

Episode FP 2 LLP
Report And Financial Statements
31 March 2021



Episode FP 2 LLP

INFORMATION

Designated Members	D J P Lane P A McNabb S T Murdoch A E Lloyd C Namih
LLP registered number	OC418087
Registered office	112 - 116 New Oxford Street London England WC1A 1HH
Accountants	Blick Rothenberg Limited Chartered Accountants 16 Great Queen Street Covent Garden London WC2B 5AH

Episode FP 2 LLP
Registered number: OC418087

BALANCE SHEET
As at 31 March 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Investments	4	4,166,151	2,287,111
Current assets			
Cash at bank and in hand		255	301
		<u>255</u>	<u>301</u>
Creditors: amounts falling due within one year	5	(645)	(645)
		<u>(645)</u>	<u>(645)</u>
Net current liabilities		(390)	(344)
Total assets less current liabilities		4,165,761	2,286,767
Net assets attributable to members		4,165,761	2,286,767
Represented by:			
Loans and other debts due to members within one year			
Other amounts	6	2,136,486	1,336,486
		<u>2,136,486</u>	<u>1,336,486</u>
Members' other interests			
Other reserves classified as equity		2,029,275	950,281
		<u>2,029,275</u>	<u>950,281</u>
		<u>4,165,761</u>	<u>2,286,767</u>
Total members' interests			
Loans and other debts due to members	6	2,136,486	1,336,486
Members' other interests		2,029,275	950,281
		<u>4,165,761</u>	<u>2,286,767</u>

Episode FP 2 LLP
Registered number:OC418087

BALANCE SHEET (CONTINUED)
As at 31 March 2021


The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime.

The Statement of Comprehensive Income and Members' Report have not been delivered to the Registrar of Companies in accordance with the provisions applicable to entities subject to the small companies regime.

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 01-Dec-21 | 10:51 GMT

DocuSigned by:

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DJP Lane
Designated member

The notes on pages 7 to 9 form part of these financial statements.

Episode FP 2 LLP

NOTES TO THE FINANCIAL STATEMENTS **For the Period Ended 31 March 2021**

1. General information

Episode FP 2 LLP is a limited liability partnership incorporated in the UK and registered in England and Wales.

The principal activity of the LLP is documented in the members' report.

The LLP's registered address is 112 - 116 New Oxford Street, London, England, WC1A 1HH.

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 Section 1A of 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" published in December 2018.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the LLP's accounting policies.

2.2 Valuation of investments

Unlisted investments are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period.

2.3 Financial instruments

The LLP does not trade in financial instruments and all such instruments arise directly from operations. All trade and other debtors are initially recognised at transaction value, as none contain in substance a financing transaction. Thereafter trade and other debtors are reviewed for impairment where there is objective evidence based on observable data that the balance may be impaired. The LLP does not hold collateral against its trade and other receivables so its exposure to credit risk is the net balance of trade and other debtors after allowance for impairment. The LLP's cash holdings comprise on demand balances. All cash is held with banks with strong external credit ratings. Trade and other creditors and accruals are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished. As the LLP only has short term receivables and payables, its net current asset position is a reasonable measure of its liquidity at any given time.

3. Information in relation to members

The average number of members during the period was 12 (2019: 12)

Episode FP 2 LLP**NOTES TO THE FINANCIAL STATEMENTS**
For the Period Ended 31 March 2021**4. Fixed asset investments**

	Unlisted investments £
Valuation	
At 1 April 2020 (as restated)	2,287,111
Additions	800,000
Revaluations	1,079,040
At 31 March 2021	<u><u>4,166,151</u></u>

Included in the above is an investment of £400 (2019: £400) in the capital of Episode 1 Investments 2 LP ('the fund'), an investment partnership in which the LLP is the Founder Partner and a Limited Partner.

At the year end the total commitment to the fund, including the capital referred to above is £4,000,300 (2019: £4,000,300). At the balance sheet date £1,800,300 (2019: £1,000,300) of that commitment had been drawn down.

5. Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	<u><u>645</u></u>	<u><u>645</u></u>

6. Loans and other debts due to members

	2021 £	2020 £
Other amounts due to members	<u><u>(2,136,486)</u></u>	<u><u>(1,336,486)</u></u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

Episode FP 2 LLP**NOTES TO THE FINANCIAL STATEMENTS**
For the Period Ended 31 March 2021**7. Prior year adjustment**

A prior year adjustment has been made to reflect a change in accounting policy with respect to the treatment of the investment.

The previous policy was that the value of carried interest due to the LLP in its capacity as founder partner of the fund was recognised only when it was triggered by the required return of cash to the partners. The revised policy is that the value of the carried interest is recognised within the investment valuation. The value of the carried interest is calculated by determining what carried interest payments would be due to the founder partner if all the fund's assets were realised at their balance sheet value. This change in accounting policy is considered to make the financial statements more relevant to the readers of the accounts.

The change in policy resulted in a decrease in the value of the fixed asset investments at 1 April 2019 of £123,202, an increase in the fair value gain for the year ended 31 March 2020 of £1,073,483 and, therefore, a net increase in net assets at 1 April 2020 of £950,281. The effects are summarised below:

	31 March 2020 £	31 March 2019 £
(Loss)/profit for the year as previously reported	(337,798)	-
Effect of change in policy	1,073,483	-
Restated loss for the year	735,685	-
Net assets as previously reported	1,336,486	989,952
Effect of change in policy	950,281	(123,202)
Restated net assets	2,286,767	866,750