



**BEEHIVE CAPITAL LLP**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**



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10/10/2017  
COMPANIES HOUSE

**GSM&Co**

Griffin Stone Moscrop & Co

CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

Together, we'll build better business

## BEEHIVE CAPITAL LLP

### INFORMATION

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

## BEEHIVE CAPITAL LLP

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**BEEHIVE CAPITAL LLP**  
**MEMBERS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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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 2017.

**Principal activities**

The LLP 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 to the activities 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 annual report and 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

**BEEHIVE CAPITAL LLP**

**MEMBERS' REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2017**

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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 to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by 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.

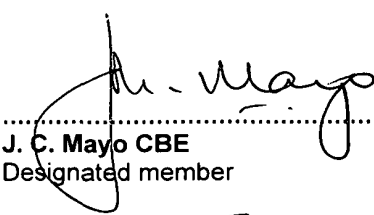
**Disclosure of information to auditors**

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.

  
.....  
**J. C. Mayo CBE**  
Designated member

Date: 11.7.17

## **BEEHIVE CAPITAL LLP**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEEHIVE CAPITAL LLP**

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We have audited the financial statements of Beehive Capital LLP for the year ended 31 March 2017, set out on pages 5 to 30. 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 2017 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**

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**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

Date: 14 July 2017

**BEEHIVE CAPITAL LLP**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Turnover		<u>381,693</u>	679,931
<b>Gross profit</b>		<b>381,693</b>	679,931
Administrative expenses		<b>(98,778)</b>	(126,047)
Exceptional administrative expenses	9	<u>-</u>	<u>(234,236)</u>
<b>Operating profit</b>	4	<b>282,915</b>	319,648
Interest receivable and similar income	8	<u>329</u>	<u>4,127</u>
<b>Profit before tax</b>		<u><b>283,244</b></u>	<u>323,775</u>
<b>Profit for the year before members' remuneration and profit shares available for discretionary division among members</b>		<u><b>283,244</b></u>	<u>323,775</u>
<b>Profit for the year attributable to:</b>			
Non-controlling interest		<b>60,237</b>	120,987
Owners of the parent LLP		<u><b>223,007</b></u>	<u>202,788</u>
		<u><b>283,244</b></u>	<u>323,775</u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2017 (2016 - £nil).

The notes on pages 13 to 30 form part of these financial statements.



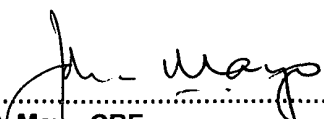
**BEEHIVE CAPITAL LLP**  
**REGISTERED NUMBER: OC303451**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	11	1	5,184
Investments	12	25,027	25,027
		<u>25,028</u>	<u>30,211</u>
<b>Current assets</b>			
Debtors	13	554,049	666,238
Current asset investments	14	301,910	-
Cash at bank	15	1,023,339	384,174
		<u>1,879,298</u>	<u>1,050,412</u>
Creditors: amounts falling due within one year	16	(812,124)	(83,762)
<b>Net current assets</b>		<u>1,067,174</u>	<u>966,650</u>
<b>Total assets less current liabilities</b>		<u>1,092,202</u>	<u>996,861</u>
<b>Provisions for liabilities</b>			
Other provisions	18	(620,385)	(602,319)
		<u>(620,385)</u>	<u>(602,319)</u>
<b>Net assets attributable to members</b>		<u>471,817</u>	<u>394,542</u>
<b>Represented by:</b>			
<b>Members' other interests</b>			
Members' capital classified as equity		115,000	115,000
Other reserves classified as equity		431,186	363,402
		<u>546,186</u>	<u>478,402</u>
Non-controlling interest		(74,369)	(83,860)
		<u>471,817</u>	<u>394,542</u>
<b>Total members' interests</b>			
Members' other interests		471,817	394,543
		<u>471,817</u>	<u>394,543</u>

**BEEHIVE CAPITAL LLP**  
**REGISTERED NUMBER: OC303451**  
**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2017**

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The financial statements were approved and authorised for issue by the members and were signed on their behalf by:

  
.....  
**J. C. Mayo CBE**  
Designated member

Date: 11.7.17

The notes on pages 13 to 30 form part of these financial statements.

**BEEHIVE CAPITAL LLP**  
**REGISTERED NUMBER: OC303451**

**LLP BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Investments	12	33,101	41,942
		<u>33,101</u>	<u>41,942</u>
<b>Current assets</b>			
Debtors	13	271,281	151,693
Cash at bank	15	547,975	350,773
		<u>819,256</u>	<u>502,466</u>
Creditors: amounts falling due within one year	16	(386,972)	(70,414)
		<u>432,284</u>	<u>432,052</u>
<b>Net current assets</b>		<u>432,284</u>	<u>432,052</u>
<b>Total assets less current liabilities</b>		<u>465,385</u>	<u>473,994</u>
<b>Provisions for liabilities</b>			
Other provisions	18	(350,385)	(352,319)
		<u>(350,385)</u>	<u>(352,319)</u>
<b>Net assets attributable to members</b>		<u>115,000</u>	<u>121,675</u>
<b>Represented by:</b>			
<b>Members' other interests</b>	19		
Members' capital classified as equity		115,000	115,000
Other reserves classified as equity		-	6,675
		<u>115,000</u>	<u>121,675</u>
<b>Total members' interests</b>		<u>115,000</u>	<u>121,675</u>
Members' other interests	19	115,000	121,675
		<u>115,000</u>	<u>121,675</u>

**BEEHIVE CAPITAL LLP**  
**REGISTERED NUMBER:OC303451**  
**LLP BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2017**

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The financial statements were approved and authorised for issue by the members and were signed on their behalf by:

  
.....  
**J. C. Mayo CBE**  
Designated member

Date: 11.7.17

The notes on pages 13 to 30 form part of these financial statements.

**BEEHIVE CAPITAL LLP**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017**

	<b>Members' capital (classified as equity)</b>	<b>Other reserves</b>	<b>Equity attributable to members</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 April 2015</b>	<b>115,000</b>	<b>833,113</b>	<b>948,113</b>	<b>7,811</b>	<b>955,924</b>
<b>Comprehensive income for the year</b>					
Profit for year for discretionary division among members	-	202,788	202,788	120,987	323,775
Minority interest drawings	-	-	-	(212,658)	(212,658)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>202,788</b>	<b>202,788</b>	<b>(91,671)</b>	<b>111,117</b>
<b>Contributions by and distributions to members</b>					
Allocated profit	-	(672,498)	(672,498)	-	(672,498)
<b>Total transactions with members</b>	<b>-</b>	<b>(672,498)</b>	<b>(672,498)</b>	<b>-</b>	<b>(672,498)</b>
<b>At 1 April 2016</b>	<b>115,000</b>	<b>363,403</b>	<b>478,403</b>	<b>(83,860)</b>	<b>394,543</b>
<b>Comprehensive income for the year</b>					
Profit for year for discretionary division among members	-	223,007	223,007	60,237	283,244
Minority interest drawings	-	-	-	(50,746)	(50,746)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>223,007</b>	<b>223,007</b>	<b>9,491</b>	<b>232,498</b>
<b>Contributions by and distributions to members</b>					
Distribution of allocated profit to members	-	(155,224)	(155,224)	-	(155,224)
<b>Total transactions with members</b>	<b>-</b>	<b>(155,224)</b>	<b>(155,224)</b>	<b>-</b>	<b>(155,224)</b>
<b>At 31 March 2017</b>	<b>115,000</b>	<b>431,186</b>	<b>546,186</b>	<b>(74,369)</b>	<b>471,817</b>

The notes on pages 13 to 30 form part of these financial statements.

**BEEHIVE CAPITAL LLP**

**LLP STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017**

	<b>Members' capital (classified as equity) £</b>	<b>Other reserves £</b>	<b>Total equity £</b>
<b>At 1 April 2015</b>	<b>115,000</b>	<b>115,412</b>	<b>230,412</b>
<b>Comprehensive income for the year</b>			
Profit for year for discretionary division among members	-	563,761	563,761
	-	563,761	563,761
<b>Total comprehensive income for the year</b>			
<b>Contributions by and distributions to members</b>			
Allocated profit	-	(672,498)	(672,498)
<b>At 1 April 2016</b>	<b>115,000</b>	<b>6,675</b>	<b>121,675</b>
<b>Comprehensive income for the year</b>			
Profit for year for discretionary division among members	-	148,550	148,550
	-	148,550	148,550
<b>Total comprehensive income for the year</b>			
<b>Contributions by and distributions to members</b>			
Allocated profit	-	(155,225)	(155,225)
<b>At 31 March 2017</b>	<b>115,000</b>	<b>-</b>	<b>115,000</b>

The notes on pages 13 to 30 form part of these financial statements.

**BEEHIVE CAPITAL LLP**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2017**

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	283,244	323,775
<b>Adjustments for:</b>		
Depreciation of tangible assets	5,184	9,203
Write down of current asset investments	45,985	-
Interest received	(329)	(4,127)
Decrease/(increase) in debtors	401,481	683,730
Decrease/(increase) in amounts owed by associates	(289,293)	3,560
Increase/(decrease) in creditors	720,640	(265,094)
Increase in amounts owed to groups	-	(395)
Increase in amounts owed to related companies	7,723	2,855
Increase in provisions	18,066	372,319
<b>Net cash generated from operating activities</b>	<u>1,192,701</u>	<u>1,125,826</u>
<b>Cash flows from investing activities</b>		
Purchase of current asset investments	(347,895)	-
Interest received	329	4,127
<b>Net cash (used in) / generated by investing activities</b>	<u>(347,566)</u>	<u>4,127</u>
<b>Cash flows from financing activities</b>		
Drawings by minority interests	(50,746)	(212,658)
Payments to members	(155,224)	(672,498)
<b>Net cash used in financing activities</b>	<u>(205,970)</u>	<u>(885,156)</u>
<b>Net increase in cash and cash equivalents</b>	<u>639,165</u>	<u>244,797</u>
Cash and cash equivalents at beginning of year	384,174	139,377
<b>Cash and cash equivalents at the end of year</b>	<u><u>1,023,339</u></u>	<u><u>384,174</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank	<u><u>1,023,339</u></u>	<u><u>384,174</u></u>

## BEEHIVE CAPITAL LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 1. General information

The LLP was registered 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 unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

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 group'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 LLP and its own subsidiaries ("the group") as if they form 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.

##### 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 investors 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.



## BEEHIVE CAPITAL LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 2. Accounting policies (continued)

##### 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.

##### 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.

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	- 3 - 5 years on a straight line basis
Computer equipment	- 3 years on a straight line basis

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 in the consolidated statement of comprehensive income.

## **BEEHIVE CAPITAL LLP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

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#### **2. Accounting policies (continued)**

##### **2.6 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### **2.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted 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.

##### **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 group'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 debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

## **BEEHIVE CAPITAL LLP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

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#### **2. Accounting policies (continued)**

##### **2.10 Financial instruments (continued)**

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 debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

##### **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.

**BEEHIVE CAPITAL LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**2. Accounting policies (continued)**

**2.13 Operating leases: the group as lessee**

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.14 Interest income**

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

**2.15 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.

**2.16 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.

**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):

	2017	2016
	£	£
Depreciation of tangible fixed assets	5,183	9,202
Exchange differences	(77,962)	(19,810)

**BEEHIVE CAPITAL LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**5. Auditors' remuneration**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Fees payable to the group's auditors for the audit of the group's annual financial statements	<b>7,800</b>	12,000
<b>Fees payable to the group's auditors in respect of:</b>		
General professional advice and taxation services	<b>4,000</b>	4,000
The audit of the subsidiary's financial statements	<b>5,000</b>	5,000
All other non-audit services not included above	<b>5,430</b>	5,000
	<u><u>          </u></u>	<u><u>          </u></u>

**6. Employees**

The LLP has no employees other than the members, who did not receive any remuneration (2016 - £nil).

**7. Information in relation to members**

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
Average number of members during the year	<b>2</b>	2
	<u><u>          </u></u>	<u><u>          </u></u>
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Profit attributable to the member with the largest entitlement	<b>200,929</b>	182,712
	<u><u>          </u></u>	<u><u>          </u></u>

**8. Interest receivable**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other interest receivable	<b>329</b>	4,127
	<u><u>          </u></u>	<u><u>          </u></u>

**9. Exceptional administrative expenses**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bad and doubtful debts	<b>-</b>	234,236
	<u><u>          </u></u>	<u><u>          </u></u>

**BEEHIVE CAPITAL LLP****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017****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 £148,550 (2016 - £563,761).

**11. Tangible fixed assets****Group**

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2016	11,712	30,923	220,228	262,863
At 31 March 2017	11,712	30,923	220,228	262,863
<b>Depreciation</b>				
At 1 April 2016	9,795	30,923	216,961	257,679
Charge for the period	1,917	-	3,266	5,183
At 31 March 2017	11,712	30,923	220,227	262,862
<b>Net book value</b>				
At 31 March 2017	-	-	1	1
At 31 March 2016	1,917	-	3,267	5,184

**BEEHIVE CAPITAL LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**11. Tangible fixed assets (continued)**

**LLP**

	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2016	29,110	150,627	179,737
At 31 March 2017	29,110	150,627	179,737
<b>Depreciation</b>			
At 1 April 2016	29,110	150,627	179,737
At 31 March 2017	29,110	150,627	179,737
<b>Net book value</b>			
At 31 March 2017	-	-	-
At 31 March 2016	-	-	-

**12. Fixed asset investments**

**Group**

	<b>Investments in associates £</b>	<b>Unlisted investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2016	28	24,999	25,027
At 31 March 2017	28	24,999	25,027
<b>Net book value</b>			
At 31 March 2017	28	24,999	25,027
At 31 March 2016	28	24,999	25,027

**BEEHIVE CAPITAL LLP****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017****12. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the LLP:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
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 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	<b>Aggregate of members' capital and reserves</b>	<b>Profit/(loss)</b>
	<b>£</b>	<b>£</b>
Celtic Pharma Holdings Advisors LLP	345,430	297,420
Celtic Pharma Holdings Advisors 3 LLP	(15,255)	-
London Investors LLP	-	-
	<b>330,175</b>	<b>297,420</b>

**Participating interests****Associates**

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



**BEEHIVE CAPITAL LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**12. Fixed asset investments (continued)**

**LLP**

	Investments in subsidiary companies £	Investments in associates £	Unlisted investments £	Total £
<b>Cost or valuation</b>				
At 1 April 2016	16,915	28	24,999	41,942
At 31 March 2017	16,915	28	24,999	41,942
<b>Impairment</b>				
Charge for the period	8,841	-	-	8,841
At 31 March 2017	8,841	-	-	8,841
<b>Net book value</b>				
At 31 March 2017	8,074	28	24,999	33,101
At 31 March 2016	16,915	28	24,999	41,942

**BEEHIVE CAPITAL LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**13. Debtors**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>LLP 2017 £</b>	<b>LLP 2016 £</b>
Trade debtors	541	541	-	-
Amounts owed by related parties	467,987	178,694	187,199	58,879
Other debtors	83,062	465,695	81,661	88,267
Prepayments and accrued income	2,459	21,308	2,419	4,547
	<b>554,049</b>	<b>666,238</b>	<b>271,279</b>	<b>151,693</b>

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

**14. Current asset investments**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>LLP 2017 £</b>	<b>LLP 2016 £</b>
Unlisted investments	301,910	-	-	-
	<b>301,910</b>	<b>-</b>	<b>-</b>	<b>-</b>

Included above is an investment of £241,910 (2016 - £nil) in Pro Bono Bio plc. This reflects a 1.93% holding in the ordinary shares of that entity as at the balance sheet date.

**15. Cash and cash equivalents**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>LLP 2017 £</b>	<b>LLP 2016 £</b>
Cash at bank	1,023,339	384,174	547,975	350,773

**BEEHIVE CAPITAL LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**16. Creditors: amounts falling due within one year**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>LLP 2017 £</b>	<b>LLP 2016 £</b>
Trade creditors	<b>54,184</b>	51,041	<b>11,657</b>	33,166
Amounts owed to group undertakings	-	-	<b>17,464</b>	17,464
Amounts owed to other related companies	<b>11,132</b>	3,408	<b>2,783</b>	2,783
Other creditors	<b>338,384</b>	-	<b>338,068</b>	-
Accruals	<b>408,424</b>	29,313	<b>17,000</b>	17,002
	<b>812,124</b>	83,762	<b>386,972</b>	70,415

**17. Financial instruments**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>LLP 2017 £</b>	<b>LLP 2016 £</b>
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	<b>1,350,248</b>	409,173	<b>572,974</b>	375,772
Financial assets that are debt instruments	<b>549,328</b>	640,782	<b>267,999</b>	145,226
	<b>1,899,576</b>	1,049,955	<b>840,973</b>	520,998
<b>Financial liabilities</b>				
Financial liabilities	<b>(812,123)</b>	(83,763)	<b>(386,970)</b>	(70,415)

Financial assets measured at fair value through profit or loss comprise cash at bank and unlisted investments.

Financial assets that are debt instruments comprise trade and other debtors, excluding prepayments and taxation.

Financial liabilities comprise trade and other creditors and accruals.

**BEEHIVE CAPITAL LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**18. Provisions**

**Group**

	Dilapidation provision £	Loan note provision £	Total £
At 1 April 2016	250,000	352,319	602,319
Charged to profit or loss	20,000	(1,934)	18,066
<b>At 31 March 2017</b>	<b>270,000</b>	<b>350,385</b>	<b>620,385</b>

**LLP**

	Loan note provision £	Total £
At 1 April 2016	352,319	352,319
Charged to profit or loss	(1,934)	(1,934)
<b>At 31 March 2017</b>	<b>350,385</b>	<b>350,385</b>

On the termination of the office lease on 29 May 2017 Celtic Pharma Holdings Advisors LLP had a contractual obligation to make good the premises which it occupied at the balance sheet date. The dilapidation provision of £270,000 is an estimate of the cost of such repairs to date.

Subsequent to the termination of the lease, discussions are ongoing with the landlord for a new lease to be assigned to Pro Bono Bio Entrepreneur Limited (PBEL), a related company. PBEL has agreed to take on the responsibility for the dilapidation expenditure that will become due at the end of the lease. However, CPHA LLP remains liable under a guarantee if PBEL fails to meet its obligations. £59,000 of contribution has been lodged with the landlord which will be used as part payment in the event that CPHA is required to settle the dilapidations liability.

During the prior year, 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 2017**

**19. Reconciliation of members' interests (Group)**

	<b>EQUITY</b>			<b>DEBT</b>		<b>Total</b>
	<b>Members' other interests</b>			<b>Loans and other debts due to members less any amounts due from members in debtors</b>		<b>members' interests</b>
	<b>Members' capital (classified as equity) £</b>	<b>Other reserves £</b>	<b>Total £</b>	<b>Other amounts £</b>	<b>Total £</b>	<b>Total £</b>
<b>Balance at 31 March 2016</b>	<b>115,000</b>	<b>279,543</b>	<b>394,543</b>	<b>-</b>	<b>-</b>	<b>394,543</b>
Profit for the year available for discretionary division among members	-	223,007	223,007	-	-	223,007
<b>Members' interests after profit for the year</b>	<b>115,000</b>	<b>502,550</b>	<b>617,550</b>	<b>-</b>	<b>-</b>	<b>617,550</b>
LLP profit allocated for members to draw against	-	-	-	155,224	155,224	155,224
Allocation of members LLP profits plus net movement on minority interest for year	-	(145,733)	(145,733)	-	-	(145,733)
Drawings by members	-	-	-	(155,224)	(155,224)	(155,224)
<b>Balance at 31 March 2017</b>	<b>115,000</b>	<b>356,817</b>	<b>471,817</b>	<b>-</b>	<b>-</b>	<b>471,817</b>

**BEEHIVE CAPITAL LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**19. Reconciliation of members' interests (LLP)**

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £	Total £
<b>Balance at 31 March 2016</b>	<b>115,000</b>	<b>6,675</b>	<b>121,675</b>	-	-	<b>121,675</b>
Profit for the year available for discretionary division among members	-	148,550	148,550	-	-	148,550
<b>Members' interests after profit for the year</b>	<b>115,000</b>	<b>155,225</b>	<b>270,225</b>	-	-	<b>270,225</b>
LLP profit allocated for members to draw against	-	-	-	155,225	155,225	155,225
Allocation of members LLP profits	-	(155,225)	(155,225)	-	-	(155,225)
Drawings	-	-	-	(155,225)	(155,225)	(155,225)
<b>Balance at 31 March 2017</b>	<b>115,000</b>	<b>-</b>	<b>115,000</b>	<b>-</b>	<b>-</b>	<b>115,000</b>

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

**20. Commitments under operating leases - as lessee**

At 31 March 2017 the group had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2017 £</b>	<b>Group 2016 £</b>
Not later than 1 year	<b>18,333</b>	110,000
Later than 1 year and not later than 5 years	-	18,333
	<b>18,333</b>	<b>128,333</b>

The LLP had no commitments under non-cancellable operating leases as at the balance sheet date.

**BEEHIVE CAPITAL LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**21. Other financial commitments**

As at 31 March 2017 the LLP was owed £131,358 from TA Investors Limited, a related party, in respect of a loan agreement entered into on 29 March 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 2017

#### 22. Related party transactions and balances

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.

The LLP is a limited partner in Celtic Pharma Management LP (Bermuda), and a corporate partner in Celtic Pharma Holdings Advisors LLP ("CPHA") and Celtic Pharma Holdings Advisors 3 LLP. Its liability in these partnerships is limited principally to its capital contribution of US \$6,000, £7,975 and £8,841, respectively. During the year the LLP received a distribution of £199,367 (2016 - £837,342) from CPHA LLP. This amount has been eliminated in the consolidated statement of comprehensive income.

J. C. Mayo CBE, the controlling member of Beehive Capital LLP, controls S A Investors Limited and its subsidiary company, TA Investors Limited. At the balance sheet date, the group owed J. C. Mayo CBE £106,026 (2016 - £nil), of which £105,706 related to the LLP. He is also a director of Adbox International Limited.

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

	Expenses charged to group £	Expenses recharged at cost £	Net balance receivable/ (payable) at 31 March £	Bad debt expense recognised £
<b>Group - 2017</b>				
Pro Bono Bio International Trading Limited	-	-	-	1,729
Pro Bono Bio Entrepreneur Limited	-	184,006	38,297	-
S A Investors Limited	-	-	22,500	23,969
TA Investors Limited	3,720	-	126,894	-
Beehive Art Funding Limited	-	-	29,339	-
Adbox International Limited	-	-	26,474	-
Pro Bono Bio plc	-	-	213,351	-
<b>Group - 2016</b>				
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)	-
<b>LLP - 2017</b>				
Celtic Pharma Holdings Advisors LLP	-	-	(8,525)	-
Celtic Pharma Holdings Advisors 3 LLP	-	-	(8,841)	-
Pro Bono Bio Entrepreneur Limited	-	-	(1,255)	-
S A Investors Limited	-	-	(1,500)	-
TA Investors Limited	-	-	131,358	-
Beehive Art Funding Limited	-	-	29,339	-
Adbox International Limited	-	-	26,474	-
<b>LLP - 2016</b>				
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)	-



**BEEHIVE CAPITAL LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**23. Controlling party**

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