relationships with suppliers and reporting of payment practices

The Group's suppliers are fundamental to the quality of services Octopus provides, and the Group works to build and foster relationships with its suppliers.

The Group's payments terms are to comply with suppliers' standard terms, or 30 days if not specified on invoice. The most frequently used term is 30 days. During the period there were no changes to our payment terms (2022: none). The Group does not have different payment terms for small and medium sized companies.

Octopus Investments Limited, a subsidiary of Octopus Group Holdings Limited and the main trading entity of the Fund Management Group, publishes average time taken to pay invoices, as well as the number of invoices paid within 30 days. It is the Group's objective to ensure that 90% of all invoices received from suppliers are paid within 30 days which was achieved in the 6 months to 30 April 2023, the last reporting period. This information is available on the www.gov.uk website.

Section 172 statement

The Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. As part of the Board's decision-making process, the Directors and Committees consider the potential impact of decisions on relevant stakeholders, whilst also having regard to a number of broader factors, including the impact of the Group's operations on the community and environment, responsible business practices, and the likely consequences of decisions in the long term.

Octopus Group is a certified B Corporation. B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.

Octopus recognises that it is going to require long-term change, and as part of the release of its Future Generations report at the start of 2022, has set three key promises with which to measure long term success:

1. Investing a further £1bn into companies that are building a sustainable planet, empowering people, and revitalising healthcare - to date we've invested £6.8 billion into companies that achieve these aims, which is 67% of our total Octopus Group funds under management. Increasing this percentage – year after year – is critical to achieving our overall mission.
2. Committing 7,000 hours of our time to the charities that we work with. While we recognise that our financial donations are important, we're more motivated by the time our people choose to give to these causes.
3. Increasing our B Corp score to over 100. Currently we score 85.4. While that's comfortably above the minimum qualifying score of 80, there are lots of things we'll need to improve to achieve our target.

Illustrations of how s172 factors have been applied by the Board can be found throughout the Strategic Report as follows:

Matter	Reference
The interests of the Group's employees	Page 16 (Director's Report)
The need to foster the Group's business relationships with suppliers, customers and others	Page 9-10 (Strategic Report)
The impact of the Group's operations on the community and the environment	Page 11-14 (Strategic Report)
The desirability of the Group maintaining a reputation for high standards of business conduct	Page 10 (Strategic Report)
The likely consequences of any decision in the long term	Page 14 (Strategic Report)

Further details can be found on www.octopusgroup.com.

STRATEGIC REPORT (continued)

For the year ended 30 April 2023

Task Force on Climate-related Financial Disclosures (TCFD)

Climate change is one of the most critical challenges facing civilisation as we know it today. Companies have a vital role to play in addressing climate change and Octopus believes that measuring, managing, and communicating sustainability performance is an essential part of the company's responsibility.

Task Force on Climate-related Financial Disclosures (TCFD) is split between:

- TCFD recommendations, which focus on assessing the financial impact of climate change on business models in order to help organisations build resilience to climate change into their strategy.
- TCFD disclosures, which help businesses demonstrate the extent to which the recommendations have been implemented and provide decision useful information to investors.

The Group integrates both recommendations and disclosures within its processes as follows:

Governance:

The Board is supported by the Responsible Investment (RI) Committee, which is made up of a Founder, Chief Executive Officer, Chief Investment Officer, Head of Investment Products, Head of Impact and Sustainability and Chief of Staff.

The RI Committee have set an RI Policy which outlines the company's approach to managing and disclosing climate related risks in line with TCFD guidance. The Investment Heads are then responsible for ensuring that climate related risks are integrated within decision making, and the Head of Impact and Sustainability is responsible for ensuring that disclosures are accurate and fulfil reporting requirements.

Where climate-related risks and opportunities are identified, they are discussed with the RI Committee and if it is deemed that further measures should be taken, the issues are be incorporated within the company's overall risk management framework.

Each year, the RI Committee reports back to the Board on performance against the RI Policy, this review includes an overview of climate related risks, their materiality and how we are tracking against metrics and targets such as carbon emissions.

Where risks have been identified, the RI Committee will set appropriate targets to reduce exposure through engagement, and where necessary, divestment.

Climate Strategy:

The Group is most exposed to the impact of climate-related risks and opportunities through its investment portfolios, and the impact this could have on investment performance.

Octopus is on a mission to invest in the people, ideas and industries that will change the world. We mainly invest across three broad themes: building a sustainable planet, revitalising healthcare and empowering people.

For the most part Octopus benefits from many of the climate-related issues associated with a transition to a lower-carbon economy and a 1.5-degree climate pathway. However, we are also taking steps to ensure that the investments we make remain resilient to the physical risks associated with a 4-degree pathway.

The mains ways that we will benefit from a transition to a lower carbon economy are through our investments into renewable energy which will need to increase as the world transitions away from oil and gas, as well as through our infrastructure funds which are finding ways to move to a net zero world faster such as with the increased uptake of electric vehicle charging.

Our education business, Aurora, is currently investing in upgrading the energy efficiency of the sites that it owns such as installing energy efficient lighting and introducing an electric car scheme for employees and in the current year it has seen its emissions per pupil decrease demonstrating the progress made.

STRATEGIC REPORT (continued)

For the year ended 30 April 2023

Climate Strategy (continued)

Each investment team is responsible for ensuring that climate-related risks are integrated within the investment and portfolio management process. This analysis demonstrates that for the most part Octopus is resilient to these risks, over the short, medium and long term, by the very nature of the asset classes in which we invest:

- Real Estate – Our lending business provides short term loans (max 2 years) which means that they are less exposed to physical risks, and our development business focus on UK assets that are built to be best in class energy efficiency ratings. As a result, analysis has not uncovered risks that are not being mitigated within the lending or development process. Some of our products, such as the Greener Homes Alliance and the Octopus Healthcare Fund have set minimum efficiency ratings or specific targets to improve the energy efficiency of the overall portfolio.
- Infrastructure – Our infrastructure team is focussed on funding infrastructure which will accelerate the transition to net zero, and the team recognises that many transition climate-related risks present upside opportunities. For example, the phasing out of Internal Combustion Engines presents increased demand for EV charging infrastructure etc. Infrastructure remains exposed to physical climate risks, and these are assessed within the investment process as part of due diligence, and within ongoing portfolio management decisions.
- Venture Capital – Our ventures team are backing tech enabled businesses with improved energy efficiency and reduced exposure to physical risks when compared with industry incumbents. While the portfolio continues to be assessed against climate-related risks, the team have not identified risks that pose a material risk to investment performance.
- Quoted Companies – Our quoted companies' team assess the key risks a portfolio company faces, including transitional and physical risks associated with climate change, as well as whether these companies have taken appropriate steps to mitigate these potential risks. During the life of the investment, the team regularly review the performance of the company against several metrics to decide whether those companies are delivering on plans or targets.

Risk Management:

Climate-related risks are identified, assessed, and managed within the investment process, and this information is consolidated at a firm level to maintain an understanding of all climate risks which could impact fund, and subsequently company, performance. The Impact and Sustainability team have developed a series of tools which support responsible investment. In the context of climate related risks and opportunities for unlisted companies:

- The Responsible Investment (RI) Tool is completed by the investment manager and assesses a portfolio companies' exposure to climate related risks and opportunities as part of the due diligence process, and then as part of ongoing portfolio management.
- The RI Tool is built using the SASB (Sustainability Accounting Standards Board) materiality map which outlines key sustainability issues which should be considered across different sectors. The Tool also incorporates the SASB climate overlay which highlights which sustainability issues are climate risks, and the Impact and Sustainability team has assessed whether these risks are financially material in a 1.5-degree climate pathway or a 4-degree climate pathway.
- The Engagement Tool is completed by the portfolio company, it captures information and data that helps the team to understand their exposure to issues which are considered material to all investments. For example, it captures data relating to greenhouse gas emissions, and where companies do not have access to available data – provides access to licensed tools that allow them to measure emissions quickly and easily.

STRATEGIC REPORT (continued)

For the year ended 30 April 2023

Risk Management (continued)

Currently, 83% of portfolio companies have completed the Engagement Tool and we are aiming for all companies to have completed this in 2024.

At a fund level, as with all sustainability issues, climate related risks that have been identified within Investment Committee meetings will be discussed, and where risks are considered material to investment performance these issues will be incorporated within the risk register and assessed on an ongoing basis.

At a firm level, material climate risks will be reviewed by the RI Committee, and steps will be taken to mitigate exposure where it is deemed that further measures should be taken.

At Board level, ESG risk is integrated into Octopus' Risk Heat Map which is presented to the Audit and Risk Committee as well as to the Board on a quarterly basis.

Metrics and Targets:

Greenhouse Gas Emissions is one climate-related risk that Octopus has identified as having the potential to impact the financial performance of funds, products, and the wider business. As a result, Octopus has taken steps to measure and report on Scope 1, 2 and 3 (business travel and purchased goods and services (PG&S)) emissions as well as those associated with investment portfolios.

- *Scope 1&2 (location-based emissions): 326 tCO2e*
- Scope 3 (business travel and PG&S): 1,434 tCO2e
- Scope 1-3 per UK employee: 2.65 tCO2e

The Octopus Group has set a target to reach Net Zero by 2030 across operational emissions associated with Scope 1 & 2 emissions and Scope 3 emissions for business travel and PG&S.

Scope 1 emissions are calculated by taking Octopus Group's amount of natural gas used to heat office buildings and multiplying this by DEFRA's UK emission factor.

Scope 2 emissions are calculated by taking Octopus Group's amount of electricity used in buildings and multiplying this by DEFRA's UK emission factor. The electricity emissions have been calculated using both the Market-based approach and the Location-based approach.

- Location-based approach: calculated using the average electricity emissions for the national grid.
- Market-based approach: specific electricity emissions for source of electricity and residual grid mix for non-specific sources.

Scope 3 financed emissions – we have signed up to the Science-based Targets Initiative (SBTi) and we are currently developing emissions reduction targets across our asset classes. The SBTi offers science-based guidance and frameworks for financial services businesses to set reduction targets and it is the most recognised globally of all existing frameworks.

The energy usage across the fund management activities of the Octopus Group are::

- Electricity: 806,874 KWH
- Natural Gas: 889,811 KWH
- Transportation*: 295,802 KWH

*Transportation energy usage was calculated from mileage claims from petrol, diesel, and battery vehicles.

STRATEGIC REPORT (continued)

For the year ended 30 April 2023

Metrics and Targets (continued)

In calendar year 2022, the Octopus Group reduced its carbon footprint by almost 20%, which is good progress towards the 30% reduction target by 2025. Octopus uses the portfolio emissions to identify portfolio hotspots and provide support to help companies reduce their emissions and set their own targets. More information on our Net Zero plan can be found on our website www.octopusgroup.com/net-zero-plan. In quarterly meetings, the Responsible Investment Committee review climate-related risks that have been identified within the investment process and continue to provide oversight over risks and opportunities that could impact the performance of the investment business.

Impact of investments on the community:

Our approach to responsible investment ensures that we consider the impact of our investments on the community. We achieve this in two ways:

We think the most successful companies of the future will be a force for 'good'. Today 67% of our AUM targets one of three investment themes; building a sustainable planet, empowering people, and revitalising healthcare. We track the amount of money we've invested into these companies and set metrics and targets to measure this impact across mandates targeting specific social or environmental outcomes.

We believe that how a company behaves is just as important as what it does, so we also assess a company on any potentially negative impacts on the community. We ask our investment companies to complete an Engagement Tool that we've based on the B Corp framework, which allows us to consider how the company approaches each of its stakeholders (people, customers, community, environment, and shareholders). The output from this assessment enables us to make informed investment decisions and allows us to provide support and guidance that helps to build more responsible businesses.

Approved by the Board and signed on its behalf by:

C R Hulatt
Director
17th January 2024

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

DIRECTORS' REPORT

For the year ended 30 April 2023

The directors present the annual report on the affairs of Octopus Group Holdings Limited (the "Company") and its subsidiaries (together the "Group") with the consolidated and single company financial statements and auditor's report for the year ended 30 April 2023.

Directors

The directors who served throughout the year and up to the date of this report were as follows:
C R Hulatt (appointed 25 March 2022)
S A Rogerson (appointed 20 April 2022)
J J Browett (appointed 29 November 2022)
R A Handcock (appointed 29 November 2022)
S J Quickenden (appointed 29 November 2022)

Directors' indemnities

The Group 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.

Going concern

The directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the date of approval of the financial statements. The Group has a number of businesses in the expansion phase which are currently loss making. The directors monitor the funding needs of these businesses and are confident that these needs can be met from existing financial resources within the Group and from the profits generated by the more mature businesses. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

Dividends

The directors proposed and paid a dividend of £17,906,000 during the year ended 30 April 2023. A number of distributions in specie were also declared as part of the group reconstruction that took place during the year. For full details see note 24.

Charitable donations

The Group donated £300,000 to the Octopus Foundation during the year (2022: £200,000) which is used to support the Foundations charity partners in their respective causes.

Political donations

The Group did not make any political donations during the year (2022: none).

Acquisition of own shares

Details of the number and value of shares repurchased by Octopus Group Holdings Limited, on behalf of the Group, can be seen in note 18.

Research and development

Software research and development expenditure totalling £1,586,000 (2022: £1,761,000) have been recognised in profit and loss during the year.

Subsequent events

All material subsequent events have been outlined per note 26.

DIRECTORS' REPORT (continued)

For the year ended 30 April 2023

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings, Company-wide emails and via the Company intranet. Employee representatives are consulted regularly on a wide range of matters impacting their current and future interests. The employee share scheme has been running successfully since its inception; it is open to all employees and aims to allow employees to directly share in the success of the Group. In addition, all permanent employees can qualify to receive an annual bonus related to the overall profitability of the Company.

Strategic report

The company has chosen in accordance with Companies Act 2006 s414C (11) to set out in the Group's Strategic Report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' Report. It has done so in respect of financial risk management, engagement with suppliers and customers, Streamlined Energy and Carbon Reporting (SECR), reporting on payment of suppliers, and financial instruments.

Auditor

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

- so far as the director is aware, there is no relevant audit information needed by the Group's auditor in connection with preparing their report of which the Group'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 Group's auditor is aware of that information.

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

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

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the consolidated 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 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 Group and Company, and of the profit or loss of the Group and Company for that year.

DIRECTORS' REPORT (continued)

For the year ended 30 April 2023

Directors' responsibilities statement (continued)

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the consolidated and company financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group 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 Group, hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Future developments

The Group has made a strong start to FY24 with a £230m Rights Issue completed into Fern Trading Limited, a company within the Octopus Inheritance Tax Service, and the launch of our Affordable Housing fund to new institutional investors which is targeting the delivery of high-quality, genuinely affordable homes working in partnership with Housing Associations and Local Authorities.

The Group has reorganised its investment into Octopus Wealth (which has now rebranded as Nova Wealth) such that the Group now no longer controls Octopus Wealth Holdings Limited and its subsidiaries. Nova Wealth is seeking additional funding from private investors to facilitate their growth plans outside of the Group.

The Group has taken on OpenMoney and Evestor's 13,000 customers who will now be able to manage their existing investments via the Octopus Money platform. Octopus Money has also acquired E-Negotiation Ltd (trading as Amicable), a company that works with separating couples and offers an alternative to hiring legal representation. The deal allows Octopus Money to expand beyond financial coaching and wealth advice and into emotional and financial support during major life events, such as divorce.

Approved by the Board and signed on its behalf by:

C R Hulatt
Director
17th January 2024

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS GROUP HOLDINGS LIMITED

For the year ended 30 April 2023

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Octopus Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2023 and of the group's 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 consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 30.

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 group and the parent 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 group's and parent 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS GROUP HOLDINGS LIMITED (CONTINUED)

For the year ended 30 April 2023

Other information (continued)

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit 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 frameworks that the group 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 UK Companies Act and tax legislation; and

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS GROUP HOLDINGS LIMITED (CONTINUED)

For the year ended 30 April 2023

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

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included General Data Protection Regulation (GDPR), Treating Customers Fairly (TCF), FCA Regulations - Client Money and Assets, Alternative Investment Fund Managers Regulations (AIFMD), The Office for Standards in Education, and Children's Services and Skills (OFSTED).

We discussed among the audit engagement team including significant component audit teams 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 in the following areas, and our procedures performed to address it are described below:

We identified the potential for fraud to be in the revenue earned from the retail products which are based on data that is self-administered and often self-custodied. The group maintains the records for these products in a system called EXACT. EXACT calculates a high volume of low value fee transactions. An error or manipulation in the fee calculations in EXACT could lead to a material misstatement in revenue. Our specific procedures performed to address it are described below:

- We obtained an understanding of the relevant internal controls over the EXACT system including general information technology controls, the accuracy of the automated fee calculation in the system and evaluated the operating effectiveness of these controls.
- We independently confirmed the existence of the underlying investments in the system, re-priced the investments held for a sample of dates during the year and confirmed the fee rates in the system are correct for a sample of clients. In addition, for a sample of fees, we recalculated the fee in line with the underlying products' governing documents.

We also recognised a risk of material misstatement due to fraud related to valuation of unlisted investments as it is subject to management judgement or estimates. Our specific procedures performed to address it are described below:

- We obtained an understanding of the relevant internal controls over valuations of unlisted investments. We evaluated and examined the appropriateness of the methodologies selected, the underlying the assumptions and judgements making up the key inputs into valuation methodologies and developed an independent view around the appropriateness of the assumptions used.

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;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS GROUP HOLDINGS LIMITED (CONTINUED)

For the year ended 30 April 2023

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

- *enquiring of management, internal audit 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 and reviewing internal audit reports, and reviewing correspondence with HMRC and the FCA.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Allee Bonnard (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

17th January 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 April 2023

		Year to 30 April 2023 (£'000)			Year to 30 April 2022 (£'000)		
	Note	Continuing	Dis-continued	Total	Continuing	Dis-continued	Total
TURNOVER	2	294,020	-	**294,020**	338,221	1,074,509	**1,412,730**
Cost of sales	3	(68,747)	-	**(68,747)**	(60,412)	(1,039,503)	**(1,099,915)**
GROSS PROFIT		225,273	-	**225,273**	277,809	35,006	**312,815**
Administrative expenses	5, 7	(156,766)	-	**(156,766)**	(224,668)	(108,754)	**(333,422)**
OPERATING PROFIT/(LOSS)		68,507	-	**68,507**	53,141	(73,748)	**(20,607)**
Share of operating loss in associate	12	(1,057)	(84,428)	**(85,485)**	(32,433)	-	**(32,433)**
Dilution gain from holding in associate	12	-	-	-	187,800	-	**187,800**
Share of loss of joint venture	12	-	-	-	(199)	-	**(199)**
Income from investments		631	-	**631**	1,174	-	**1,174**
Impairment of investments & fixed assets	11, 12	(1,363)	-	**(1,363)**	2,565	-	**2,565**
Change in fair value of investments	12	(2,608)	-	**(2,608)**	(1,393)	-	**(1,393)**
Realised gains on disposal	5	2,935	-	**2,935**	51,021	-	**51,021**
PROFIT/(LOSS) BEFORE FINANCE CHARGES		67,045	(84,428)	**(17,383)**	261,676	(73,748)	**187,928**
Finance income/(costs) (net)	4	7,095	-	**7,095**	(131)	(3,913)	**(4,044)**
PROFIT/(LOSS) BEFORE TAXATION	5	74,140	(84,428)	**(10,288)**	261,545	(77,661)	**183,884**
Tax charge on profit/(loss)	9	(6,116)	-	**(6,116)**	(18,827)	17,910	**(917)**
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE FINANCIAL YEAR		68,024	(84,428)	**(16,404)**	242,748	(59,751)	**182,967**

Profit/(loss) and total comprehensive income/(expense) attributable to:

	2023	2022
- Minority interests	**(4,936)**	**(29,632)**
- Equity Shareholders of the Group	**(11,468)**	**212,599**
	(16,404)	**182,967**

Refer to note 1.1 for discontinued operations. Following the group reconstruction in November 2022, the Group no longer holds an associate investment in Octopus Energy Group Limited.

There is no other comprehensive income and as such no separate statement of other comprehensive income has been prepared.

The notes on pages 29 to 66 form part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

As at 30 April 2023

	Note	2023 £'000s	2022 £'000s
FIXED ASSETS			
Goodwill – Subsidiaries	10	10,169	6,627
Intangible assets	10	2,233	2,207
Tangible assets	11	54,754	41,227
Associates and Joint ventures	12	1,130	221,069
Financial assets	12	53,904	48,151
Debtors - due after more than one year	14	14,304	12,040
		136,494	331,321
CURRENT ASSETS			
Stocks	13	4,830	4,792
Debtors - due within one year	14	104,955	76,545
Financial assets	12	27,955	26,600
Cash and cash equivalents		112,430	260,438
		250,170	368,375
CREDITORS: due within one year	15	(120,154)	(162,230)
Financial liabilities	12	(122)	(153)
NET CURRENT ASSETS		129,894	205,992
TOTAL ASSETS LESS CURRENT LIABILITIES		266,388	537,313
CREDITORS: due after more than one year	15	(15,352)	(38,645)
Provisions	16	(2,150)	(2,150)
NET ASSETS		248,886	496,518
CAPITAL AND RESERVES			
Called up share capital	18	430	467
Share premium account		-	5,579
Share-based payments reserve		7,708	6,816
Own shares		(11,500)	(56,198)
Revaluation reserve		85	-
Foreign currency translation reserve		385	*(84)*
Merger reserve		43,521	-
Profit and loss account		220,792	550,526
SHAREHOLDERS' FUNDS		261,421	507,106
MINORITY INTERESTS		(12,535)	(10,585)
TOTAL CAPITAL EMPLOYED		248,886	496,521

CONSOLIDATED BALANCE SHEET (continued)

As at 30 April 2023

The consolidated financial statements of Octopus Group Holdings Limited (registered number: 14002583) and its subsidiaries were approved by the Board of Directors and authorised for issue on 17th January 2024. They were signed on its behalf by:

C R Hulatt
Director

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

The notes on pages 29 to 66 form part of these consolidated financial statements.

COMPANY BALANCE SHEET

As at 30 April 2023

	Note	2023 £'000s
FIXED ASSETS		
Subsidiary undertakings	12	376,533
		376,533
CURRENT ASSETS		
Debtors - due within one year	14	5,486
Cash and cash equivalents		55
		5,541
CREDITORS: amounts falling due within one year	15	(5)
NET CURRENT (LIABILITIES)/ASSETS		5,536
TOTAL ASSETS LESS CURRENT LIABILITIES		382,069
NET ASSETS		382,069
CAPITAL AND RESERVES		
Called up share capital	18	430
Merger reserve		375,363
Share-based payments reserve		765
Own shares		(11,500)
Profit and loss account		17,011
SHAREHOLDERS' FUNDS		382,069

The profit of the Company for the year was £34,917,000.

The financial statements of Octopus Group Holdings Limited (registered number: 14002583) were approved by the board of directors and authorised for issue on 17th January 2024. They were signed on its behalf by:

C R Hulatt
Director

The notes on pages 29 to 66 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2023

£'000s	Called up share capital	Share premium account	Merger reserve	Share based payments reserve	Own shares	FX translation reserve	Revaluation Reserve	Profit and loss account	Total	Non-controlling interest	Total
At 1 May 2021	467	5,579	-	6,056	(12,791)	(23)	-	345,845	345,133	92,101	437,234
Profit/(loss) for the year	-	-	-	-	-	-	-	212,599	212,599	(29,632)	182,967
Cash dividends paid (note 24)	-	-	-	-	-	-	-	(16,310)	(16,310)	-	(16,310)
Equity settled share based payment (note 19)	-	-	-	760	-	-	-	-	760	-	760
Currency translation difference on foreign subsidiary	-	-	-	-	-	(61)	-	-	(61)	-	(61)
Transfer between reserves	-	-	-	-	3,300	-	-	(3,300)	-	-	-
Movement on reserve	-	-	-	-	(46,707)	-	-	11,692	(35,015)	(73,054)	(108,069)
At 30 April 2022	467	5,579	-	6,816	(56,198)	(84)	-	550,526	507,106	(10,585)	496,521
Issue of share capital (note 18)	26	-	-	-	-	-	-	-	26	-	26
Shares cancelled (note 18)	(29)	-	-	-	-	-	-	-	(29)	-	(29)
Loss for the year	-	-	-	-	-	-	-	(11,468)	(11,468)	(4,936)	(16,404)
Cash dividends paid (note 24)	-	-	-	-	-	-	-	(17,906)	(17,906)	-	(17,906)
Equity settled share based payment (note 19)	-	-	-	892	-	-	-	-	892	-	892
Currency translation difference on foreign subsidiary	-	-	-	-	-	469	-	-	469	-	469
Transfer between reserves (note 18)	-	2,033	-	-	(1,137)	-	-	(896)	-	-	-
Movement on reserve	-	-	-	-	(4,911)	-	85	(49)	(4,875)	2,986	(1,889)
Group reconstruction (note 1.1)	(34)	(7,612)	43,521	-	50,746	-	-	(299,415)	(212,794)	-	(212,794)
At 30 April 2023	430	-	43,521	7,708	(11,500)	385	85	220,792	261,421	(12,535)	248,886

The notes on pages 29 to 66 form part of these consolidated financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2023

	Called-up share capital £'000	Share based payments reserve £'000	Own shares reserve £'000	Merger reserves £'000	Profit and loss account £'000	Total £'000
Balance at incorporation	-	-	-	-	-	-
Shares issued during the year (note 18)	430	-	-	375,363	-	375,793
Equity settled share based payment (note 19)		765	-	-	-	765
Cash dividends paid (note 24)	-	-	-	-	(17,906)	(17,906)
Movement on reserve	-	-	(11,500)	-	-	(11,500)
Total comprehensive income	-	-	-	-	34,917	34,917
At 30 April 2023	430	765	(11,500)	375,363	17,011	382,069

The notes on pages 29 to 66 form part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 April 2023

	Note	2023 £'000s	2022 £'000s
Net cash flows (used in)/generated by operating activities	20	(22,748)	306,683
Cash flows used in investing activities			
Purchase of tangible fixed assets	11	(17,517)	(15,777)
Purchase of intangible assets	10	(725)	(39,728)
Sale of tangible fixed assets		-	39,268
Purchase of shares in associate		-	(718)
Purchase of shares in subsidiary	10	(5,304)	(1,536)
Purchase of listed investments		-	(3,105)
Purchase of unlisted investments	12	(9,271)	(28,106)
Sale of unlisted investments	12	6,267	23,603
Sale of shares in associate	12	792	2,464
Sale of shares in subsidiary (net of cash disposed)	5	2,895	(180,530)
Cash disposed as part of group reconstruction	1.1	(79,845)	-
Sale of listed investments	12	142	3,101
Loan investment advanced	12	(16,464)	-
Loan investment repaid	12	8,824	-
Dividends from associates	12	-	375
Income from unlisted investments		631	1,174
Interest received		8,197	3,787
Net cash flows (used in)/from investing activities		(101,378)	(195,728)
Cash flows used in financing activities			
Dividends paid	24	(17,906)	(16,310)
Interest paid		(1,327)	(7,237)
Issue of share capital	18	26	-
Net purchase of own shares by Employee Benefit Trust	18	(5,141)	(73,290)
Repayment of borrowings		-	(74,540)
Repayment of finance lease		-	(2)
Net cash flows used in financing activities		(24,348)	(171,379)
Net (decrease)/increase in cash and cash equivalents		(148,477)	(60,424)
Cash and cash equivalents at beginning of year		260,438	320,923
Foreign exchange translation adjustment		469	(61)
Cash and cash equivalents at end of year		**112,430**	**260,438**
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		112,430	260,438
Cash equivalents		-	-
Cash and cash equivalents		**112,430**	**260,438**

The notes on pages 29 to 66 form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 April 2023

1. Accounting Policies

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

General information

Octopus Group Holdings Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on page 2. The nature of the Company and Group's operations and its principal activities are set out in the Strategic Report on page 4.

The functional currency of Octopus Group Holdings Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are presented in pounds sterling, which is the Group's presentation currency, and are rounded to thousands.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account within 'administrative expenses'.

The trading results of Group undertakings are translated into pounds sterling at the average exchange rates for the year. The assets and liabilities are translated at the exchange rates ruling at the year-end.

Basis of accounting and preparation of financial statements

The Group and Company financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and other instruments held at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

The Company is included in the consolidated financial statements and is considered a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. As permitted by Section 408 of the Companies Act 2006, no separate statement of comprehensive income is presented in respect of the Company. The following exemptions available under FRS 102 in respect of certain disclosure for the parent Company have been applied: the preparation of the Company cash flow and related notes, related party disclosures, business combinations, and the reconciliation of the number of shares outstanding at the beginning and at the end of the period.

There have been no new or revised Standards and Interpretations adopted in the current year.

Basis of consolidation

On 27 September 2022, OE Holdco Ltd became the parent company of Octopus Capital Limited by way of a share for share exchange. Octopus Capital Limited then distributed its stake in Octopus Energy Holdco Ltd, which includes the underlying investment in Octopus Energy Group Limited, to OE Holdco Ltd. The remainder of the Group, including Octopus Capital Limited and all its subsidiaries, were then demerged from OE Holdco Ltd to a new holding company Octopus Group Holdings Limited on 2 November 2022. As there were no ownership changes from the share for share exchange, and subsequent demerger of Octopus Capital Limited to Octopus Group Holdings Limited, the changes constituted a group reconstruction and have been accounted for using merger accounting principles.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

1. Accounting Policies (continued)

Basis of consolidation (continued)

Although the demerger of Octopus Capital Limited to Octopus Group Holdings Limited did not take place until 2 November 2022, the consolidated financial statements of Octopus Group Holdings Limited are presented as if Octopus Group Holdings Limited and all of its subsidiaries have always been part of the same group. Accordingly, the results of the Group for the entire year ended 30 April 2023 are shown in the Group consolidated statement of comprehensive income. The comparative figures for the year ended 30 April 2022 are also prepared on this basis. The results of the Company have been prepared from the date of incorporation and as such no comparatives have been presented.
The Group financial statements consolidate the financial statements of the Company and all its subsidiary undertakings drawn up to 30 April each year.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases. All intercompany transactions and balances between group companies are eliminated in full on consolidation. The group reconstruction noted above was not considered a business combination and was accounted for via the merger method.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements that the directors have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the Group's financial statements.

i. *Investments – note 12*

   Investments that are held at cost less impairment include subsidiaries and associates. The key judgement made is with regards to whether these investments are impaired and is based on valuation models using revenue and earnings multiples. The value in use and recoverable amount, less any costs of disposal, is assessed and compared to the carrying value. While valuations of investments are based on assumptions that the Group believes are reasonable under the circumstances, they are estimates and if the Group had to realise the subsidiary, the value could differ significantly from the valuation estimate used by the Directors in the accounts.

There were no other significant critical judgements made in the year by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

1. Accounting Policies (continued)

Key sources of estimation uncertainty

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

i. *Investment valuations - note 13*

Investments are recorded at fair value or at amounts whose carrying values approximate fair value. The most critical estimates and assumptions relate to the determination of the carrying values of unlisted investments at fair value through profit and loss. In determining this amount, the Group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. While valuations of investments are based on assumptions that the Group believes are reasonable under the circumstances, the actual realised gains or losses will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposal, any related transaction costs and the timing and manner of sale, all of which may ultimately differ significantly from the assumptions on which the valuations were based.

Unlisted investments are generally valued using revenue and earnings multiples, price of recent investment rounds, or scenario-based calibration methods. The Group uses reported earnings based on the latest management accounts available from the company, adjusted for non-recurring items. The multiple used is the key valuation input which could change fair values significantly if a reasonably possible alternative assumption was made. For scenario-based calibration methods, the probabilities assigned to each scenario are a judgement made by the Group which could also change the fair value materially.

A +-10% change in the value of investments held at fair value would increase/decrease profits and net assets by £5.8m (2022: £5.4m).

ii. *Share based payments – note 19*

Equity settled share options are exercisable at a price determined by the directors estimated to be a fair valuation on the date of grant. Fair value is measured by use of the Black Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. The volatility has been adjusted based on management's best estimate of the future growth prospects.

The fair value of the liability for the cash settled scheme is estimated using a discounted cash flow. The key assumptions in the model are the growth forecasts for the Company and the discount rate. The actual liability which may become payable will be dependent on future operating results up until the dates upon which the shares vest, which may differ significantly from the assumptions used at the year end.

Going concern

The conflict in Ukraine is having significant ramifications to many businesses both that have direct operations in Ukraine and Russia as well as in their wider supply chain. The knock-on effect, particularly into energy markets, has caused unprecedented increases in inflation across the world that have not been seen for over a generation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

1. **Accounting Policies (continued)**

Going concern (continued)

While inflation was initially forecast to fall more quickly, the peak has been much higher than expected and despite hopes that it would not be sustained, it is only slowly falling back to Central Banks targets, with still some way to go until it returns to more stable levels.

However, the Group has considerable financial resources together with long-term investment management agreements across multiple funds with varying asset classes and a recurring revenue base. The funds have a history of strong performance, are managed by experienced investment teams and many have investors that have committed their capital for a period longer than 12 months.

Management forecast operating and investing cash flows over a rolling 3-year period taking into account the performance of the fund management business, as well as the cash requirements of the Group's earlier-stage, generally loss making, companies. The high level of cash currently held by the Group, combined with the projections for profit growth, reinforce the fact that the Group is in a solid financial position.

With view of the prevailing economic conditions, the Directors are satisfied that there is no material uncertainty leading to a significant doubt in this regard and that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

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

Turnover

Turnover is stated net of VAT and is recognised to the extent that it is probable that economic benefits will flow to the Group and such revenue can be reliably measured. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

- *Fund management*

Fees earned from the ongoing management of funds and monitoring of investee businesses are recognised on an accruals basis to the extent that it is probable that there will be economic benefit and the income can be reliably measured. Initial fees are deemed to be earned at the investment date, except in the case where the Group has in place a specific agreement with clients that initial fees will be deferred until the maturity date of the product.

In such cases the fees are recognised at the end of the investment period. Arrangement fees relating to transactions entered into on behalf of clients are recorded in the financial statements on the date of the transaction. Other income (which includes performance fees) are recognised when the fee amount can be estimated reliably, which is normally at the end of the performance period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

1. Accounting Policies (continued)

Turnover (continued)

- *Development income*

Development income represents amounts earned in respect of contractual arrangements and is assessed in relation to individual contracts and reflects contract activity during the year as the proportion to which costs incurred to date bear to total expected contract costs. Development premiums are recognised at the point they are earned and contractually due. Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract work performed but unbilled at the year-end is recorded as amounts recoverable on contracts in prepayments and accrued income. Amounts received in excess of work performed are recorded as payments in advance in other creditors.

- *Education services*

Revenue represents service income and is recognised on an accruals basis as the services are rendered. Where a contract has only been partially completed at the balance sheet date, turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments from customers are received in advance of services provided, the amounts are recorded as deferred income, which is recognised as income over the respective terms of the agreements. Turnover on contracts exceeding one year is recognised on a straight-line basis over the term of the contract. The turnover from the hotel in Foxes Academy Limited is recognised when the booking has been fulfilled.

Cost of sales

- *Fund management*

Fund Management cost of sales comprise fees paid directly in relation to generating funds under management and, consequently, turnover. This predominantly involves charges paid to Independent Financial Advisors and fees paid to introducers of funds. Dealing fees and management and administration fees directly attributable to the running of the funds under management are also classed within cost of sales.

- *Development expenses*

Development expenses in relation to development income discussed above include contract costs which are recognised as expenses in the period in which they are incurred. Full provision is made for losses on all contracts in the year in which they are first foreseen.

- *Education services*

Care and education cost of sales are fees and costs directly associated with generating turnover and are recognised on an accruals basis. Cost of sales comprise of salaries and direct operating costs in relation to operating the school.

Other income – dividends

Dividend income from investments is recognised when the right to receive payment has been established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

1. **Accounting Policies (continued)**

Intangible assets – Goodwill

Goodwill arising on the acquisition of subsidiary and associated undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and amortised on a straight-line basis over its estimated useful economic life, which is between 2 and 5 years. Provision is made for any impairment. Amortisation is charged to administrative expenses in the statement of comprehensive income.

Intangible assets – Customer Relationships

Acquisition costs to acquire a customer are included at cost where they can be directly attributed to a customer. Amortisation is charged to administrative expenses in the statement of comprehensive income. Where there is indication that the residual value or useful life has changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired. Customer relationships are amortised using the straight-line method based on the estimated period of economic benefit of a customer, as follows:

Education services	5 to 10 years
Acquired ongoing advice contracts	10 years

Intangible assets – Software

Software intangible assets are included at cost and amortised using the straight-line basis in equal instalments over a period of 3 – 5 years which is their estimated useful economic life. Provision is made for any impairment. The Group, aside from Octopus Investments Limited, a subsidiary of Octopus Group Holdings Limited, capitalises research and development costs in accordance with FRS 102, such research and development costs include custom built software development. Octopus Investments Limited has elected to expense research and development costs as incurred in the Profit and Loss and in the year £1,086,109 (2022: £1,249,318) was expensed. Amortisation is charged to administrative expenses in the statement of comprehensive income.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Land	Not depreciated
Buildings	50 years
Leasehold buildings and property improvement	Over the term of the lease
Fixtures and fittings	5 to 10 years
Equipment (including computers and IT hardware)	3 years
Assets under construction	Not depreciated

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Assets under construction are recorded within tangible assets and are not depreciated as these assets are not available for use in the business. Upon completion the assets are recorded within the appropriate fixed asset category and are depreciated as described above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

1. Accounting Policies (continued)

Tangible fixed assets (continued)

Affordable housing properties are held initially at cost and subsequently at fair value less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition, such as legal fees incurred on the purchase.
Revaluations increases are recognised in other comprehensive income only to the extent that the increase does not reverse a revaluation decrease of the same asset previously recognised in profit or loss. The decrease of an asset's carrying amount as a result of a revaluation is recognised in other comprehensive income only to the extent that it reverses a previously recognised revaluation increase accumulated in equity in respect of that same asset.

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the tangible asset may not be recoverable. If any such indications exist, the asset's recoverable amount is estimated.

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 Group after deducting all of its 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).

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.

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.
If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using revenue and earnings multiples. The Group's policy is to use reported earnings based on the latest management accounts available, adjusted for non-recurring items. The multiple used is
the key valuation input which could change fair values significantly if a reasonably possible alternative assumption was made.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

a. Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
b. There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

1. Accounting Policies (continued)

Financial instruments (continued)

c. *Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to* the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.

d. There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

The Group's financial liabilities are in the form of interest-bearing loan credit which are loaned in direct correlation to *financial assets in the form of bridging loans on commercial properties. Financial liabilities are initially measured at the* transaction price and then subsequently at amortised cost.

As the Group's intention is to hold investments long term, this results in classifying all unlisted and listed investments as fixed. Where there are intentions to realise investments in the next twelve months, unlisted and listed investments are classified as current.

i. *Subsidiary undertakings*

   Investments in subsidiaries are valued at cost less provision for impairment in the Company accounts.

ii. *Associates and joint ventures*

   Investment in associates and joint ventures are investments held in entities over which the Group has significant influence and are held as a long-term investment.

   In the Group financial statements, investments in associates and joint ventures are accounted for using the equity method. Investments in associates are initially recognised at the transaction price (including transaction *costs) and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive* income of the associate, or joint venture.

iii. *Non-current and current asset investments*

   Investments held as non-current and current assets include unlisted and listed equity investments, as well as property loans. Equity investments are shown at fair value through profit and loss, and property loans are held at amortised cost.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

i. *Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ("CGU") of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first *to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

1. Accounting Policies (continued)

Impairment of assets (continued)

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

ii. *Financial assets*

For financial assets carried at amortised cost and financial assets held at the equity method, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets carried at cost less impairment and financial assets held at the equity method, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset, to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value, had no impairment been recognised.

Stocks

Stock consists of work in progress development projects which are valued at lower of cost and net realisable value. Costs comprise amounts paid for land, materials and overheads incurred for potential development projects. Net realisable value comprises expected selling price less costs of disposal.

Pensions

The Group operates a defined contribution pension scheme for employees and the pension charge represents the amounts payable by the Group to the scheme in respect of the year. These costs are included as part of staff costs (see note 22). Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

Rentals under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term, even if payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the life of the lease where no rent review is expected.
Where a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, the seller-lessee shall recognise any profit or loss immediately. If the sale price is below fair value, the seller-lessee shall recognise any profit or loss immediately unless the loss is compensated for by future lease payments at below market price. In that case the seller-lessee shall defer and amortise such loss in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the seller-lessee shall defer the excess over fair value and amortise it over the period for which the asset is expected to be used.

Share-based payments

The Group has applied the requirements of FRS 102 Share-based Payments. The Group issues both cash and equity-settled share-based payments to certain employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

Share-based payments (continued)

Equity Settled

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured by use of the Black Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Cash Settled

Cash settled share-based payments are measured at fair value at the date of grant and each subsequent financial reporting date and expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Own shares reserve

The reserve for the purchase of own shares consists of payments made by Octopus Employee Benefit Trust ('the trust') to acquire shares in Octopus Group Holdings Limited and OE Holdco Ltd. The trust makes such payments to facilitate ownership and transfer of shares by employees of the Group. Movement on the reserves reflects the purchase or sale of shares by the trust. The transfer between reserves represents the difference between the sale price and the average cost of the shares held in the trust. As the Company has de facto control over the assets and liabilities of the trust (consisting of shares in the Company), the directors have considered it appropriate to recognise the assets and liabilities of the trust in its own financial statements.

At the balance sheet date, the trust held 1,186,075 (2022: 3,597,155) ordinary shares in Octopus Group Holdings Limited. All dividends are waived by the trust. The costs incurred by the Company in the setting up and maintenance of the employee benefit trust are charged to the statement of comprehensive income in the year in which they are incurred. Assets and liabilities of the trust are identified within the Company according to the class of asset they represent.

1.1 Discontinued operations

Deconsolidation of Octopus Energy

In October 2021, Octopus Energy Group Limited ("Octopus Energy"), previously a subsidiary of the Group, agreed a £435m deal with Generation Investment Management ("GIM") to accelerate its global green energy mission. GIM invested via their Long-Term Equity strategy and will partner with Octopus Energy to drive the renewable revolution globally. The Group received cash consideration of £32.7m for a sale of shares as part of the funding round.

The Directors have deemed that the Group lost control of Octopus Energy at this point for the following reasons:

1. The Group's equity ownership of Octopus Energy fell below 50%;
2. Key decision making for on-going operations and share transactions require the consent of all significant shareholders; and
3. The Group does not have a majority of board members.

The Group has consolidated the results of Octopus Energy to 18 October 2021, the point at which control was lost, and then recorded an associate investment for the share of the net assets that the Group still holds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

1.1 Discontinued operations

Demerger of Octopus Energy

In November 2022, Octopus Group Holdings Limited became the parent company of Octopus Capital Limited through a group reconstruction whereby the investment in Octopus Energy Group Limited was transferred to a legally separate holding company OE Holdco Ltd.

On 27 September 2022, OE Holdco Ltd became the parent company of Octopus Capital Limited by way of a share for share exchange. Octopus Capital Limited then distributed its stake in Octopus Energy Holdco Ltd, which includes the underlying investment in Octopus Energy Group Limited, to OE Holdco Ltd. The remainder of the Group, including Octopus Capital Limited and all its subsidiaries, were then demerged from OE Holdco Ltd to a new holding company Octopus Group Holdings Limited. As there were no ownership changes from the share for share exchange, and subsequent demerger of Octopus Capital Limited, the changes constituted a group reconstruction and have been accounted for using merger accounting principles.

The Group's share of associate profit or loss for the year has been accounted up to the point of de-merger and shown in discontinued operations.

2. Turnover

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

Group	2023 £'000s	2022 £'000s
Fund management	226,736	283,916
Energy supply (discontinued)	-	991,614
Software licencing income (discontinued)	-	76,870
Property development income	4,031	5,553
Education services	58,227	51,069
Interest income	-	155
Other income	5,026	3,553
	294,020	1,412,730

Other income includes custody fees, as well as wealth advice and set up fees.

Discontinued operations amounts above are included up to the point that the Group lost control of the Octopus Energy business.

All revenue is generated in the UK aside from £0.4m fund management revenue generated in Australia.

3. Cost of sales

An analysis of the Group's cost of sales is set out below:

Group	2023 £'000s	2022 £'000s
Fund management	27,481	22,351
Energy supply (discontinued)	-	1,039,503
Property development	4,214	5,475
Education services	37,052	32,431
Interest expense	-	155
	68,747	1,099,915

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

3. Cost of sales (continued)

Discontinued operations amounts above are included up to the point that the Group lost control of the Octopus Energy business.

4. Finance costs (net)

Group	2023 £'000s	2022 £'000s
Interest receivable	8,422	3,648
Interest payable and similar expenses:		
- Bank loans and overdrafts (discontinued)	-	(3,914)
- Other loans	(1,327)	(3,778)
	(1,327)	(7,692)
Finance costs (net)	7,095	(4,044)

Discontinued operations amounts above are included up to the point that the Group lost control of the Octopus Energy business.

5. Loss before taxation

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

Group	2023 £'000s	2022 £'000s
Amortisation of goodwill (note 10)	3,764	7,879
Amortisation of intangibles (note 10)	454	35,885
Impairment of intangibles (note 10)	245	-
Depreciation of tangible fixed assets (note 11)	4,020	4,632
Impairment of tangible fixed assets (note 11)	-	71
Bad and doubtful debts	400	1,438
Research and development	1,586	1,761
Loss on disposal of fixed assets	683	84
Gain on disposal of investments	(2,935)	(51,021)
Loss on change in fair value of investments (note 12)	2,608	1,393
Impairment of investments & fixed assets (note 11 & 12)	1,363	(2,565)
Dilution gain on holding in associate (note 12)	-	(187,800)
Operating lease rentals:		
- land and buildings	2,925	2,802

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

6. Analysis of auditor's remuneration

Group	2023 £'000s	2022 £'000s
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	215	308
Fees payable to the Company's auditor for other services to the Group:		
The audit of the Company's subsidiaries	381	497
Reporting to the FCA in respect of client money and assets	90	67
Total fees payable to the Group's auditor	686	872

7. Staff Numbers and Costs

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

Group	2023 Number	2022 Number
Sales and distribution	116	118
Administrative and investment staff	790	665
Energy supply (discontinued)	-	701
Care and Education services	1,695	1,042
	2,601	2,526

Discontinued operations amounts above are included up to the point that the Group lost control of the Octopus Energy business.

Their aggregate remuneration comprised:

Group	2023 £'000s	2022 £'000s
Wages and salaries	115,877	172,217
Social security costs	12,595	19,860
Other pension costs (see note 22)	5,262	5,226
	133,734	197,303

'Other pension costs' includes those items included within administrative expenses (see note 22).
Remuneration within the Group's care and education business totalling £8,786,000 has been classified as cost of sales.
During the current and prior year there were no staff at a company level for Octopus Group Holdings Limited and consequently no staff expense.

8. Directors' Remuneration and Transactions

Directors' remuneration

Group	2023 £'000s	2022 £'000s
Emoluments	2,696	1,806
	2,696	1,806

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

8. Directors' Remuneration and Transactions (continued)

Remuneration of the highest paid director:

Group	2023 £'000s	2022 £'000s
Emoluments	919	782
	919	782

The highest paid director exercised 2,500 share options during the year and sold 78,586 deferred shares to the Group's Employee Benefit Trust.

At the balance sheet date retirement benefits were accruing to no directors (2022: nil) in respect of defined contribution pension schemes.

The directors are remunerated by Octopus Investments Limited, a subsidiary of Octopus Group Holdings Limited, for services to the Company. No recharge is made to the Company for any costs in relation to these services.

Directors' transactions

Details of transactions with directors during the year are disclosed in note 23.

9. Tax on profit

The tax charge comprises:

Group	2023 £'000s	2022 £'000s
Current Tax		
UK corporation tax	15,745	15,849
Foreign tax	-	-
Adjustments in respect of prior years	(9,828)	(2,513)
Total current tax	5,917	13,336
Deferred tax		
Origination and reversal of timing differences	397	(13,932)
Adjustment in respect of prior periods	(188)	3,810
Effect of change in tax rate on opening liability	(10)	(2,297)
Total deferred tax recognised in year	199	(12,419)
Total tax per consolidated statement of comprehensive income	6,116	917

Factors affecting tax charge for the year

The UK government announced an increase in the main rate of corporation tax from 19% to 25% from 1 April 2023. The deferred tax assets and liabilities at 30 April 2023 have been calculated based on these rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

9. Tax on profit (continued)

Group	2023 £'000s	2022 £'000s
(Loss)/profit before tax	(10,288)	183,884
Tax on (loss)/profit at UK corporation tax rate of 19.49% (2022: 19%)	(2,005)	34,938
Effects of:		
Adjustment in respect of prior period	(10,016)	1,297
Difference in overseas tax rate	(276)	214
Income not taxable	(1,122)	(47,163)
Expenses not deductible for tax purposes	2,468	6,299
Chargeable gains	-	4,455
Impact of share options	(384)	-
Share of associate tax	16,662	6,143
Deferred tax on losses	703	9
Impact of rate changes	86	(5,275)
Total tax charge/(credit) for the year	6,116	917

10. Intangible Fixed Assets

Group	Customer Relationships £000's	Software £000's	Total £'000s
Cost			
At 1 May 2022	4,246	8,143	12,389
Disposals	-	(7,784)	(7,784)
Additions	-	725	725
At 30 April 2023	4,246	1,084	5,330
Amortisation			
At 1 May 2022	2,361	7,821	10,182
Impairment	245	-	245
Charge for the year	345	109	454
Disposal	-	(7,784)	(7,784)
At 30 April 2023	2,951	146	3,097
Net book value			
At 30 April 2023	1,295	938	2,233
At 30 April 2022	1,885	322	2,207

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

10. Intangible Fixed Assets (continued)

Group	Goodwill £'000s
Cost	
At 1 May 2022	18,562
Additions	7,306
At 30 April 2023	25,868
Amortisation	
At 1 May 2022	11,935
Charge for the year	3,764
At 30 April 2023	15,699
Net book value	
At 30 April 2023	10,169
At 30 April 2022	6,627

On 10 May 2022, the Group purchased the entire share capital of NewArch Homes Limited (formerly Rex Housing Limited). The excess of the fair value of the consideration paid over the value of the assets acquired represents goodwill of £0.9m and the opportunity for the Group to enter the social housing market and launch new funds for institutional investors.

On 2 December 2022, the Group purchased the entire share capital of Guardian Angel Network Limited. The excess of the fair value of the consideration paid over the value of the assets acquired represents goodwill of £6.4m and the opportunity for the Group to launch new products that target life events to customers which could further distribution opportunities for other companies within the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

11. Tangible Fixed Assets

Group	Land and Buildings £'000s	Leasehold property improvements £'000s	Fixtures & fittings £'000s	Equipment £'000s	Affordable Housing £'000s	Assets Under Construction £'000s	Total £'000s
Cost							
At 1 May 2022	25,229	15,906	5,031	7,833	-	3,244	57,243
Transfers	1,076	347	166	45	-	(1,634)	-
Revaluation	-	-	-	-	196	-	196
Additions	9,182	2,757	1,609	1,688	-	2,281	17,517
Impairment	-	-	-	-	-	(434)	(434)
Disposals	-	(373)	(65)	(3,372)	-	(111)	(3,921)
Acquisition of Subsidiary Undertaking	-	-	-	-	1,105	-	1,105
FX Translation Adjustment	-	-	-	-	-	(175)	(175)
At 30 April 2023	35,487	18,637	6,741	6,194	1,301	3,171	71,531
Depreciation							
At 1 May 2022	2,425	5,366	2,810	5,415	-	-	16,016
Charge for the year	639	1,055	771	1,528	27	-	4,020
Revaluation	-	-	-	-	(34)	-	(34)
Disposals	-	(5)	(60)	(3,167)	-	-	(3,232)
Acquisition of Subsidiary Undertaking	-	-	-	-	7	-	7
At 30 April 2023	3,064	6,416	3,521	3,776	-	-	16,777
Net book value							
At 30 April 2023	32,423	12,221	3,220	2,418	1,301	3,171	54,754
At 30 April 2022	22,804	10,540	2,221	2,418	-	3,244	41,227

All land and buildings are freehold and includes land at cost of £10,195,668 which is not depreciated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

11. Tangible Fixed Assets (continued)

The net carrying amount of assets held under finance leases included in motor vehicles, fixtures, fittings, equipment and computer hardware is £680,161 (2022: £2,351)

During the year the housing properties within tangible fixed assets were revalued in accordance with paragraphs 17.15B and 17.15F of FRS102. Management assessed the revaluation and judged that the structure rather than the components had changed in value. Factors taken into consideration include replacement value of components and their expected remaining useful life.

The latest valuation has been undertaken using RICS Red Book Methodology by Residentially Chartered Surveyors, a RICS Registered Valuer with suitable experience in Affordable Housing Valuations. This considered rental growth, assumptions on costs and future inflation and concluded that the valuation of the property had increased since the previous valuation. Properties are stated at EUV-SH, adopting a discounted cash flow methodology with the following key assumptions:

- Discount rate ~ 7%
- Future rent increases based on CPI 6.8% + 1% = 7.8% per annum
- Voids and bad debt - 3.0% per annum
- Future Management Cost increases based on Retail Price Index (RPI) 3.9% + 1% = 4.9% per annum
- Annual repairs/maintenance cost increase based on Retail Price Index (RPI) 9% + 1% = 10%

If the valuation of the housing properties increased by 5% or 10%, the net assets would increase by £65,038 or £130,075, respectively. If the valuation of the housing properties decreased by 5% or 10%, the net assets would decrease by £65,038 or £130,075, respectively.

12. Financial Instruments

	Group		Company
	2023	2022	2023
	£'000s	£'000s	£'000s
Subsidiary undertakings	-	-	376,533
Associates	1,130	221,039	-
Joint ventures	-	30	-
	1,130	221,069	376,533
Financial Assets			
- Measured at fair value through profit and loss	50,819	50,383	-
- Debt instruments at amortised cost	31,040	24,368	-
	81,859	74,751	-

	Group		Company
	2023	2022	2023
	£'000s	£'000s	£'000s
Financial Liabilities			
Debt instruments at amortised cost due within one year	(122)	(153)	-
	(122)	(153)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

12. Financial Instruments (continued)

Principal Group Investments

The Company and the Group have investments in the following subsidiary undertakings, associates and other investments which affected the profits or net assets of the Group.

	Group		Company
	Associates £'000	Joint venture £'000	Subsidiary undertakings £'000s
Cost			
At 1 May 2022	226,779	30	-
Additions	-	-	376,533
Disposals	(5,304)	(30)	-
Share of retained loss for the year	(85,485)	-	-
Demerger of Octopus Energy Group Limited	(132,970)		
At 30 April 2023	3,020	-	376,533
Provisions for impairment			
At 1 May 2022	5,740	-	-
Disposals	(3,850)	-	-
At 30 April 2023	1,890	-	-
Carrying value			
At 30 April 2023	1,130	-	376,533
At 30 April 2022	221,039	30	-

Astonbrook Care Holdings Limited ("Astonbrook") - £3,850k cost and impairment disposal.

During the year, Astonbrook was wound up with the final payments made to preferential creditors. The Group did not receive any material receipts as part of the liquidation of the company and as at year-end no longer holds an investment into Astonbrook.

FF New Energy Venture SA ("FFNEV") - £1,404k loss of significant influence/part disposal.

FFNEV went through an external funding round in the year in which the Group did not participate. As part of this investment round, the Group sold 4,035 shares for £0.8m and now holds a 13% investment into FFNEV. With the loss of significant influence, the Group has derecognised its associate investment in FFNEV and recorded as an unlisted investment as fair value through profit or loss.

Octopus Energy Group Limited

See note 1.1 for further details on the group reconstruction that took place during the year.

Subsidiary undertakings

A full list of subsidiaries is included in note 27.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

12. Financial Instruments (continued)

Associates and joint ventures

The activities of the Group's associates and joint ventures are detailed below:

	Country of incorporation	Share class	Equity Holding %	Nature of business
Associate				
Apus Energy Limited	United Kingdom	A Ordinary Shares	50.0%*	Reserve Power Generation
RCVP Retirement Living Limited	United Kingdom	B Shares and Loan Notes	60.0%*	Retirement Villages
VouchedFor Limited	United Kingdom	A Shares and Loan Notes	35.9%	Financial Advice
Octopus Managed Platform	Australia	Ordinary Shares	40.0%	Renewable Energy Financing

The registered addresses for each associate and joint venture are as follows:

Apus Energy Limited

Fourth Floor, 2 Kingsway, Cardiff, United Kingdom, CF10 3FD

*Despite owning 50% of the Class A ordinary shares of Apus Energy Limited, the Group does not have control and therefore, does not treat these investments as subsidiaries

RCVP Retirement Living Limited

6th Floor 33 Holborn, London, England, EC1N 2HT

*Despite owning 60% of the Class B ordinary shares of RCVP, the Group does not have control and therefore, does not treat these investments as subsidiaries

VouchedFor Limited

8 Waldegrave Road, Teddington, Middlesex, TW11 8HT

Octopus Managed Platform

Level 33, 101 Collins Street, Melbourne, Victoria 3000, Australia

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

12. Financial Instruments (continued)

Financial assets at fair value

	Group		Company
	2023	**2022**	**2023**
	£'000	**£'000**	**£'000**
Financial assets at fair value			
Fair value through profit and loss (FVTPL)			
- *Listed investment*	2,279	2,889	-
- Unlisted investments	48,540	47,494	-
Total financial assets at fair value	**50,819**	**50,383**	-
Changes in value of financial instruments at fair value for the year			
Charge to the Statement of Comprehensive Income	(2,608)	(1,393)	-

Valuation techniques and assumptions applied for the purposes of measuring fair value

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

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

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

Where an appropriate valuation technique is used, investments are generally valued using revenue and earnings multiples, price of recent investment rounds, or scenario-based calibration methods. The Group uses reported earnings based on the latest management accounts available from the company, adjusted for non-recurring items. The multiple used is the key valuation input which could change fair values significantly if a reasonably possible alternative assumption was made. For scenario-based calibration methods, the probabilities assigned to each scenario are a judgement made by the Group which could also change the fair value materially.

Fair value hierarchy

The fair value hierarchy is a categorisation relating to the extent that the fair value can be determined by reference to comparable market values. The hierarchy ranges from level 1 where instruments are quoted on an active market through to level 3 where the assumptions used to derive fair value due not have comparable market data.

It is the Group's policy to recognise all the transfers into the levels and transfers out of the levels at the date of the event or change in circumstances that caused the transfer. No transfers took place in the current or prior year between categories of the fair value hierarchy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

12. *Financial Instruments (continued)*

Financial assets at fair value (continued)

	2023	2022
	£'000	£'000
Level 1 assets	2,279	2,889
Level 2 assets	-	-
Level 3 assets	48,540	47,494
Total Financial assets at fair value	50,819	50,383

Included within unlisted investments held at fair value through profit and loss are investments in fund products of £26,452,000 as at 30 April 2023 (2022: £23,250,000) where fair value is derived from the underlying Net Asset Value (NAV) of the fund products, which in turn are based upon the value of the underlying assets within each fund product and the anticipated redemption horizon of the fund product.

Financial assets at amortised cost

	Loan Investments at Amortised Cost
	£
Cost	
At 1 May 2022	24,368
Additions	16,464
Redemptions	(8,824)
At 30 April 2023	32,008
Provisions for impairment	
At 1 May 2022	-
Impairment	968
At 30 April 2023	968
Carrying value	
At 30 April 2022	24,368
At 30 April 2023	**31,040**

During the year, the Group added 27 loans (2022: 2 loans) and redemptions were received in respect of 11 loans (2022: 7 loans).

The loans relate to commercial property bridging loans (£22.9m), residential buy to let mortgages (£3.2m), and development lending which incentivises energy efficient building standards (£4.9m). All loans are secured against the underlying properties.

Interest on the commercial loans accrues at 5.5% per annum (2022: 5.5%). Interest is serviced by the borrowers and management note that there is sufficient headroom on the LTV ratio that no provision is needed at year-end (2022: no provision).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

12. Financial Instruments (continued)

Financial assets at amortised cost (continued)

During the year, the Group refinanced the remaining portfolio of residential loans that were remaining on the Octopus Choice platform, a peer-to-peer lending service offered to investors by Octopus Co-Lend Limited, a fellow Group company. The Group engaged third party valuers to produce reports on the net realisable value of the loan portfolio, and the final estimate valued them at c65% of their face value. Most of the loans were in recoveries and there were uncertain prospects of what would be received.

Following the assessment at year-end of the net realisable value, and comparing to the carrying amount remaining, a provision of £968,000 has been added which is the best estimate of the amount that will be received across the whole portfolio.

Interest on the energy efficient development lending is generally charged at 7-8% and there are interest rate incentives for the developers if certain Energy Performance Certificate (EPC) ratings are achieved at the end of the build. The interest is rolled and accrued to the end of the development when the loan and interest is expected to be repaid following a sale of the underlying properties or a refinance by the borrower. The interest accrued in the year is the best estimate of the final interest rate charged to the borrower given the target EPC rating and the progress of the schemes to date.

13. Stocks

	Group	
	2023	2022
	£'000s	£'000s
Work in progress	4,830	4,792
	4,830	4,792

	2023	2022
	£'000s	£'000s
At beginning of year	4,792	5,741
Additions	293	12
Provision for impairment	(255)	-
Disposal of subsidiary	-	(961)
At end of year	4,830	4,792

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

14. Debtors

	Group		Company
	2023	2022	2023
	£'000s	£'000s	£'000s
Amounts falling due within one year:			
Trade debtors	25,314	19,695	-
Regulated property loans	16,862	-	-
Amounts owed by group undertakings	-	-	5,487
Other debtors	13,384	12,910	-
Prepayments and accrued income	31,772	43,940	-
Corporation tax debtor	17,623	-	-
	104,955	76,545	5,487

Included with the regulated property loans balance are provisions for doubtful debts of £1,651k (2022: £1,609k). Loans are advanced to residential borrowers, are typically short-term bridging loans with terms of 1-2 years and accrue interest which is due for repayment at the end of the term. The loans are secured against the residential property and are regulated by the FCA.

Amounts owed by Group undertakings to the Company include an interest free, unsecured loan owed from Octopus Capital Limited which is expected to be repaid within 12 months of the financial year-end.

	Group		Company
	2023	2022	2023
	£'000s	£'000s	£'000s
Amounts falling due after more than one year:			
Other debtors	14,080	11,940	-
Accrued income	224	100	-
	14,304	12,040	-

Included within other debtors are staff loans which are primarily provided to employees for the purchase of shares in Octopus Group Holdings Limited as well as other personal financial reasons. These loans are secured against both Octopus Group Holding Limited's and OE Holdco Limited shares, following the de-merger of the Octopus Capital Group that took place in November 2022. The typical maximum loan to value ratio is 50%. Loans are repayable in 3-7 years from the commencement date and accrue interest at the HMRC beneficial interest rate of 2% for the 2022-23 tax year (2021-22 tax year: 2%).

Staff loans also include loans to investment staff that are part of fund co-investments, whereby investment staff invest alongside other external parties in funds managed by Octopus. The maximum loan to value ratio is 100%, loans are repayable at the end of the fund life and accrue interest at the HMRC beneficial interest rate of 2% for the 2022-23 tax year (2021-22 tax year: 2%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

15. Creditors

Amounts falling due within one year:

	Group		Company
	2023	**2022**	**2023**
	£'000s	**£'000s**	**£'000s**
Trade creditors	2,431	4,249	-
Corporation tax creditor	-	19,658	-
Regulated property loan funding	16,893		
Social security and other taxes	5,604	6,822	-
Deferred tax liability (see note 17)	598	387	-
Other creditors	5,026	5,790	5
Accruals and deferred income	88,598	124,237	-
Defined contribution pension scheme accrual	1,004	1,087	-
	120,154	162,230	-

Trade and other creditors are interest free, unsecured and repayable on demand.

Property loan funding is provided by fund entities managed by the Group to advance regulated loans to borrowers. Refer to note 14 for further explanation.

Amounts falling due after more than one year:

	Group		Company
	2023	**2022**	**2022**
	£'000s	**£'000s**	**£'000s**
Trade creditors	-	549	-
Other loans	1,099	220	-
Accruals and deferred income	1,842	9,887	-
Other creditors	12,411	27,989	-
	15,352	38,645	-

Other creditors in 2023 & 2022 includes the liability for a cash settled share-based payment scheme which is expected to be settled in 2024/2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

16. Provisions

Group	Dilapidations £'000s
As at 1 May 2022	2,150
Additions	-
As at 30 April 2023	2,150

At 30 April 2023, provisions for dilapidations are split as follows:

Group	2023 £'000s	2022 £'000s
Within 1 year	-	-
Between 2 and 5 years	2,150	2,150
After 5 years	-	-
	2,150	2,150

The provision of £2,150,000 relates to an estimate for dilapidations, this is expected to be paid in its entirety in 2026 when the lease expires. An amount equal to this has been capitalised as leasehold property improvements.

17. Deferred taxation

	Group		Company
	2023 £'000s	2022 £'000s	2023 £'000s
At 1 May 2022	387	15,771	-
Adjustment in respect of prior year	(187)	(2,270)	-
Recognised during year	424	14,347	-
Effect of rate change	(12)	349	-
Movement arising from disposals of subsidiaries	-	(28,586)	-
At 30 April 2023	612	387	-

The deferred taxation balance is made up as follows:

	Group		Company
	2023 £'000s	2022 £'000s	2023 £'000s
Accelerated capital allowances	3,037	2,926	-
Other timing differences	(2,207)	(2,539)	-
Losses	(129)	-	-
Share options	(89)	-	-
	387	387	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

17. Deferred taxation (continued)

There is no expiry date on timing differences, unused tax losses or tax credits. The deferred tax balance reversals will be dependent on future changes in fair values of assets and liabilities.

18. Called-up share capital & other reserves

Company	2023 £'000s
Allotted, called-up and fully-paid	
40,448,603 Ordinary shares of 1p each	404
2,581,872 Growth shares of 1p each	26
	430

The Ordinary shares carry full voting, dividend and capital distribution rights. Growth shares have no voting rights, and under the Company's Articles of Association, the Company may differentiate between the dividends payable in respect of Growth and Ordinary shares. Growth and Ordinary shares are non-redeemable.

2 November 2022 share issue

37,576,752,187 £0.01 A Ordinary shares were issued to shareholders of OE Holdco Ltd as part of the demerger of Octopus Capital Limited, from the OE Holdco Ltd group. OE Holdco Ltd capitalised its merger reserve to pay up a bonus issue of shares at nominal value to OE Holdco Ltd's shareholders with an aggregate nominal value equal to the fair market value of Octopus Capital Limited.

On 2 November 2022, OE Holdco Ltd cancelled the bonus issue of A Ordinary shares via a solvency statement reduction of capital and satisfied the repayment of capital by transferring its entire shareholding in Octopus Capital Limited to Octopus Group Holdings Limited. Octopus Group Holdings Limited issued 40,448,603 £0.01 Ordinary Shares to the shareholders of OE Holdco Ltd on a mirror image basis as part of this step of the group reorganisation.

28 February 2023 share issue

2,581,872 £0.01 growth shares were issued to senior employees of the Group as part of a long-term incentive plan designed to reward holders on the growth of Octopus Group Holdings Limited. 50% of the shares awarded vest equally in years 2, 3 & 4 of the scheme, and the other 50% vest based on certain performance conditions being met. The Group has granted holders a put option to sell vested shares back to the Group and has a call option exercisable after 8 years to require any shares held to be bought back by the Group.

The Company did not issue any Ordinary shares by virtue of employees exercising vested share options (note 19).

The Group has adopted predecessor accounting principles as it was formed as part of a group reconstruction, therefore the share capital and share premium account are treated as if they had always existed. Movements in share capital arising both before and after the restructure are reported as movements in the Group share capital.

Merger Reserve

The merger reserve arises from the difference between the fair value of the shareholding of a subsidiary undertaking acquired and the nominal value of the shares issued by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

18. Called-up share capital & other reserves (continued)

Profit & Loss Reserve

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

Share Based Payments Reserve

The shares-based payments reserve represents the charge to profit and loss from the Group's equity settled share schemes that are currently active. See note 19 for further details.

Revaluation Reserve

The Group revalued its Affordable Housing stock during the current year, and this reserve reflects the uplift in value that has arisen when compared to the previous holding amount.

Foreign Currency Translation Reserve

The foreign currency translation reserve reflects the difference that arises on conversion of foreign subsidiaries to the Group's presentation currency.

Own Shares Reserve

The own shares reserve arises in connection with the Employee Benefit Trust ("EBT"), a discretionary trust established to facilitate the operation of the Group's long-term incentive scheme as well as provide liquidity to employees who hold shares in Octopus Group Holdings Limited & OE Holdco Ltd. The amount of the reserve represents the deduction in arriving at net equity for the consideration paid for the Company's shares purchased by the EBT. As at 30 April 2023, 1,186,075 shares are held by the trust.

Acquisition of own shares:

The EBT, on behalf of the Group, acquired 1,666,633 Ordinary shares during the year for cash consideration of £15.5m and sold 567,473 Ordinary shares for cash consideration of £4.3m. The majority of shares were transacted with either employees, former employees or their close family and allow for individuals to participate in the long-term growth plans of the Group.

19. Share options

Equity Settled Schemes

The Group has a share option scheme for all employees of the Group. Options are exercisable at a price determined by the directors estimated to be a fair valuation of the Group on the date of grant. Options issued after and including May 2013 vest completely on the third anniversary of issue.

If the options remain unexercised after a period of ten years from the date of grant, the options expire. Unvested options are forfeited if the employee leaves the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

19. Share options (continued)

Details of the ordinary share options outstanding during the year are as follows:

Group	2023 Number of share options	2023 Weighted average exercise price (£)	2022 Number of share options	2022 Weighted average exercise price (£)
Outstanding at the beginning of the year	182,213	17.76	837,856	8.17
Granted during the year	30,000	25.45	52,500	21.20
Cancelled during the year	(23,550)	20.63	(39,264)	10.38
Exercised during the year	(188,663)	13.40	(668,879)	6.45
Outstanding at the year end	-	-	182,213	17.76
Exercisable at the year end	-	-	36,387	17.52

The fair value of the share options at the grant date was calculated using the Black Scholes model, which is considered to be the most appropriate generally accepted valuation method of measuring fair value.

The Company recognised the total expense to the group of £892,000 (2022: £760,000) in the year in relation to equity-settled share-based payment transactions. £67,000 (2022: £109,000) relates to the charge arising for options issued during the previous three years. £825,000 (2022: £651,000) relates to shares gifted within the Company's employee share incentive plan. Both are incentive schemes for employees.

During the year, the Group modified the terms of Company Share Option Plan (CSOP) awards to accelerate the vesting so that all options could be exercised prior to the demerger. CSOP options usually vest after 3 years, and so with this modification, the options lost their tax advantaged status and the Group paid employees cash bonuses to cover the PAYE/NI that arose as a result of the exercise post modification.

Cash Settled Schemes

The Group's Growth share schemes are a share incentive scheme for senior employees. As part of the subscription agreement for these shares the employees grant a call option to the Company and the Company has granted a put option to each employee. 50% of the shares awarded vest equally in years 2, 3 & 4 of the scheme, and the other 50% vest based on certain performance conditions being met.

The carrying value of the associated liability, which is included within other creditors in note 15, at 30 April 2023 was £11.9m (2022: £28.0m). The liability has been measured by calculating the fair value of each outstanding share at the year-end using the Octopus Group Holdings Limited & OE Holdco Ltd share prices minus the hurdle share price. The expense is spread over the vesting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

20. Reconciliation of Operating Profit to Operating Cash Flows

Group	2023 £'000s	2022 £'000s
Operating profit/(loss)	68,507	(20,607)
Adjustment for:		
Provision for receivables	400	2,770
Depreciation and amortisation	8,239	48,396
Impairment of goodwill and intangible assets	245	83
Impairment of stocks	255	-
Impairment of fixed assets	434	71
Share based payments	(14,605)	28,858
FX loss/(gain)	320	(427)
Loss on disposal of joint venture	19	-
Loss on sale of current financial assets	79	313
Loss on disposal of fixed assets	255	-
Operating cash flow before movement in working capital	64,148	59,457
(Increase)/decrease in stocks	(293)	10
Increase in debtors excluding tax	(13,233)	(3,007)
(Decrease)/increase in creditors excluding tax	(30,186)	252,705
Cash generated by operations excluding taxation	20,436	309,165
Taxation paid	(43,184)	(2,482)
Net cash (used in)/generated by operations	(22,748)	306,683

21. Financial Commitments and Contingencies

At 30 April 2022, total future minimum lease payments under non-cancellable operating leases are as follows:

Group	2023 £'000s	2022 £'000s
Within 1 year	6,782	6,334
Between 2 and 5 years	20,369	22,348
After 5 years	58,493	60,696
	85,644	89,033

The Group principally holds leases in relation to two main areas: rental of 33 Holborn office space, and lease of four properties within the Aurora school's business.

Aurora schools lease

In 2022, the Group entered a sale and lease back arrangement of 4 freehold properties within the Aurora school's business and the sites were leased back and will continue to be operated by Aurora over the coming years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

21. Financial Commitments (continued)

33 Holborn lease

Octopus Investments Limited, a subsidiary of Octopus Group Holdings Limited, has agreed to pay the costs incurred under the lease agreements dated 20 May 2014 and 20 May 2015 held between Octopus Capital Limited and Sainsbury's Supermarkets Limited for the rental of three floors at 33 Holborn, London. This agreement lasts for the duration of the leases, the leases ending on 16 December 2026. Octopus Investments Limited agrees to incur these costs and confirms it will not recall the amounts at any date in the future.

Subsidiary companies audit exemption

The following UK subsidiary undertakings are exempt from the requirements of the Companies Act 2006 (the Act) relating to the audit of individual accounts by virtue of section 479A of the Act:

Name	Company number
Octopus Capital Limited	03981143
Terido DM1 Limited	08183587
Commercial Real Estate Debt Fund (England) GP LLP	OC393592
Octopus Zenith Opportunities IV FP GP LLP	SO307240
Octopus Zenith Opportunities IV GP LLP	OC436799
Octopus Athena I GP LLP	OC437807
Octopus Athena I FP GP LLP	SO307300
Octopus Secondary Opportunities I GP LLP	OC438298
OSIF GP LLP	OC442623
OSIF FP GP LLP	SO307597
Octopus Future Generations FC Deep Tech I FP GP LLP	SO307646
Octopus Future Generations FC Deep Tech I GP LLP	OC444321
Octopus Commercial Term Limited	13486353
OCS Services Limited	05848666
Nino Limited	09015082
ORE Lending Limited	12908588
Octopus SIP Trustee Limited	08179075
Octopus Healthcare Property Limited	05258667
Octopus Healthcare Development Limited	03788979
Octopus Healthcare Sub Holdings Limited	05208926
Octopus Healthcare Finance Limited	05794524
Octopus Healthcare GP II LLP	OC384396
Octopus Healthcare Investments II Limited	08488849
Octopus Healthcare General Partner Limited	07216235
Octopus Administrative Services Limited	03974202
Octopus Administrative Services Financial Limited	09667541
Octopus P2P Limited	09781675
Octopus Money Holdings Limited	14059322
Octopus Legacy Limited	11111047
Octopus Platform Holdings Limited	12075773
Octopus Moneycoach Limited	13224268
Octopus Co-Lend Limited	08913299

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

21. Financial Commitments (continued)

Subsidiary companies audit exemption (continued)

Under sections 479C of the Companies Act 2006, as amended by the Companies and Limited Liability Partnerships (Accounts and Audit Exemptions and Change of Accounting Framework) Regulations 2012, the parent company Octopus Group Holdings Limited (company number: 14002583) has guaranteed all outstanding liabilities to which these subsidiaries were subject to as at 30 April 2023 until they are satisfied in full. In addition, Octopus Group Holdings Limited will guarantee any contingent and prospective liabilities that these subsidiaries are subject to. Such guarantees are enforceable against Octopus Group Holdings Limited by any person to whom any such liability is due.

22. *Retirement benefit schemes*

The Group operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group 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 income of £5,269,000 (2022: £5,226,000) represent contributions payable to the scheme by the Group.

As at 30 April 2023, contributions of £1,028,000 (2022: £1,087,000) due in respect of the current reporting period had not been paid over to the scheme.

23. Related party transactions

Key management personnel transactions

Five additional loans were made to four directors (2022: one loan to one director) during the current financial year. In line with the terms of the loan agreements interest is charged based on the HMRC beneficial interest rate, which was 2% for the 2022-23 tax year (2021-22 tax year: 2%). The loans are secured against shares held in Octopus Group Holdings Limited and OE Holdco Limited. As at 30 April 2023, loans are outstanding to two directors (2022: one director), and the amount of the total liability at the end of the year was £2,375,000 (2022: £51,000). The loans are repayable at the earlier of either employment termination or 3-7 years from the start date.

Prior to the group reconstruction in November 2022, three directors exercised share options issued by Octopus Capital Limited in line with the long-term employee incentive scheme that is available to current employees at Octopus. There are currently no vested or unvested share options available to be exercised by directors as at 30 April 2023.

77,604 Ordinary shares were purchased from the Employee Benefit Trust by one Director, and the Employee Benefit Trust repurchased 2,331 Ordinary & 234,776 Deferred shares from three Directors. The price paid per Ordinary share was equal to the announced internal price available to all shareholders, and the price paid per Deferred share was equal to their nominal value of £0.01 per share.

During the year M Cooper, a director of Octopus Capital Limited, invoiced the Group £55,000 (2022: £90,000) for consultancy services. The amount outstanding at the year-end was £nil (2022: £7,800). This included £18,000 after the date that M Cooper resigned as a director of Octopus Capital Limited in September 2022.

Other related party transactions

The Group received £2.9m (2022: £2.5m) deferred consideration from Octopus Renewables Limited following the sale of fund management contracts that took place in 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

24. Dividends paid in the year

The directors have proposed and paid dividends of 43p per ordinary and growth share totalling £17,906,000 for the year ended 30 April 2023.

Also, during the year the Group made a number of distributions in specie as part of the group reconstruction that took place whereby the Group's stake in Octopus Energy was de-merger to a separate holding company, OE Holdco Ltd.

The Group declared an £86.6m dividend in specie to OE Holdco Ltd which was satisfied by transferring the Group's receivable owed from Zedra Trust Company (Guernsey) Limited (in its capacity as the trustee of the Octopus Capital Limited Employee Benefit Trust) to OE Holdco Ltd.

The Group also declared a distribution in specie to OE Holdco Ltd which was satisfied by transferring the Group's investment in Octopus Energy Holdco Limited (the holding company of Octopus Energy Group Limited). The total impact to reserves of this was £212.8m.

25. Ultimate controlling party

In the opinion of the directors there is no ultimate controlling party. Copies of these financial statements can be obtained from the registered address: The Company Secretary, Octopus Group Holdings Limited, 33 Holborn, London, EC1N 2HT, United Kingdom.

26. Subsequent events

In June 2023, the Group reorganised its investment into Octopus Wealth (which has now rebranded as Nova Wealth) such that the Group now no longer controls Octopus Wealth Holdings Limited and its subsidiaries. A portion of Octopus Wealth Limited has been sold to Octopus Money in exchange for a partial retiral of the debt between Octopus Wealth Holdings Limited and Octopus Capital Limited. Nova Wealth is seeking additional funding from private investors to facilitate their growth plans outside of the Group.

In October 2023, the Group disposed of its entire shareholding in VouchedFor Limited to Fintel for £3.5m cash consideration and potentially up to £0.2m deferred sconsideration depending on certain milestones being achieved.

In October 2023, the Group took on OpenMoney and Evestor's 13,000 customers who will now be able to manage their existing investments via the Octopus Money platform. They will also have access to Octopus Money's financial planning, coaching and advice services.

In December 2023, the Group acquired E-Negotiation Ltd (trading as Amicable), a company that works with separating couples and offers an alternative to hiring legal representation. The deal allows Octopus Money to expand beyond financial coaching and wealth advice and into emotional and financial support during major life events, such as divorce.

In December 2023, the Group disposed of its entire shareholding in RCVP Retirement Living Ltd for £1.5m cash consideration.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

27. Subsidiary undertakings

Details of subsidiary undertakings are as follows:

Subsidiary undertakings	Country of incorporation	Share class	Holding	Nature of business
Octopus Capital Limited	United Kingdom	Ordinary Shares	100%	Holding Company
Octopus Administrative Services Limited	United Kingdom	Ordinary Shares	100%	Investment Holding Company
Octopus Investments Limited	United Kingdom	Ordinary Shares	100%	Fund Management
Octopus AIF Management Limited	United Kingdom	Ordinary Shares	100%	AIFMD
Nino Limited	United Kingdom	Ordinary Shares	100%	Fund Management
Octopus Investments Nominees Limited**	United Kingdom	Ordinary Shares	100%	Nominee Company
Octopus Nominee Services Limited**	United Kingdom	Ordinary Shares	100%	Nominee Company
Octopus Nominees Limited**	United Kingdom	Ordinary Shares	100%	Nominee Company
Octopus Company Secretarial Services Limited**	United Kingdom	Ordinary Shares	100%	Company Secretary
OCHHL JSOP Limited*, **	United Kingdom	Ordinary Shares	100%	JSOP
Octopus Trustees Limited**	United Kingdom	Ordinary Shares	100%	Share Trustee
Octopus SIP Trustee Limited	United Kingdom	Ordinary Shares	100%	SIP Trustee
OCS Services Limited	United Kingdom	Ordinary Shares	100%	Investment Holding Company
Octopus Commercial Term Limited	United Kingdom	Ordinary Shares	100%	Fund Management
ORE Lending Limited	United Kingdom	Ordinary Shares	100%	Fund Management
Octopus GP Limited**	United Kingdom	Ordinary Shares	100%	General Partner
Terido DM1 Limited	United Kingdom	Ordinary Shares	100%	Designated Member
Terido DM2 Limited**	United Kingdom	Ordinary Shares	100%	Designated Member
Commercial Real Estate Debt Fund (Scotland) GP Limited**,[1]	United Kingdom	Ordinary Shares	100%	General Partner
Commercial Real Estate Debt Fund (England) GP LLP	United Kingdom	N/A	100%	General Partner
Octopus Ventures Inc.	USA	Ordinary Shares	100%	Fund Management
Octopus Founder Partner Limited**, [1]	United Kingdom	Ordinary Shares	100%	Founder Partner
Octopus TenX Health I FP GP LLP[1]	United Kingdom	N/A	100%	General Partner
Octopus Zenith Opportunities IV GP LLP	United Kingdom	N/A	100%	General Partner
Octopus Zenith Opportunities IV FP GP LLP[1]	United Kingdom	N/A	100%	General Partner
Octopus First Cheque I GP LLP	United Kingdom	N/A	100%	General Partner

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

30. Subsidiary undertakings (continued)

Subsidiary undertakings	Country of incorporation	Share class	Holding	Nature of business
Octopus First Cheque I FP GP LLP[1]	United Kingdom	N/A	100%	General Partner
Octopus First Cheque I GP LLP[1]	United Kingdom	N/A	100%	General Partner
Octopus Athena I GP LLP	United Kingdom	N/A	100%	General Partner
Octopus Athena I FP GP LLP[2]	United Kingdom	N/A	100%	General Partner
Octopus Secondary Opportunities I GP LLP	United Kingdom	N/A	100%	General Partner
Octopus Zenith Opportunities GP Limited[7]	Jersey	Ordinary Shares	100%	General Partner
OSIF GP LLP	United Kingdom	N/A	100%	General Partner
OSIF FP GP LLP[1]	United Kingdom	N/A	100%	General Partner
Octopus Future Generations FC Deep Tech I FP GP LLP[1]	United Kingdom	N/A	100%	General Partner
Octopus Future Generations FC Deep Tech I GP LLP	United Kingdom	N/A	100%	General Partner
Octopus Senior Living CIP GP LLP*[1]	United Kingdom	N/A	100%	General Partner
Senior Living Investment Partners (General Partner) Limited*	United Kingdom	N/A	51%	General Partner
Octopus European Secondaries I FP GP LLP[1]	United Kingdom	N/A	100%	General Partner
Octopus Affordable Housing Feeder GP LLP	United Kingdom	N/A	100%	General Partner
Octopus P2P Limited	United Kingdom	Ordinary Shares	100%	Peer to Peer Lending
Octopus Administrative Services Financial Limited	United Kingdom	Ordinary Shares	100%	Peer to Peer Lending
Octopus Co-Lend Limited	United Kingdom	Ordinary Shares	100%	Peer to Peer Lending
NewArch Homes Limited*	United Kingdom	Ordinary Shares	100%	Affordable Housing
Octopus Affordable Housing Fund Limited*	United Kingdom	Ordinary Shares	100%	Affordable Housing
Octopus Healthcare Sub Holdings Limited	United Kingdom	Ordinary Shares	100%	Healthcare Investments
Octopus Healthcare Finance Limited	United Kingdom	Ordinary Shares	100%	Healthcare Investments
Octopus Healthcare Investments II Limited	United Kingdom	Ordinary Shares	100%	Healthcare Investments
Octopus Healthcare Property Limited	United Kingdom	Ordinary Shares	100%	Healthcare Investments
Octopus Healthcare Development Limited	United Kingdom	Ordinary Shares	100%	Healthcare Investments
Octopus Healthcare General Partner Limited	United Kingdom	Ordinary Shares	100%	Healthcare Investments
Octopus Healthcare GP II LLP	United Kingdom	N/A	100%	Healthcare Investments
Octopus Healthcare GP I LLP	United Kingdom	N/A	100%	Healthcare Investments

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

30. Subsidiary undertakings (continued)

Subsidiary undertakings	Country of incorporation	Share class	Holding	Nature of business
Aurora Care and Education Holdings Limited[4]	United Kingdom	Ordinary Shares	82%	Educational and care services
Aurora Care and Education Midco Limited[4]	United Kingdom	Ordinary Shares	82%	Educational and care services
Aurora Care and Education Opco Limited[4]	United Kingdom	Ordinary Shares	82%	Educational and care services
Aurora LD Limited[4]	United Kingdom	Ordinary Shares	82%	Educational and care services
Beechkeys Properties Limited[4]	United Kingdom	Ordinary Shares	82%	Educational and care services
Beechkeys Limited[4]	United Kingdom	Ordinary Shares	82%	Educational and care services
Aurora LD II Limited[4]	United Kingdom	Ordinary Shares	82%	Educational and care services
Aurora ASD Limited[4]	United Kingdom	Ordinary Shares	82%	Educational and care services
Aurora FE Limited[4]	United Kingdom	Ordinary Shares	82%	Educational and care services
Foxes Academy Limited[4]	United Kingdom	Ordinary Shares	82%	Educational and care services
Trybond Limited[4]	United Kingdom	Ordinary Shares	82%	Educational and care services
The Reynard Care and Support Agency Limited[4]	United Kingdom	Ordinary Shares	82%	Educational and care services
Aurora Meldreth Limited[4]	United Kingdom	Ordinary Shares	82%	Educational and care services
Octopus Platform Holdings Limited	United Kingdom	Ordinary Shares	81%	Investment Holding Company
Seccl Technology Limited[5]	United Kingdom	Ordinary Shares	81%	Wealth advice and custody services
Seccl Custody Limited[5]	United Kingdom	Ordinary Shares	81%	Wealth advice and custody services
Digital Custody Nominees Limited[5]	United Kingdom	Ordinary Shares	81%	Dormant
Digital Pension Trustees Limited[5]	United Kingdom	Ordinary Shares	81%	Dormant
Octopus Money Holdings Limited	United Kingdom	Ordinary Shares	100%	Investment Holding Company
Octopus Money Limited	United Kingdom	Ordinary Shares	100%	Wealth Advice Services
Octopus Accelerator Client Services Limited	United Kingdom	Ordinary Shares	100%	Wealth Advice Services
Octopus Money Stakes Limited	United Kingdom	Ordinary Shares	100%	Wealth Advice Services
Octopus Estates Holdings Limited	United Kingdom	Ordinary Shares	80%	Investment Holding Company
Octopus Legacy Limited[6]	United Kingdom	Ordinary Shares	80%	Life Events
Octopus Moneycoach Limited	United Kingdom	Ordinary Shares	81%	Investment Holding Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

30. Subsidiary undertakings (continued)

Subsidiary undertakings	Country of incorporation	Share class	Holding	Nature of business
Hatch Financial Planning Limited	United Kingdom	Ordinary Shares	81%	Money Coaching Services
TW11 Wealth Management Limited	United Kingdom	Ordinary Shares	81%	Money Coaching Services
Octopus Capital Aust Pty Ltd[3]	Australia	Ordinary Shares	80%	Fund Management
Octopus Investment Aust Pty Ltd[3]	Australia	Ordinary Shares	80%	Fund Management
Oscar Management Aust Pty Ltd[3]	Australia	Ordinary Shares	80%	Fund Management
Perry Bridge Solar Farm Trust	Australia	Ordinary Shares	45%	Renewable Energy
Fulham Solar Farm Trust	Australia	Ordinary Shares	45%	Renewable Energy
Blind Creek Solar Farm Trust	Australia	Ordinary Shares	45%	Renewable Energy
Octopus Wealth Holdings Limited	United Kingdom	Ordinary Shares	81%	Investment Holding Company
Octopus Wealth Technologies Limited	United Kingdom	Ordinary Shares	81%	Wealth Management
Octopus Wealth Limited	United Kingdom	Ordinary Shares	81%	Wealth Management
Carib Planning Limited	United Kingdom	Ordinary Shares	81%	Dormant

*All entities listed above have year-ends of 30 April aside from OCHHL JSOP Limited (30 June), Octopus Senior Living CIP GP LLP, Senior Living Investment Partners (General Partner) Limited, NewArch Homes Limited and Octopus Affordable Housing Fund Limited (all 31 March).

**All subsidiaries listed above are exempt from audit by virtue of s480A of the Companies Act 2006 relating to dormant companies.

All entities are held indirectly by Octopus Group Holdings Limited, apart from Octopus Capital Limited which is 100% owned by Octopus Group Holdings Limited.

The following subsidiaries were dissolved during the year and up to the date of the Annual Report

Subsidiary undertakings	Country of incorporation	Share class	Holding	Nature of business
Octopus First Loss Limited	United Kingdom	Ordinary Shares	100%	Peer to Peer Lending
Octopus TenX Health I GP LLP	United Kingdom	N/A	100%	General Partner

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2023

30. Subsidiary undertakings (continued)

The registered address for all subsidiary undertakings is: 33 Holborn, London, England EC1N 2HT, United Kingdom except from those set out below:

1. 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, United Kingdom
2. Building 1, 9 Haymarket Square, Edinburgh, EH3 8RY, United Kingdom
3. Level 33, 101 Collins Street, Melbourne VIC 3000, Australia
4. Unit 13, Twigworth Court Business Centre, Tewkesbury Road, Gloucester, England, GL2 9PG, United Kingdom
5. 20 Manvers Street, Bath, England, BA1 1JW, United Kingdom
6. 20 Work.Life, 20 Red Lion Street, London, WC1R 4PS, United Kingdom
7. 3rd Floor, Standard Bank House, 47-49 La Motte Street, St Helier, JE2 4SZ, Jersey