

Partnership Registration Number. OC326981

Epi-V LLP

Annual Report and Revised Financial Statements

For the year ended 30 April 2017

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Epi-V LLP

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Epi-V LLP

Officers and professional advisers

Designated Members

Kevin Forbes
John Hutchinson
Steve Kent

Other Members

Simon Yeldham

Registered Office

First Floor
67 Leigh Road
Eastleigh
SO50 7DY

Bankers

Lloyds TSB plc
174 Fleet Road
Fleet GU51 4DD

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Savannah House
3 Ocean Way
Southampton
Hampshire SO14 3TJ

Solicitors

Kirkland & Ellis International LLP
30 St Mary Axe
London EC3A 8AF

Epi-V LLP

Members' report for the year ended 30 April 2017

The Members are pleased to present their report and the audited consolidated and partnership financial statements for the year ended 30 April 2017 (comparative year being the year ended 30 April 2016). The financial statements have been prepared on a basis other than going concern.

Principal activities

The principal activity of Epi-V LLP ("the Partnership" or "Manager"), an English Limited Liability Partnership, remains unchanged in the year being to manage funds that provided development funding and growth capital into companies within the oilfield services sector. With all investments the firm sought to create value through the provision of strategic support to the investee business in the form of emotional, intellectual and professional input from a team with substantial oil and gas services experience.

The principal activity of the partnership's subsidiary Epi-V Corporate Services Limited during the year was to be a member of Epi-V GP Investments LLP, the general partner of Epi-V Equity Investments LP.

Review of business and future developments

The Partnership was authorised by the then Financial Services Authority on 23 July 2007 to manage, promote and advise unregulated collective investment schemes. Epi-V Equity LP (the "first Fund") was closed in early August 2008 and Epi-V Equity Investments LP (the "second Fund") was closed in July 2011. The operation of these funds has continued in the year ended 30 April 2017. An agreement for the purchase and sale of the remaining assets of the two Funds, plus the remaining loan note investments into the portfolio held by the respective General Partners of the Funds, to Limited Partner of the Funds was exchanged with the buyer in June 2017 and completed on 18 July 2017. Consequently, it is the intention of the members to wind up the Partnership and the Funds within the next 12 months. The subsidiary Epi-V Corporate Services Limited was liquidated on 20 June 2017.

The audited financial statements for the year ended 30 April 2017 are set out on pages 8 to 24. The consolidated loss for the financial year before Members' remuneration and profit share amounted to £50,498 (2016: profit £38,584) as set out in the profit and loss account on page 9.

Going concern

The business activities of the Partnership, together with the factors likely to affect its future development, performance and position are set out below:

An agreement for the purchase and sale of the remaining assets of the two Funds, plus the remaining loan note investments into the portfolio held by the respective General Partners of the Funds, to Limited Partner of the Funds was exchanged with the buyer in June 2017 and completed on 18 July 2017. Consequently, it is the intention of the members to wind up the Partnership and the Funds within the next 12 months. The subsidiary Epi-V Corporate Services Limited was liquidated on 20 June 2017.

Accordingly, the financial statements have been prepared on a basis other than going concern.

The financial statements have been adjusted to reduce assets to their realisable values, and to reclassify non-current assets as current assets. A provision for termination costs is not considered required by the Members. There are no changes to recognition, measurement or disclosure of other assets and liabilities. No adjustments were necessary to provide for liabilities arising from the decision, or to reclassify long-term liabilities as current.

Risk Management

Due to the nature of the Partnership's operations, the Members have considered the exposure to financial risks and deem these to be minimal. The Partnership is exposed to non-financial risks, in particular market risk.

i) Credit risk

All trade debtors are due from investee companies. The entire portfolio is due to be sold imminently and, as such, there are no relevant solvency matters to consider.

ii) Interest rate risk

Interest is receivable and payable at floating rates, however the Members do not deem the interest rate risk to be suitably significant at the current time to require hedging or other risk mitigation measures.

Epi-V LLP

Members' report for the year ended 30 April 2017 (continued)

Key Performance Indicator

The level of cash that the LLP has is its key performance indicator. For the year ending 30 April 2017 the cash balance was £84,875 (2016: £446,520).

Designated members

The Designated Members that served throughout the year and up to the date of signing the financial statements were as follows:

Kevin Forbes

John Hutchinson

Steve Kent

Policy regarding Member's drawings and the subscription and repayment of amounts subscribed or otherwise contributed by Members

As may be determined by the Designated Members, each Member may, on a monthly basis, be paid on account of their share of profits of the Partnership. If any Member withdraws funds in excess of their profit share for an accounting year, that Member is required to immediately repay the excess drawings, together with interest thereon (at a rate of 2% above the prevailing Bank of England base lending rate), to the Partnership in accordance with the Limited Liability Partnership Agreement ("the Agreement") of October 2009.

It is the policy of the Partnership to defer drawings by Members in circumstances where such payments would compete with the cash requirements of the Partnership.

In accordance with the Agreement, the original Designated Members contributed initial capital of £50,000 each upon incorporation of the Partnership to acquire a share in the Partnership proportionate to the amount or value of their contribution. The Agreement initially set a minimum capital requirement of £250,000, which reduced to £168,636 during the year ended 30 April 2015 at which point an element of capital was returned to the members.

The Agreement states that an outgoing Member may only withdraw his initial capital provided that:

- an equal amount is contributed to the capital of the Partnership by the remaining Members or any person replacing the outgoing Member as a Member; or
- the Partnership is otherwise dissolved or wound up and has either ceased to be authorised under the Financial Services and Markets Act 2002 ("the Act") or no longer has a Part IV Permission under that Act.

The Members are obliged to contribute further capital which the Designated Members determine as being required for the ongoing investing activities of the Partnership. None of the Members are required, however, to contribute any further capital on the insolvency of the Partnership.

A requirement of the Partnership's authorisation under the Act was to hold minimum 'own funds' of £5,000. From May 2014, this increased to £10,000.

The Partnership shall pay to or receive from an outgoing member as the case may be:

- the amount of capital which they are entitled to be credited by the Partnership to their capital account;
- any undrawn balance of their profit share and such sums to which they are entitled to be credited by the Partnership;
- any sums due to them in respect of loans, loan interest and interest on capital in the Partnership; and
- the proportion to which the outgoing Member is entitled of any gains realised by the Fund and attributable to the Partnership.

Statement of members' responsibilities in respect of the financial statements

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

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Company law requires the members to prepare financial statements for each financial year. Under that law the members have prepared the group financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting

Members' report for the year ended 30 April 2017 (continued)

Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law) and limited liability partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law 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 group and Partnership, and of the profit or loss of the group and Partnership for that period. In preparing the financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed for the limited liability partnership financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and Partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the group and limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the group and limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006.

The members are also responsible for safeguarding the assets of the group and Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors

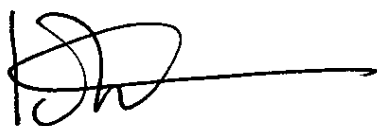
Each of the persons who are Members of the Partnership at the date when this report is approved confirms that:

- so far as each of the Members are aware there is no relevant audit information of which the Partnership's auditors are unaware; and
- each of the Members has taken all the steps that they ought to have taken as a Member to make themselves aware of any relevant audit information (as defined) and to establish that the Partnership's auditors are aware of that information.

The Members of the Partnership propose to reappoint PricewaterhouseCoopers LLP as auditors at the forthcoming Members' Board Meeting.

The financial statements have been prepared in accordance with the small limited liabilities partnerships' regime.

Signed on behalf of the Board of Members



John Hutchinson

Designated Member

31 August 2017

Epi-V LLP

Independent auditors' report to the Members of Epi-V LLP

Report on the revised financial statements

Our opinion on the revised financial statements

In our opinion, Epi-V LLP's Group and Partnership revised financial statements (the "revised financial statements"):

- give a true and fair view, seen as at the date the original financial statements were approved, of the state of the Group's and Partnership affairs as at 30 April 2017 and of its results and cash flows for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice seen as at the date the original financial statements were approved; and
 - have been prepared in accordance with the provisions of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (accounts and Audit) (application of the Companies Act 2006) Regulations 2008 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008.
-

Emphasis of matter – revision of original statutory financial statements

In forming our opinion on the revised financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1(d) to these revised financial statements concerning the need for revision of the financial statements because the original financial statements had an error on the balance sheet. The original financial statements were approved on 21 July 2017. We have not performed a subsequent events review for the period from the date the original financial statements were approved to the date of this report.

Emphasis of matter – Group and Partnership- Basis of preparation

In forming our opinion on the group and Partnership financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of preparation. The Members of the Partnership intend to wind up the Partnership within the next 12 months and the subsidiary Epi-V Corporate Services Limited was liquidated on 20 June 2017. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. Adjustments have been made in these financial statements to reduce assets to their realisable values, and to reclassify fixed assets as current assets. No adjustments were necessary to provide for liabilities arising from the decision, or to reclassify long-term liabilities as current liabilities.

What we have audited

Epi-V LLP's revised financial statements comprise:

- the Group and Partnership balance sheets as at 30 April 2017;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Group and Partnership Statements of Changes in Equity for the year then ended;
- the accounting policies; and
- the notes to the revised financial statements, which include a summary of significant accounting policies and other explanatory information.

These revised financial statements replace the original financial statements approved by the members on 21 July 2017.

The financial reporting framework that has been applied in the preparation of the revised financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United

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Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities. The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and

Report on the revised financial statements (continued)

Reports) Regulations 2008 and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

In applying the financial reporting framework, the members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the members were not entitled to: prepare financial statements in accordance with the small limited liability partnership regime. We have no exceptions to report arising from this responsibility.

Responsibilities for the revised financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Statement of members' responsibilities set out on pages 4 and 5, the members are responsible for the preparation of the revised 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 revised financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of revised financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the revised financial statements sufficient to give reasonable assurance that the revised financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

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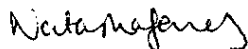
Report on the revised financial statements (continued)

- the overall presentation of the revised financial statements.

We primarily focus our work in these areas by assessing the members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the revised financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both. The audit of revised financial statements includes the performance of procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited revised 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.



Natasha Jones (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
31 August 2017

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Consolidated Statement of Comprehensive Income

	Notes	2017 £	2016 £
Turnover	2	310,012	465,785
Administrative expenses	3	(357,606)	(438,112)
Other operating expense		(3,990)	(775)
Operating (loss)/profit		(51,584)	26,898
Realised investment (loss)/gain		(70)	10,791
Unrealised investment gain/(loss)		-	(470)
Interest receivable and similar income	5	1,186	1,895
Interest on Members' loans	6	(30)	(530)
(Loss)/ profit for the financial year before taxations, members' remuneration and profit shares		(50,498)	38,584
Taxation	7	-	-
		(50,498)	38,584
Members' remuneration charged as income/(an expense)		50,498	(38,584)
Results for the financial year available for discretionary division among members		-	-
Other comprehensive income/(expense) net of tax			
Other net changes on investments		-	(428)
Total comprehensive expense for the year		-	(428)

There were no recognised gains or losses other than the result for the financial year. All results relate to continuing operations.

There are no material differences between the (loss)/profit for the financial year before taxation members' remuneration and profit shares and the result for the financial years available for discretionary division among members stated above and their historical cost equivalent.

The notes on pages 12 to 24 form part of these financial statements.

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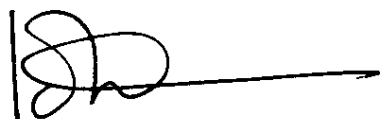
Group and Partnership Balance sheets

	Notes	Group 2017 £	2016 £	Partnership 2017 £	2016 £
Current assets					
Tangible assets	8	-	480	-	480
Investments	9	-	70	1	1
Debtors	10	3,307,270	3,319,193	3,307,270	4,553,942
Amounts due from members	11	1,193,526	1,059,729	462,501	328,704
Cash at bank and in hand		84,875	446,520	84,806	446,451
Creditors: amounts falling due within one year	12	(1,838,769)	(2,028,593)	(1,775,804)	(1,965,627)
Net current assets		2,746,902	2,796,850	2,078,774	3,363,470
Total assets less current liabilities		2,746,902	2,797,400	2,078,774	3,363,951
Net assets attributable to members		2,746,902	2,797,400	2,078,774	3,363,951
Represented by:					
Loans and other debts due to members					
Members' loans classified as a liability	13	2,736,898	2,787,396	2,068,770	3,353,947
Members' other interests					
Members' capital	13	10,004	10,004	10,004	10,004
		2,746,902	2,797,400	2,078,774	3,363,951
Total members' interests					
Amounts due from members		(1,193,526)	(1,059,729)	(462,501)	(328,704)
Loans and other debts due to members		2,736,898	2,787,396	2,068,770	3,353,947
Members' other interests		10,004	10,004	10,004	10,004
		1,553,376	1,737,671	1,616,273	3,035,247

The notes on pages 12 to 24 form part of these financial statements.

These financial statements on pages 9 to 24 were approved by the Members on 31 August 2017.

Signed on behalf of the Board of Members



John Hutchinson

31 August 2017

Epi-V LLP

Group and Partnership Statements of Changes in Equity

	Members' other interests Group			Members' other interests Partnership		
	Members' Capital	Other reserves	Total	Members' Capital	Other reserves	Total
	£	£	£	£	£	£
At 1 May 2015	10,004	428	10,432	10,004	-	10,004
Other net changes on investments	-	(428)	(428)	-	-	-
At 30 April 2016	10,004	-	10,004	10,004	-	10,004
Other net changes on investments	-	-	-	-	-	-
At 30 April 2017	10,004	-	10,004	10,004	-	10,004

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Notes to the financial statements for the year ended 30 April 2017

General information

Epi-V LLP is a Limited Liability Partnerships and is incorporated in United Kingdom. The address of its registered office is First Floor, 67 Leigh Road, Eastleigh, SO50 7DY.

Statement of compliance

The financial statements of the Partnership are prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom and Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") Section 1A. The LLP has also early adopted the Amendments to FRS 102 (issued in July 2015).

1. Accounting policies

(a) Basis of preparation

The financial statements are prepared in accordance with the Companies Act 2006 applicable to Smaller Entities as applied to Limited Liability Partnerships, applicable accounting standards in the United Kingdom and the Statement of Recommended Practice, 'Accounting by Limited Liability Partnerships'.

The Partnership is exempt under s408 of the Companies Act 2006 from the requirement to present its own profit and loss account. The Partnership made a loss for the year of £1,285,177 (2016: £28,263).

The consolidated group made a loss for the financial year before taxation, Members' remuneration and profit share of £50,498 (2016: profit £38,584) for the year.

The Partnership managed two Funds at the end of the year. An agreement for the purchase and sale of the Funds' remaining investments, together with the remaining loan note investments into the portfolio held by each General Partner of the respective Funds, to the Limited Partner of the Funds was exchanged in June 2017 and completed on 18 July 2017 with the intention of liquidating the funds before March 31, 2018. As a result the Members of the LLP intend to wind up the Partnership within the next 12 months. The wholly-owned subsidiary Epi- V Corporate Services Limited was liquidated on 20 June 2017. Accordingly, the going concern basis of preparation is no longer appropriate for the Partnership or the Group and the financial statements have consequently been prepared on a basis other than going concern. The financial statements have been adjusted to reduce assets to their realisable values, and to reclassify non-current assets as current assets. A provision for termination costs is not considered required by the Members. There are no changes to recognition, measurement or disclosure of other assets and liabilities. No adjustments were necessary to provide for liabilities arising from the decision, or to reclassify long-term liabilities as current.

The comparative financial information continues to be prepared on a going concern basis. The principal accounting policies, which have been applied consistently throughout the year, are set out below and, where necessary, have been updated to include any policies which are now considered significant given the presentation of the financial statements as at 30 April 2017 on a non-going concern basis.

The principal accounting policies are summarised below, all of which have all been applied consistently throughout the year.

(b) Going Concern

The financial statements have been prepared on a basis other than going concern.

(c) Basis of consolidation

The group financial statements include the financial statements of the Partnership and its subsidiary undertakings up to 30 April 2017. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired during the year are included in the consolidated

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Notes to the financial statements for the year ended 30 April 2017

profit and loss account from the date of acquisition. Uniform accounting policies have been applied across the group and any profits or losses on intra group transactions have been eliminated

(d) Revision of the financial statements

The financial statements have been revised due to the correction of an error on the balance sheet where the Group creditors' amount falling due within one year was incorrectly disclosed as £1,828,769 instead of £1,838,769.

(i) these revised financial statements replace the original financial statements for the financial year ended 30 April 2017 and are now the statutory financial statements of the Partnership for that financial year;

(ii) these revised financial statements have been prepared as at the date of the original financial statements and not as at the date of revision and accordingly do not deal with any events between those dates;

(iii) the original financial statements did not comply with the requirements of the 2006 Act in respect to the error noted above; and

(iv) there is no other amendment made consequential upon the remedying of the above defect;

(e) Accounting convention

The financial statements have been prepared in accordance with the historical cost convention.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition and intended use. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, on each asset on a straight-line basis over its expected useful life, as follows:

Computer equipment	3 years
Office equipment	3 years

The tangible fixed asset balance was fully depreciated during the year and, as such, no further provision for impairment was necessary on account of the change in basis of preparation as per note 1b.

(g) Investments

Investment in subsidiary

Investment in subsidiary is held at historical cost less accumulated impairment losses, which is equivalent to the expect realisation on wind-up of that company.

Other investments

The other investment is in private equity limited partnerships and the general partner for which no public market exists and is held at fair value. The underlying investments are valued by the General Partner, as required by the Limited Partnership Agreement, based upon the latest investee information available, including financial statements and other similar information, and the nature and marketability of such investments and re-assessed by the members of the group. The value of holdings in unquoted investments is after having valued the underlying net assets in accordance with International Private

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Notes to the financial statements for the year ended 30 April 2017

Equity and Venture Capital Valuation Guidelines. Unrealised losses and gains on valuation of investments are reflected through the Income Statement.

In the current year the recoverable value is reflective of the sale and purchase agreement of the remaining investments, which is was exchanged in June 2017 and completed on 19 July 2017.

Unquoted investments for which there is no ready market were valued in the comparative period using the most appropriate technique with regard to the stage and nature of the investment. Valuation methods that may be used include the following:

i) Cost

Recent investments are value based on the cost of the investment

Where the fair value cannot be reliably measure, or significant milestones as laid out in the Investment Plan have not yet been reached, investments are held at cost, being the original historical cost held in the reporting currency of the group. Investments valued on this basis undergo a review, on at least an annual basis, to determine whether or not there has been any impairment to cost.

ii) Event

Where there has been a significant event such as a subsequent round of follow-on funding involving an independent third party investing on an arm's length basis, the valuation arising from this transaction is applied when determining the fair value of the investment. Such events may result in an increase or decrease in the fair value of an investment. Investments be valued on this basis undergo a review, on at least an annual basis, to determine whether or not there is any impairment to cost.

iii) Earning multiple/ discounted cash flow

Investments in established businesses generating sustainable profits and positive cash flows are valued using earnings multiples or discounted cash flow.

iv) Net asset value

Investments in businesses whose value is derived mainly from their underlying net assets rather than earnings are valued on the basis of the net asset valuation.

v) Impairment

The value of an investment is reduced to an impaired value when changes in circumstance indicate that an impairment even has occurred. Such impairment reviews are applied to both investments held at cost and those held at fair value arising from an event. Examples of such events and changes to in circumstances include the following:

- where the performance and/or future prospects of the underlying business are significantly below the expectations upon which the investment was based. Prima facie indicators of this include a failure to meet significant milestones or to service financial instruments, breaches of covenants and a deterioration in the level of budgeted/ forecast performance;
- where there has been a significant adverse change either in the investee company's business or in the technological, market, economic, legal or regulatory environment in which the business operates; and
- where market conditions have deteriorated, possibly indicated by a fall in the share price of quoted companies operating in the same or related sectors.

The level of impairment is usually measured by calculating the estimated discounted cash flow of each investment to the investors or potential acquirer, as appropriate, where this can be reliably measured. Where this is not the case, the extent of impairment will be measured with regards, to the relevant indicator of value change, such as the impact of unachieved milestones, delays encountered, or external market factors.

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Notes to the financial statements for the year ended 30 April 2017

(h) Revenue recognition

The Partnership earns revenue from the following activities:

- Arrangement fee income is invoiced and recognised immediately upon completion of a new investment or funding round into an existing portfolio company.
- Monitoring fees levied on portfolio companies are invoiced and payable quarterly in advance, with one-third of the total amount invoiced recognised in each of the months of that particular quarter and the remainder held as deferred income on the balance sheet.
- Other fees predominately in relation to additional consultancy work invoiced outside of the scope of existing contractual obligations.

(i) Taxation

Epi-V LLP, being a partnership, is not subject to taxation since the Members are individually responsible for taxation of their share of the profits from the Partnership. The subsidiary, however, is a corporate entity and subject to corporation tax.

The charge for taxation is based on the results of subsidiary companies included in the respective profit and loss account for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102 section 29.

(j) Pension costs

Contributions to defined contribution schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

(k) Allocation of profits or loss

Members' rights to participate in the profits or losses, or assets of the LLP are analysed between those that give rise to, from the LLP's perspective, either a financial liability or equity, in accordance with Section 11 and 12, 'of FRS 102 – Financial Instruments: Disclosure and Presentation'. Members' different participation rights are analysed separately into liability and equity elements. Where the Partnership has a contractual obligation to deliver cash or another financial asset to the member, the capital is treated as debt. Where the Partnership has an unconditional right to avoid delivering cash or other financial assets to a member in respect of such amounts (i.e. repayment of the member's capital is discretionary), it is treated as equity.

Non-discretionary amounts becoming due to members in respect of participation rights in the profits of the Partnership for an accounting period that give rise to liabilities are presented as an expense within the income statement (within the heading Members' remuneration charged as an expense).

A Member's share in the profit or loss for the year is accounted for as an allocation of profits or loss in accordance with the Partnership Agreement. Unallocated profits and losses are included within 'other reserves'.

(l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts, when applicable, are shown within creditors in current liabilities.

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Notes to the financial statements for the year ended 30 April 2017

(m) Financial instruments

The LLP has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) *Financial assets*

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income immediately.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income immediately.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) *Financial liabilities*

Basic financial liabilities, including trade and other creditors and amounts owed to group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

iii) *Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

(n) Critical judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Epi-V LLP

Notes to the financial statements for the year ended 30 April 2017

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

i) Investment valuations – comparative balance sheet

In valuing the investments the Members uses judgement in selecting an appropriate valuation technique for financial instruments that are not quoted in an active market. Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors as disclosed in 1(f), including expectations of future events that are reasonable under the circumstances. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(o) Future amendments to FRS 102

Amendments to FRS 102 were issued in July 2016 as a result of changes to the EU-directives and UK Companies Regulations. The amendments are mandatory for periods beginning on or after 1 January 2017, with early adoption permitted for periods beginning on or after 1 January 2016. Entities have to adopt and comply with all amendments if they elect to early adopt the Amendments to FRS 102 (issued in July 2016). The amendments to FRS 102 (issued in July 2016) were early adopted by the Partnership in 2016.

Epi-V LLP

Notes to the financial statements for the year ended 30 April 2017

2. Turnover

	Group 2017 £	Group 2016 £
Monitoring fees	269,962	463,072
Other fees	40,050	2,713
	<u>310,012</u>	<u>465,785</u>

Included in turnover is £nil (2016: 261,008) originating in Norway. The remainder of group turnover originates in the United Kingdom.

3. Operating (Loss)/Profit

Operating (loss)/profit is stated after charging:

	Group 2017 £	Group 2016 £
Depreciation	480	1,528
Fees payable to the Group's auditors for the audit of the Group and Partnership's annual financial statements	19,000	15,000
Fees payable to the Group's auditors for the audit of other Epi-V entities	-	50,000
Fees payable to the Partnership's auditors for taxation compliance and other services to the Partnership	42,500	15,000
Operating lease rentals – land and buildings	23,654	43,370

4. Staff costs

The average monthly number of employees was 1 (2016: 2).

	Group 2017 £	Group 2016 £
Annual remuneration comprised:		
Wages and salaries	33,898	100,243
Social security costs	2,257	10,666
Redundancy costs	18,000	-
Other pension costs	5,135	7,761
	<u>59,290</u>	<u>118,670</u>

The average number of members during the year was 4 (2016: 4).

5. Interest receivable and similar income

	Group 2017 £	Group 2016 £
Bank interest	1,186	1,895
	<u>1,186</u>	<u>1,895</u>

Epi-V LLP

Notes to the financial statements for the year ended 30 April 2017

6. Interest payable and similar charges

	Group 2017 £	Group 2016 £
Interest on Members' loans	30	530
	<u>30</u>	<u>530</u>

7. Taxation

	2017 £	2016 £
Current tax:		
UK Corporation tax on loss for the year	-	-
Total current tax	<u>-</u>	<u>-</u>

The current tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 20% (2016: 20%) The differences are explained below:

	2017 £	2016 £
(Loss)/profit before taxation, members' remuneration and profit share	(50,498)	38,584
(Loss)/profit before taxation, members' remuneration and profit share multiplied by the standard rate in the UK of 20% (2016: 20%)	(10,100)	7,717

Effects of:

(Loss)/ profit not subject to UK corporation tax	10,100	(5,690)
Losses carried forward from past periods	-	(2,064)
Adjustments in respect of prior periods	-	(113)
Total current tax	<u>-</u>	<u>-</u>

A deferred tax asset of £254,652 (2016: £244,542) in relation to carried forward losses has not been recognised as the recoverability of this amount in the foreseeable future is not sufficiently certain. The Finance Act 2013 was substantively enacted on 17 July 2013 and included legislation to reduce the main rate of corporation tax to 20% with effect from 1 April 2015. Closing deferred tax balances have been valued at 20% (2016: 20%).

Further changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 18% from 1 April 2020.

As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements. The overall effect of these changes, if they had applied to the deferred tax balance at the balance sheet date, would be to reduce the deferred tax asset by £25,565 (2016: £24,454). There would be no impact on the total current tax for the year.

Epi-V LLP

Notes to the financial statements for the year ended 30 April 2017

8. Tangible fixed assets

Group and partnership

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 May 2016 and 30 April 2017	2,595	64,171	66,766
Accumulated depreciation			
At 1 May 2016	2,595	63,691	66,286
Charge for the year	-	480	480
At 30 April 2017	2,595	64,171	66,766
Net book value	-	-	-
At 30 April 2017	-	-	-
At 30 April 2016	-	480	480

9. Investments

Partnership

During the year and at 30 April 2017 the Partnership held 100% of the ordinary share capital of Epi-V Corporate Services Limited

Investments	£
At 1 May 2016 and 30 April 2017	1

Group

The Group, through Epi-V Corporate Services Limited, have a 0.5% holding in Epi-V GP Investments LLP, the General Partner of the second Fund, which is maintained at the aggregate carrying value of the underlying investments which the members believe is supported by their net assets or expected future trading performance. Both the General Partner and second Fund are registered in the UK and have a year end of 30 April.

	2017
	£
Unlisted investments at cost	
At 1 May 2016	7,385
Disposals	(6,860)
At 30 April 2017	525
Fair value adjustments	
At 1 May 2016	(7,315)
Disposals	6,790
Fair value adjustments	-
At 30 April 2017	(525)
Fair value	
At 30 April 2017	-
At 1 May 2016	70

Epi-V LLP

Notes to the financial statements for the year ended 30 April 2017

10. Debtors

	Group 2017 £	Group 2016 £	Partnership 2017 £	Partnership 2016 £
Amounts falling due with one year:				
Trade debtors	24,540	39,383	24,450	39,383
Amounts owed by Epi-V Corporate Service Limited	-	-	1,234,749	1,234,749
Write off for amounts owed by Epi-V Corporate Service Limited	-	-	(1,234,749)	-
Amounts owed by Epi-V Equity Investments LP	-	330	-	330
Amounts owed by Epi-V GP LLP	3,261,363	3,261,364	3,261,363	3,261,364
Prepayments	21,367	18,116	21,367	18,116
	3,307,270	3,319,193	3,307,270	4,553,942

The amounts receivable from Epi-V GP LLP are unsecured, interest free and repayable on demand.

The amounts receivable from Epi-V Corporate Services Limited are related to management fees and are short term, interest free and unsecured.

11. Amounts due from members

	Group 2017 £	Group 2016 £	Partnership 2017 £	Partnership 2016 £
Loans to members	1,193,526	1,059,729	462,501	328,704

Loans to members are interest free and repayable on demand, with the exception of the allocation of profit or loss which is charged interest at a rate of 2% above LIBOR.

12. Creditors: amounts falling due within one year

	Group 2017 £	Group 2016 £	Partnership 2017 £	Partnership 2016 £
Amounts falling due with one year:				
Trade creditor	18,436	24,351	18,437	24,351
Amounts owed to Epi-V GP Investments LLP	62,966	1,608,998	-	1,546,032
Amounts owed to the members of Epi-V GP Investments LLP	1,570,032	-	1,570,032	-
Amounts owed to Epi-V Equity Investments LLP	19,670	-	19,670	-
Taxation and social security	-	7,473	-	7,473
Other creditors	76,015	60,000	76,015	60,000
Accruals and deferred income	91,650	327,771	91,650	327,771
	1,838,769	2,028,593	1,775,804	1,965,627

The amounts payable to Epi-V GP Investments LLP are unsecured, interest free and repayable on demand.

Epi-V LLP

Notes to the financial statements for the year ended 30 April 2017

13. Total members' interests Group:

	Members' other interests	Loans and other debts due to members less any amounts due from members in debtors	Total members' interests	Total members' interests
	2017	2017	2017	2016
	£	£	£	£
Amounts due to members		2,787,396		
Amounts due from members		(1,059,729)		
At 1 May 2016	10,004	1,727,667	1,737,671	1,698,985
Members remuneration charged as expense	-	(50,498)	(50,498)	38,584
Members' interests after profit for the year	10,004	1,677,169	1,687,173	1,737,569
Other net changes on financial assets held for sale	-	-	-	(428)
Members' drawings	-	(133,827)	(133,827)	-
Interest on members' loans and capital	-	30	30	530
			-	-
Amounts due to members	-	2,736,898		
Amounts due from members	-	(1,193,526)	-	-
At 30 April 2017	10,004	1,543,372	1,553,376	1,737,671

Loans and other debts due to members rank pari passu with all other creditors.

The Partnership has only one class of capital which ranks after creditors and other payables.

Members' capital is repayable on winding up of the Partnership.

Epi-V LLP

Notes to the financial statements for the year ended 30 April 2017

Partnership:

	Members' other interests	Loans and other debts due to members less any amounts due from members	Total members' interests	Total members' interests
	Members' capital	in debtors	2017	2016
	2017	2017	2017	2016
	£	£	£	£
Amounts due to members	-	3,353,947	-	-
Amounts due from members	-	(328,704)	-	-
At 1 May 2016	10,004	3,025,243	3,035,247	3,006,454
Members remuneration charged as expense	-	(1,285,177)	(1,285,177)	28,263
Members' interests after profit for the year	10,004	1,740,066	1,750,070	3,034,717
Members' drawings	-	(133,827)	(133,827)	-
Interest on members' loans and capital	-	30	30	530
Amounts due to members	-	2,068,770	-	-
Amounts due from members	-	(462,501)	-	-
At 30 April 2017	10,004	1,606,269	1,616,273	3,035,247

Loans and other debts due to members rank pari passu with all other creditors.

The Partnership has only one class of capital which ranks after creditors and other payables.

14. Commitments for expenditure

Operating leases

At 30 April 2017 the group and company have operating lease agreements in respect of land and buildings as set out below.

	2017 £	2016 £
The future minimum lease repayments are as follows:		
Within one year	19,059	25,413
Later than one year but not later than five years	-	12,706
More than 5 years	-	-
Total	19,059	38,119

There are no non-cancellable commitments for capital expenditure.

15. Pension commitments

Epi-V LLP operates a defined contribution scheme through Standard Life for employees. Contributions payable in respect of this scheme for the year were £5,135 (2016: £7,761). There are no amounts prepaid or outstanding at the year end (2016: nil) in relation to defined contribution schemes.

Epi-V LLP

Notes to the financial statements for the year ended 30 April 2017

16. Related party transactions

On a consolidated basis, transactions and balances between Group entities have been eliminated in full and are therefore not disclosed in accordance with FRS 102 section 33 'Related party disclosures'.

The Partnership has taken advantage of the exemptions available under FRS 102 for disclosure of transactions with entities that are part of the Group as related parties in these financial statements.

At the year end the partnership and group had balances with other Epi-V entities, which have members in common, as detailed in notes 10 and 12.

The following transactions with these entities occurred during the year:

Epi-V GP LLP

During the year debtors of £nil (2016: 130,573) have been settled leaving the outstanding debtors as detailed in note 10.

Epi-V GP Investments LLP

During the year creditors of £1,570,032 were transferred to the Partners of Epi-V GP Investments LLP, leaving the outstanding creditors as detailed in note 12.

There were no other material related party transactions.

17. Controlling party

All transactions with members are detailed within the financial statements.

In the opinion of the Members there is no controlling party as defined by FRS 102 section 33 "Related party disclosures".

18. Subsequent events

An agreement for the purchase and sale of the remaining assets of the two Funds which were managed by the Partnership, plus the remaining loan note investments into the portfolio held by the respective General Partners of the Funds was exchanged with the buyer in June 2017 and completed on 18 July 2017.

The subsidiary Epi-V Corporate Services Limited was voluntarily dissolved on 20 June 2017.