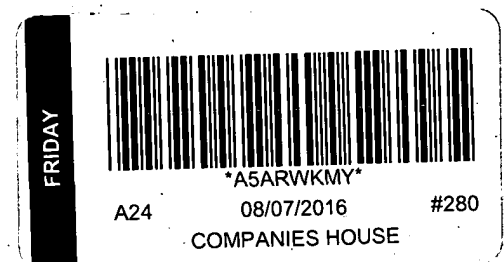




BEEHIVE CAPITAL LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016



GSM&Co

Griffin Stone Moscrop & Co
CHARTERED ACCOUNTANTS & REGISTERED AUDITORS
Together, we'll build better business

BEEHIVE CAPITAL LLP

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BEEHIVE CAPITAL LLP

INFORMATION

Designated members	J. C. Mayo CBE E. H. Mayo
LLP registered number	OC303451
Registered office	21-27 Lamb's Conduit Street London WC1N 3GS
Independent auditors	Griffin Stone Moscrop & Co Chartered Accountants Statutory Auditors 21-27 Lamb's Conduit Street London WC1N 3GS

BEEHIVE CAPITAL LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The members present their annual report together with the audited financial statements of Beehive Capital LLP (the LLP and the group) for the year ended 31 March 2016.

Principal activities

The partnership is authorised by the Financial Conduct Authority to conduct venture capital business and provide corporate finance and management advice. The principal activities of the LLP and the group are to provide corporate finance advice, management advice, and investment management services.

There have been no changes in the objectives since the last annual report.

Designated Members

J. C. Mayo CBE and E. H. Mayo were designated members of the LLP and the group throughout the period and up to the date of approval of the financial statements.

Members' capital and interests

Each member's subscription to the capital of the LLP is determined by their share of the profit and is repayable following retirement from the LLP.

Members are remunerated from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between members after finalisation of the financial statements. The managing member may resolve from time to time to distribute a portion or the entire profits subject to the regulatory, working capital and other business requirements of the LLP.

Members' responsibilities statement

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law, as applied to LLPs, requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, as applied to LLPs, the members 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 LLP and the group and of the profit or loss of the group for that period. In preparing these financial statements, the members are required to:

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP and the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BEEHIVE CAPITAL LLP

**MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

Disclosure of information to auditors

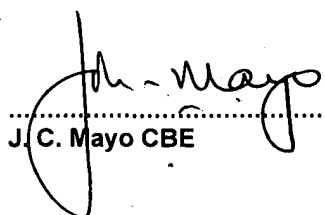
Each of the persons who are members at the time when this members' report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the group's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

The auditors, Griffin Stone Moscrop & Co, have indicated their willingness to continue in office. The designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on 4 July 2016 and signed on their behalf by:


.....
J. C. Mayo CBE

BEEHIVE CAPITAL LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEEHIVE CAPITAL LLP

We have audited the financial statements of Beehive Capital LLP for the year ended 31 March 2016, set out on pages 6 to 31. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditors' 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 LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent LLP's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the members' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent LLP's affairs as at 31 March 2016 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

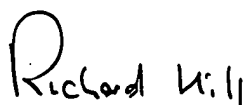
BEEHIVE CAPITAL LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEEHIVE CAPITAL LLP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006, as applied to limited liability partnerships, requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent LLP financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Richard Hill (senior statutory auditor)

for and on behalf of

Griffin Stone Moscrop & Co

Chartered Accountants
Statutory Auditors

21-27 Lamb's Conduit Street
London
WC1N 3GS

7 July 2016

BEEHIVE CAPITAL LLP

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Turnover		<u>679,931</u>	<u>850,949</u>
Gross profit		679,931	850,949
Administrative expenses		(126,047)	(153,710)
Exceptional administrative expenses		(234,236)	-
Operating profit	4	319,648	697,239
Interest receivable and similar income	8	<u>4,127</u>	<u>3,679</u>
Profit before members' remuneration and profit shares available for discretionary division among members		<u>323,775</u>	<u>700,918</u>
Profit for the year attributable to:			
Non-controlling interest		120,987	147,603
Owners of the parent LLP		<u>202,788</u>	<u>553,315</u>
		<u>323,775</u>	<u>700,918</u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2016 (2015 - £NIL).

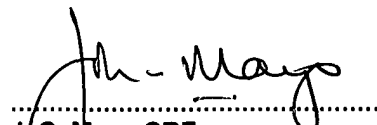
The notes on pages 15 to 31 form part of these financial statements.

BEEHIVE CAPITAL LLP
REGISTERED NUMBER: OC303451
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	5,184	14,386
Investments	12	25,027	25,027
		<u>30,211</u>	<u>39,413</u>
Current assets			
Debtors: amounts falling due after more than one year	13	-	49,455
Debtors: amounts falling due within one year	13	666,238	1,304,072
Cash at bank and in hand	14	384,174	139,377
		<u>1,050,412</u>	<u>1,492,904</u>
Creditors: amounts falling due within one year	15	(83,761)	(346,393)
Net current assets		<u>966,651</u>	<u>1,146,511</u>
Total assets less current liabilities		<u>996,862</u>	<u>1,185,924</u>
Provisions for liabilities			
Other provisions	17	(602,319)	(230,000)
		<u>(602,319)</u>	<u>(230,000)</u>
Net assets attributable to members		<u><u>394,543</u></u>	<u><u>955,924</u></u>
Members' other interests			
Members' capital classified as equity		115,000	115,000
Other reserves classified as equity		363,403	833,113
		<u>478,403</u>	<u>948,113</u>
Non-controlling interests		83,860	(7,811)
		<u>394,543</u>	<u>955,924</u>
Total members' interests			
Members' other interests		<u><u>394,543</u></u>	<u><u>955,924</u></u>

BEEHIVE CAPITAL LLP
REGISTERED NUMBER: OC303451
CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 MARCH 2016

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 4 July 2016.



J. C. Mayo CBE
Designated member

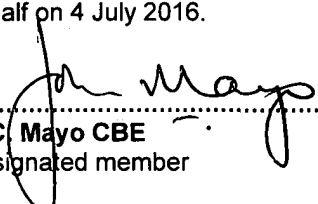
The notes on pages 15 to 31 form part of these financial statements.

BEEHIVE CAPITAL LLP
REGISTERED NUMBER: OC303451

LLP BALANCE SHEET
AS AT 31 MARCH 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	-	483
Investments	12	41,943	41,942
		<u>41,943</u>	<u>42,425</u>
Current assets			
Debtors: amounts falling due after more than one year	13	-	49,455
Debtors: amounts falling due within one year	13	151,693	169,371
Cash at bank and in hand	14	350,773	13,523
		<u>502,466</u>	<u>232,349</u>
Creditors: amounts falling due within one year	15	(70,416)	(44,363)
Net current assets		<u>432,050</u>	<u>187,986</u>
Total assets less current liabilities		<u>473,993</u>	<u>230,411</u>
Provisions for liabilities			
Other provisions	17	(352,319)	-
		<u>(352,319)</u>	<u>-</u>
Net assets attributable to members		<u>121,674</u>	<u>230,411</u>
Members' other interests	19		
Members' capital classified as equity		115,000	115,000
Other reserves classified as equity		6,674	115,411
		<u>121,674</u>	<u>230,411</u>
Total members' interests		<u>121,674</u>	<u>230,411</u>
Members' other interests	19	121,674	230,411

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 4 July 2016.



J. C. Mayo CBE
 Designated member

BEEHIVE CAPITAL LLP

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Members capital (classified as equity)	Other reserves	Equity attributable to members	Non- controlling interests	Total equity
	£	£	£	£	£
At 1 April 2015	115,000	833,113	948,113	7,811	955,924
Comprehensive income for the year					
Profit for year for discretionary division among members	-	202,788	202,788	(91,671)	111,117
Total comprehensive income for the year	-	202,788	202,788	(91,671)	111,117
Contributions by and distributions to members					
Allocated profit	-	(672,498)	(672,498)	-	(672,498)
At 31 March 2016	115,000	363,403	478,403	(83,860)	394,543

BEEHIVE CAPITAL LLP

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Members capital (classified as equity)	Other reserves	Equity attributable to members	Non- controlling interests	Total equity
	£	£	£	£	£
At 1 April 2014	115,000	322,611	437,611	(78,502)	359,109
Comprehensive income for the year					
Profit for year for discretionary division among members	-	553,315	553,315	86,313	639,628
Total comprehensive income for the year	-	553,315	553,315	86,313	639,628
Contributions by and distributions to members					
Allocated profit	-	(42,813)	(42,813)	-	(42,813)
At 31 March 2015	115,000	833,113	948,113	7,811	955,924

The notes on pages 15 to 31 form part of these financial statements.

BEEHIVE CAPITAL LLP

**LLP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Members' capital (classified as equity) £	Other reserves £	Total equity £
At 1 April 2015	115,000	115,411	230,411
Comprehensive income for the year			
Profit for year for discretionary division among members	-	563,761	563,761
	-	563,761	563,761
Total comprehensive income for the year			
Contributions by and distributions to members			
Allocated profit	-	(672,498)	(672,498)
At 31 March 2016	115,000	6,674	121,674

BEEHIVE CAPITAL LLP

**LLP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Members' capital (classified as equity)	Other reserves	Total equity
	£	£	£
At 1 April 2014	115,000	26,928	141,928
Comprehensive income for the year			
Profit for year for discretionary division among members	-	131,296	131,296
Total comprehensive income for the year	-	131,296	131,296
Contributions by and distributions to members			
Allocated profit	-	(42,813)	(42,813)
At 31 March 2015	115,000	115,411	230,411

The notes on pages 15 to 31 form part of these financial statements.

BEEHIVE CAPITAL LLP

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	323,775	700,918
Adjustments for:		
Depreciation of tangible assets	9,203	9,581
Interest received	(4,127)	(3,679)
Decrease/(increase) in debtors	683,730	(724,507)
Decrease/(increase) in amounts owed by associates	3,560	(45,752)
Increase/(decrease) in creditors	(265,094)	(447,512)
Increase in amounts owed to groups	230	395
Increase in amounts owed to participating interests	2,230	554
Increase in provisions	372,319	20,000
Net cash generated from operating activities	1,125,826	(490,002)
Cash flows from investing activities		
Purchase of unlisted and other investments	-	(1)
Interest received	4,127	3,679
Net cash from investing activities	4,127	3,678
Cash flows from financing activities		
Drawings by minority interests	(212,658)	(61,290)
Payments to members	(672,498)	(42,813)
Net cash used in financing activities	(885,156)	(104,103)
Net increase / (decrease) in cash and cash equivalents	244,797	(590,427)
Cash and cash equivalents at beginning of year	139,377	729,804
Cash and cash equivalents at the end of year	384,174	139,377
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	384,174	139,377

BEEHIVE CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. General information

The LLP was incorporated with Companies House in England & Wales on 27 November 2002.

Details of the principal activities can be found in the members' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

Information on the impact of first-time adoption of FRS 102 is given in note 24.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the entity's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the group and its own subsidiaries ("the group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

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.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

BEEHIVE CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.3 Associates and joint ventures

An entity is treated as a joint venture where the group is a party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate. The consolidated statement of comprehensive income includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. In the consolidated balance sheet, the interests in associated undertakings are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

BEEHIVE CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the LLP assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following bases.

The estimated useful lives range as follows:

Short-term leasehold property	- Over the term of the lease
Fixtures and fittings	- 5 years straight line
Computer equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the consolidated statement of comprehensive income.

2.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

BEEHIVE CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the entity's cash management.

2.10 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

2.11 Creditors

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

BEEHIVE CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The LLP's functional and presentational currency is GBP.

Transactions and balances

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. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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 statement of comprehensive income.

2.13 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.15 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

BEEHIVE CAPITAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates, but these are unlikely to be material.

4. Operating profit

The operating profit is stated after charging/(crediting):

	2016 £	2015 £
Depreciation of tangible fixed assets	9,202	9,581
Operating lease rentals: other operating leases	-	1,815
Exchange differences	(19,810)	7,433

5. Auditors' remuneration

	2016 £	2015 £
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	12,000	11,000
Fees payable to the group's auditor and its associates in respect of:		
General professional advice and taxation services	4,000	4,000
Fees payable to the subsidiary's auditor for the audit of the subsidiary's financial statements	5,000	6,000
Fees payable to the subsidiary's auditor in respect of all other non-audit services not included above	5,000	6,000

6. Employees

The LLP has no employees other than the members, who did not receive any remuneration (2015 - £NIL).

BEEHIVE CAPITAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

7. Information in relation to members

	2016 Number	2015 Number
The average number of members during the year was	<u>2</u>	<u>2</u>
	2016 £	2015 £
The amount of profit attributable to the member with the largest entitlement was	<u>182,712</u>	<u>498,537</u>

8. Interest receivable

	2016 £	2015 £
Other interest receivable	<u>4,127</u>	<u>3,679</u>

9. Exceptional item

	2016 £	2015 £
Exceptional item - bad and doubtful debts	<u>234,236</u>	<u>-</u>

10. Parent LLP profit for the year

The LLP has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent LLP for the year was £563,761 (2015 - £131,296).

BEEHIVE CAPITAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

11. Tangible fixed assets

Group

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2015	11,712	30,923	220,230	262,865
At 31 March 2016	11,712	30,923	220,230	262,865
Depreciation				
At 1 April 2015	7,240	30,923	210,316	248,479
Charge for the period	2,555	-	6,647	9,202
At 31 March 2016	9,795	30,923	216,963	257,681
Net book value				
At 31 March 2016	1,917	-	3,267	5,184
At 31 March 2015	4,472	-	9,914	14,386

BEEHIVE CAPITAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

11. Tangible fixed assets (continued)

LLP

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2015	29,110	150,628	179,738
At 31 March 2016	29,110	150,628	179,738
Depreciation			
At 1 April 2015	29,110	150,145	179,255
Charge for the period	-	483	483
At 31 March 2016	29,110	150,628	179,738
At 31 March 2016	-	-	-
At 31 March 2015	-	483	483

BEEHIVE CAPITAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

12. Fixed asset investments

Group

	Investments in associates £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2015	28	24,999	25,027
At 31 March 2016	28	24,999	25,027
Net book value			
At 31 March 2016	28	24,999	25,027
At 31 March 2015	28	24,999	25,027

Subsidiary undertakings

The following were subsidiary undertakings of the LLP:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Celtic Pharma Holdings Advisors LLP	England & Wales	Ordinary	79.75 %	Investment advisors
Celtic Pharma Holdings Advisors 3 LLP	England & Wales	Ordinary	88.41 %	Non-trading
London Investors LLP	England & Wales	Ordinary	99 %	Dormant

The aggregate of the members' capital and reserves as at 31 March 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of members' capital and reserves £	Profit/(loss) £
Celtic Pharma Holdings Advisors LLP	298,123	597,387
Celtic Pharma Holdings Advisors 3 LLP	(15,255)	(31)
London Investors LLP	-	-
	282,868	597,356

BEEHIVE CAPITAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

12. Fixed asset investments (continued)

Participating interests

Associates

Name	Country of incorporation	Class of shares	Holding	Principal activity
Beehive Art Funding Limited	England & Wales	Ordinary	25.93%	Art brokers

LLP

	Investments in subsidiary companies £	Investments in associates £	Unlisted investments £	Total £
Cost or valuation				
At 1 April 2015	16,915	28	24,999	41,942
At 31 March 2016	16,915	28	24,999	41,942
Net book value				
At 31 March 2016	16,915	28	24,999	41,942
At 31 March 2015	16,915	28	24,999	41,942

BEEHIVE CAPITAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

13. Debtors

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Due after more than one year				
Other debtors	-	49,455	-	49,455
	<u>-</u>	<u>49,455</u>	<u>-</u>	<u>49,455</u>
	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Due within one year				
Trade debtors	541	5,145	-	-
Amounts owed by related parties	178,694	182,254	58,879	98,670
Other debtors	465,695	431,067	88,267	64,020
Prepayments and accrued income	21,308	685,606	4,547	6,681
	<u>666,238</u>	<u>1,304,072</u>	<u>151,693</u>	<u>169,371</u>

Amounts owed by related parties are unsecured, interest-free and have no fixed date of repayment.

14. Cash and cash equivalents

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Cash at bank and in hand	384,174	139,377	350,773	13,523
	<u>384,174</u>	<u>139,377</u>	<u>350,773</u>	<u>13,523</u>

15. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Trade creditors	51,041	13,388	33,166	11,345
Amounts owed to group undertakings	625	395	17,464	17,464
Amounts owed to other participating interests	2,783	554	2,783	554
Other creditors	-	-	2	-
Accruals and deferred income	29,312	332,056	17,001	15,000
	<u>83,761</u>	<u>346,393</u>	<u>70,416</u>	<u>44,363</u>

BEEHIVE CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

16. Financial instruments

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Financial assets measured at fair value through profit or loss	409,173	164,376	375,772	38,522
Financial assets that are debt instruments measured at amortised cost	644,930	1,346,806	147,146	212,145
	<u>1,054,103</u>	<u>1,511,182</u>	<u>522,918</u>	<u>250,667</u>
Financial liabilities measured at amortised cost	(83,761)	(346,393)	(70,413)	(44,364)

17. Provisions

Group

	Dilapidation provision £	Loan note provision £	Total £
At 1 April 2015	230,000	-	230,000
Movement in the year	20,000	352,319	372,319
At 31 March 2016	<u>250,000</u>	<u>352,319</u>	<u>602,319</u>

LLP

	Loan note provision £	Total £
Movement in the year	352,319	352,319
At 31 March 2016	<u>352,319</u>	<u>352,319</u>

On termination of the office lease in 2017 Celtic Pharma Holdings Advisors LLP has a contractual obligation to make good the premises which it occupied at the balance sheet date. The dilapidation provision of £250,000 is an estimate of the cost of such repairs to date.

During the year under review the LLP agreed to take on responsibility for the future redemption of loan notes that were originally nominally valued at US \$704,166. The members consider that the amount that will be paid by the LLP to meet this obligation is likely to be less than the nominal value and the balance included within provisions represents the best estimate of the value at the balance sheet date that the LLP will be required to settle by September 2017, the deadline by which any claim in respect of amounts payable must be made.

BEEHIVE CAPITAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

18. Reconciliation of members' interests (GROUP)

	EQUITY			DEBT		Total members' interests
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	
	£	£	£	£	£	
Members' interests brought forward	115,000	840,924	955,924	-	-	955,924
Profit for the year available for discretionary division among members	-	202,788	202,788	-	-	202,788
Members' interests after profit for the year	115,000	1,043,712	1,158,712	-	-	1,158,712
Allocated profit	-	-	-	672,498	672,498	672,498
Movement in reserves	-	(764,169)	(764,169)	-	-	(764,169)
Drawings	-	-	-	(672,498)	(672,498)	(672,498)
Balance at 31 March 2016	115,000	279,543	394,543	-	-	394,543

BEEHIVE CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

19. Reconciliation of members' interests (LLP)

	EQUITY			DEBT		Total members' interests
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	
	£	£	£	£	£	
Members' interests brought forward	115,000	115,411	230,411	-	-	230,411
Profit for the year available for discretionary division among members	-	563,761	563,761	-	-	563,761
Members' interests after profit for the year	115,000	679,172	794,172	-	-	794,172
Allocated profit	-	-	-	672,498	672,498	672,498
Movement in reserves	-	(672,498)	(672,498)	-	-	(672,498)
Drawings	-	-	-	(672,498)	(672,498)	(672,498)
Balance at 31 March 2016	115,000	6,674	121,674	-	-	121,674

20. Commitments under operating leases

At 31 March 2016 the group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Not later than 1 year	110,000	110,000	-	-
Later than 1 year and not later than 5 years	18,333	128,333	-	-
Total	128,333	238,333	-	-

21. Other financial commitments

On 29 March 2016 the LLP entered into an agreement to lend US \$500,000 to TA Investors Limited, a related party. The loan was not available for drawdown until 1 April 2016. Upon repayment of the loan to the LLP (due by 17 September 2017), an amount of US \$46,805 plus a pro rata share of any appropriate interest received by the LLP will be payable to M Smith, a director of TA Investors Limited.

BEEHIVE CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

22. Related party transactions

The LLP and group headed by it had transactions with the following organisations which are considered to be related parties. These organisations are all registered businesses in England & Wales.

Beehive Capital LLP is a limited partner in Celtic Pharma Management LP (Bermuda), and a corporate partner in Celtic Pharma Holdings Advisors LLP and Celtic Pharma Holdings Advisors 3 LLP, with its liability in these partnerships being limited principally to its capital contribution of US \$6,000, £7,975 and £8,841, respectively.

During the year Beehive Capital LLP received a distribution of £837,342 (2015 - £159,161) from Celtic Pharma Holdings Advisors LLP. This amount has been eliminated in arriving at the consolidated statement of comprehensive income.

J. C. Mayo CBE, the controlling member of the parent Beehive Capital LLP, controls S A Investors Limited and its subsidiary company, TA Investors Limited.

Pro Bono Bio International Trading Limited and Pro Bono Bio Entrepreneur Limited have the same common key management personnel as Celtic Pharma Holdings Advisors LLP.

Beehive Art Funding Limited is an associate of Beehive Capital LLP. A doubtful debt expense of £234,236 has been recognised by the LLP relating to a balance owed by Beehive Art Funding Limited.

During the year, loan notes with a nominal value of US \$704,166 were transferred to the LLP from S A Investors Limited for full consideration of US \$498,200. Further information about these loan notes is given in note 17.

BEEHIVE CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

22. Related party transactions (continued)

	Expenses charged to group £	Expenses recharged at cost £	Net balance receivable/ (payable) at 31 March £
Group - 2016			
Pro Bono Bio International Trading Limited	-	-	1,729
Pro Bono Bio Entrepreneur Limited	1,129	113,522	67,760
S A Investors Limited	1,250	6,272	62,469
TA Investors Limited	-	-	43,357
Beehive Art Funding Limited	-	26,000	(28)
Group - 2015			
Pro Bono Bio International Trading Limited	-	9,602	1,334
Pro Bono Bio Entrepreneur Limited	767	144,592	65,413
S A Investors Limited	-	19,904	16,443
Beehive Art Funding Limited	-	63,670	98,670
LLP - 2016			
Celtic Pharma Holdings Advisors LLP	-	-	6,997
Celtic Pharma Holdings Advisors 3 LLP	-	-	(8,841)
Pro Bono Bio Entrepreneur Limited	608	-	(1,255)
S A Investors Limited	1,250	-	(1,500)
TA Investors Limited	-	-	43,357
Beehive Art Funding Limited	-	26,000	(28)
LLP - 2015			
Celtic Pharma Holdings Advisors LLP	40	-	(8,525)
Celtic Pharma Holdings Advisors 3 LLP	-	-	(8,841)
Pro Bono Bio Entrepreneur Limited	438	2,447	-
Beehive Art Funding Limited	-	63,670	98,670

23. Controlling party

The LLP is under the control of its two members, J. C. Mayo CBE and Mrs. E. H. Mayo.

24. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.