

Octopus Energy Hatchery Limited

Annual report and financial statements

For the period from incorporation on 18 October 2019 to 30 April 2020

Registered number: 12269778

COMPANY INFORMATION

Directors	G Jackson (Appointed 18 October 2019) S Jackson (Appointed 18 October 2019) T Heal (Appointed 18 October 2019) J Baghdadi (Appointed 18 October 2019) W Rowe (Appointed 18 October 2019) J Briskin (Appointed 1 May 2020)
Company Secretary	Octopus Company Secretarial Services Limited
Company Registration Number	12269778
Registered Office	6 th Floor 33 Holborn London EC1N 2HT
Auditor	Deloitte LLP Hill House 1 Little New Street London EC4A 3TR
Bankers	HSBC plc 31 Holborn London EC1N 2HR

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DIRECTORS' REPORT

For the period from incorporation on 18 October 2019 to 30 April 2020

The directors present the annual report on the audited financial statements of Octopus Energy Hatchery Limited ("the Company"), incorporated 18 October 2019, together with their financial statements and auditor's report, for the period ended 30 April 2020.

Principal activity

The Company's principal activity is to act as a launch pad for new investment opportunities.

Going concern

The Company is currently in a net liability position but has received a letter of support from its parent Company Octopus Energy Group Limited. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors who served throughout the year, and subsequently, were as follows:

G Jackson
S Jackson
J Baghdadi
W Rowe
T Heal
J Briskin (Appointed 1 May 2020)

Auditor

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

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

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

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

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006. The Company has applied the exemption for small companies from preparing a Strategic Report.

Approved by the Board and signed on its behalf by:



S Jackson
Director
22 December 2020

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

DIRECTORS' RESPONSIBILITIES STATEMENT

For the period from incorporation on 18 October 2019 to 30 April 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland". Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, including FRS 102, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS ENERGY HATCHERY LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Octopus Energy Hatchery Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 April 2020 and of its loss for the period from incorporation on 18 October 2019 to 30 April 2020;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS ENERGY HATCHERY LIMITED (CONTINUED)

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.

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS ENERGY HATCHERY LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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



Anthony Matthews FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

22 December 2020

PROFIT AND LOSS ACCOUNT

For the period from incorporation on 18 October 2019 to 30 April 2020

	Notes	2020 £'s
Turnover	5	-
Cost of sales		-
Gross Profit		<u>-</u>
Administrative expenses		(129,024)
OPERATING LOSS	6	<u>(129,024)</u>
Interest payable and similar charges		(5,161)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(134,185)</u>
Tax credit on loss	9	14,410
LOSS FOR THE FINANCIAL YEAR		<u><u>(119,775)</u></u>

All amounts relate to continuing operations.

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

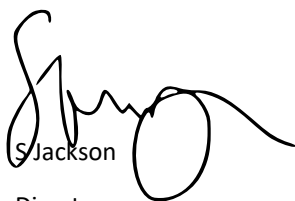
The notes on pages 12 to 17 form part of these financial statements.

BALANCE SHEET

As at 30 April 2020

	Notes	2020 £'s
CURRENT ASSETS		
DEBTORS: amounts falling due within one year	10	20,536
Cash at bank and in hand		25,763
		<u>46,119</u>
CREDITORS: amounts falling due within one year	11	(165,694)
		<u>(119,575)</u>
NET (LIABILITIES)		<u>(119,575)</u>
CAPITAL AND RESERVES		
Called-up share capital	12	200
Profit and loss account		(119,775)
SHAREHOLDERS' (DEFECIT)		<u>(119,575)</u>

The financial statements of Octopus Energy Hatchery Limited (registered number: 12269778) were approved by the Board of Directors and authorised for issue on 22 December 2020. They were signed on its behalf by:


S Jackson
Director

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

The notes on pages 12 to 17 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the period from incorporation on 18 October 2019 to 30 April 2020

	Called-up share capital	Profit and loss account	Total
	£'s	£'s	£'s
At 18 October 2019	-	-	-
Total comprehensive loss for the period	-	(119,775)	(119,775)
Issue of shares	200	-	200
At 30 April 2020	<u>200</u>	<u>(119,775)</u>	<u>(119,575)</u>

The notes on pages 12 to 17 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period from incorporation on 18 October 2019 to 30 April 2020

1. Company information

Octopus Energy Hatchery Limited, incorporated 18 October 2019, is a private Company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is shown on the Company information page. The nature of the Company's operations and its principal activities are outlined in the Directors' report.

2. Accounting Policies

2.1 Basis of preparation of financial statements accounting and preparation of financial statements

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

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

2.2 Financial reporting standard 102 – reduced disclosure exemptions

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

- (a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- (b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- (c) The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- (d) The requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A
- (e) The requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of its parent Company Octopus Energy Group Limited as at 30 April 2020, which may be obtained from the registered office Company Secretary, 6th Floor, 33 Holborn, London, EC1N 2HT.

2.3 Going concern

The Company is currently in a net liability position, but the Company has the support of its immediate parent Company, Octopus Energy Group Limited. Based on this support, and the projections of the business over the foreseeable future, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from incorporation on 18 October 2019 to 30 April 2020

After reviewing the Company's forecasts and projections, with specific consideration to the current Coronavirus pandemic in the UK, the director's have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements.

3. Significant judgements and estimates

In the application of the Company's accounting policies, which are described below, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and 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.

There were no significant accounting judgements or estimates required to be made in preparing this set of financial statements.

4. Principal accounting policies

4.1 Debtors

Short term debtors are measured at transaction price, less any impairment.

4.2 Creditors

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

4.3 Taxation

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

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

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

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time that the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from incorporation on 18 October 2019 to 30 April 2020

4.4 Pensions

The Company operates a defined contribution pension scheme for employees and the pension charge represents the amounts payable by the Company to the scheme in respect of the year. These costs are included as part of staff costs (see note 7) and pension (see note 13). Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

5. Turnover

The Company has no reported turnover in the year.

6. Loss on Ordinary Activities before Taxation

Loss on ordinary activities before taxation is stated after charging:

	2020
	£'s
Fees payable to the Company's auditor for the audit of the Company's annual accounts	8,000
Total fees payable to the Company's auditor	8,000

The fees for the audit are paid for by Octopus Energy Limited.

7. Staff costs

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

	2020
	Number
Employees	2

Their aggregate remuneration comprised:

	2020
	£'s
Wages and salaries	55,158
Social security costs	6,035
Other pension costs (see note 13)	667
	61,860

'Other pension costs' includes those items included within administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from incorporation on 18 October 2019 to 30 April 2020

8. Directors' Remuneration and Transactions

Directors' remuneration

	2020
	£'s
Emoluments	55,158
Company contributions to defined contribution pension schemes	667
	<u>55,825</u>

Directors' remuneration is included in staff costs (Note 7).

Remuneration of the highest paid director:

	2020
	£'s
Emoluments	30,158
Company contributions to defined contribution pension schemes	667
	<u>30,825</u>

At the balance sheet date retirement benefits were accruing to 1 director in respect of defined contribution pension schemes.

9. Tax on profit on ordinary activities

The tax credit comprises:

	2020
	£'s
Current tax:	
UK corporation tax credit on surrender of losses for group relief	14,347
Total current tax	<u>14,347</u>
Deferred Tax	
Origination and reversal of timing differences	63
Total deferred tax	<u>63</u>
Total tax per income statement	<u>14,410</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from incorporation on 18 October 2019 to 30 April 2020

The charge for the year can be reconciled to the profit per the income statement as follows:

	2020
	£'s
Loss on ordinary activities before tax	(134,185)
Tax on loss at standard UK tax rate of 19%	25,495
Effects of:	
Deferred tax not provided	(11,085)
Total credit for the period	14,410

10. Debtors

	2020
	£'s
Amounts falling due within one year:	
Amounts owed by group undertakings	14,497
Other debtors	4,965
Prepayments and accrued income	894
	20,356

11. Creditors

	2020
	£'s
Amounts falling due within one year:	
Trade creditors	3,972
Other creditors	533
Amounts owed to group undertakings	152,763
Accruals and deferred income	8,426
	165,694

Amounts owed to group undertakings include intercompany loans due to Octopus Energy Group Limited £153k.

12. Called-Up Share Capital

	2020
	£'s
Allotted, called-up and un-paid	
Ordinary shares of £1 each	200
	200

The Company issued 200 ordinary shares on incorporation 18th October 2019. These were part paid 16 October 2020.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from incorporation on 18 October 2019 to 30 April 2020

13. Retirement benefit schemes

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

Contributions are usually made as a percentage of an individual employee's gross annual salary. The total costs charged to the Statement of Comprehensive Income of £667 represents contributions payable to the scheme by the Company.

14. Ultimate Parent Undertaking and Controlling Party

The immediate parent Company and controlling party is Octopus Energy Group Limited, a Company incorporated in the United Kingdom and registered in England and Wales.

The ultimate parent Company is Octopus Capital Limited, a Company incorporated in the United Kingdom and registered in England and Wales.

Copies of these financial statements can be obtained from the registered office Company Secretary, Octopus Energy Group Limited, 6th Floor, 33 Holborn, London, EC1N 2HT.

15. Related Party Transactions

The largest group in which the results of the Company are consolidated is that headed by Octopus Capital Limited, 6th Floor, 33 Holborn, London, EC1N 2HT. The smallest group in which they are consolidated is that headed by Octopus Energy Group Limited, 6th Floor 33 Holborn, London, England, England, EC1N 2HT. Copies of Octopus Capital Limited consolidated financial statements can be obtained from the Company Secretary, 6th Floor 33 Holborn, London, England, England, EC1N 2HT.

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

16. Subsequent events

Since the reporting date of 30 April 2020, the directors are not aware of any matters or circumstances that have significantly or may significantly affect the Company.