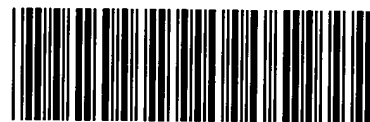


**Episode (GP) Limited**  
**Report And Financial Statements**  
*31 March 2016*

THURSDAY



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30/06/2016

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COMPANIES HOUSE

**Rees Pollock**  
**Chartered Accountants**

## **Episode (GP) Limited**

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### **COMPANY INFORMATION**

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<b>Directors</b>	<b>S T Murdoch D J P Lane A E Lloyd</b>
<b>Registered number</b>	<b>08383439</b>
<b>Registered office</b>	<b>Kingsbourne House 229-231 High Holborn London WC1V 7DA</b>
<b>Accountants</b>	<b>Rees Pollock 35 New Bridge Street London EC4V 6BW</b>

## Episode (GP) Limited

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### DIRECTORS' REPORT

For the year ended 31 March 2016

The directors present their report and the unaudited financial statements for the year ended 31 March 2016.

#### Principal activities

The principal activity of the company during the year was that of general partner for the Episode 1 Investments Limited Partnership. This fund constitutes a qualifying partnership and in accordance with Statutory Instrument 'The Partnership (Accounts) Regulations 2008 ('SI 2008/569') their financial statements have been appended to these accounts for filing with the Registrar.

#### Directors

The directors who served during the year were:

S T Murdoch  
D J P Lane  
A E Lloyd

#### Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

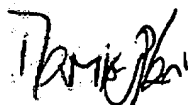
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board on 29 June 2016 and signed on its behalf.



D J P Lane  
Director

**Episode (GP) Limited**

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**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 March 2016**

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	Note	2016 £	2015 £
<b>TURNOVER</b>	1	846,062	843,750
Administrative expenses		(846,062)	(843,750)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	-
Tax on profit on ordinary activities		-	-
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	4	<hr/>	<hr/>

The notes on pages 4 to 5 form part of these financial statements.

Episode (GP) Limited  
Registered number: 08383439

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**BALANCE SHEET**  
As at 31 March 2016

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	Note	£	2016 £	£	2015 £
<b>CURRENT ASSETS</b>					
Cash at bank		3,007		3,007	
<b>CREDITORS: amounts falling due within one year</b>	2	(3,033)		(3,033)	
<b>NET CURRENT LIABILITIES</b>			(26)		(26)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(26)		(26)
<b>CAPITAL AND RESERVES</b>					
Called up share capital	3		15		15
Profit and loss account	4		(41)		(41)
<b>SHAREHOLDERS' DEFICIT</b>			(26)		(26)

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2016 and of its profit or loss for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2016.



D J P Lane  
Director

The notes on pages 4 to 5 form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2016

**1. ACCOUNTING POLICIES**

**Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

**Cash flow**

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2015).

**Turnover**

Turnover comprises revenue recognised by the company in respect of its priority profit share due as general partner of the Episode 1 Investments LP ('the fund').

**Deferred taxation**

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

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

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**2. CREDITORS:**

Amounts falling due within one year

	2016	2015
	£	£
Amounts owed to group undertakings	3,033	3,033

**3. SHARE CAPITAL**

	2016	2015
	£	£
Allotted, called up and partly paid		
15 Ordinary shares of £1 each	15	15

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**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2016

**4. RESERVES**

At 1 April 2015 and 31 March 2016

**Profit and loss  
account  
£  
(41)**

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**5. RELATED PARTY TRANSACTIONS**

Episode (GP) Limited is the general partner of Episode 1 Investments LP ('the fund'). Included within turnover is an amount of £846,062 (2015: £843,750) due from the fund in respect of its priority profit share due as general partner of the fund. At the year end an amount of £nil (2015: £nil) was due from the fund.

At the balance sheet date Episode 1 Ventures LLP ('the LLP') was the parent company. Administrative expenses include an amount of £846,062 (2015: £843,750) payable under the terms of the management agreement between the two entities. At the year end, £3,033 (2015: £3,033) was due to the LLP.

**6. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company's ultimate parent company at the balance sheet date was Episode 1 Ventures LLP, an entity which is registered in England and Wales.

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**Episode 1 Investments LP**

**Report And Financial Statements**

*31 March 2016*



## Episode 1 Investments LP

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### OFFICERS AND PROFESSIONAL ADVISERS

<b>General Partner</b>	Episode (GP) Limited
<b>Registered number</b>	LP015401
<b>Registered office</b>	Kingsbourne House 229-231 High Holborn London WC1V 7DA
<b>Independent auditors</b>	Rees Pollock 35 New Bridge Street London EC4V 6BW
<b>Manager</b>	Episode 1 Ventures LLP Kingsbourne House 229-231 High Holborn London WC1V 7DA

## Episode 1 Investments LP

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### GENERAL PARTNER'S REPORT

For the year ended 31 March 2016

The General Partner presents their report and the audited financial statements for the year ended 31 March 2016.

#### General Partner

The General Partner who served during the year was:

Episode (GP) Limited

#### General Partner's responsibilities statement

The General Partner is responsible for preparing the General Partner's report and the financial statements in accordance with the Limited Partnership Agreement, United Kingdom Financial Reporting Standards and the Companies Act 2006 as applied to Limited Partnerships by Statutory Instrument 'The Partnership (Accounts) Regulations 2008 ('SI 2008/569')'.

Company law requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the General Partner must not approve the financial statements unless the General Partner is satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

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

#### Disclosure of information to auditors

The General Partner at the time when this General Partner's report is approved has confirmed that:

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

#### Auditors

The auditors, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the General Partner has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 29 June 2016 and signed on its behalf.



D Lane  
As director of Episode (GP) Limited  
General Partner

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EPISODE 1 INVESTMENTS LP**

We have audited the financial statements of Episode 1 Investments LP for the year ended 31 March 2016, set out on pages 3 to 8. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the partnership'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 partnership and the partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of General Partner and auditors**

As explained more fully in the General Partner's responsibilities statement, the General Partner is 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 Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the partnership's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the General Partner's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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 requires us to report to you if, in our opinion:

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

Jonathan Munday (Senior statutory auditor)  
for and on behalf of  
**Rees Pollock, Statutory Auditors**

29 June 2016

Episode 1 Investments LP

**PROFIT AND LOSS ACCOUNT**  
For the year ended 31 March 2016

	Note	2016 £	2015 £
Administrative expenses		(32,093)	(6,450)
<b>OPERATING LOSS</b>		(32,093)	(6,450)
Interest receivable and similar income		5,612	6,949
Impairment of investments		(600,000)	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR BEFORE PARTNERS' REMUNERATION AND PROFIT SHARES</b>		(626,481)	499
Partners' remuneration charged as an expense - General Partner managment fee		(846,062)	(843,750)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG PARTNERS</b>	7	(1,472,543)	(843,251)

The notes on pages 6 to 8 form part of these financial statements.

Episode 1 Investments LP

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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
For the year ended 31 March 2016

	Note	2016 £	2015 £
<b>LOSS FOR THE FINANCIAL YEAR</b>		(1,472,543)	(843,251)
Unrealised surplus on revaluation of fixed asset investments		<u>6,482,939</u>	<u>1,069,889</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<u><u>5,010,396</u></u>	<u><u>226,638</u></u>

The notes on pages 6 to 8 form part of these financial statements.

**BALANCE SHEET**  
As at 31 March 2016

	Note	£	2016 £	£	2015 £
<b>INVESTMENTS</b>	2		23,944,916		11,724,862
<b>CURRENT ASSETS</b>					
Debtors	3	-		50,000	
Cash at bank		1,156,766		1,075,273	
		<u>1,156,766</u>		<u>1,125,273</u>	
<b>CREDITORS: amounts falling due within one year</b>	4	(11,700)		(8,232)	
<b>NET CURRENT ASSETS</b>			<u>1,145,066</u>		<u>1,117,041</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			25,089,982		12,841,903
<b>CREDITORS: amounts falling due after more than one year</b>	5		(20,353,969)		(13,116,286)
<b>NET ASSETS/(LIABILITIES)</b>			<u>4,736,013</u>		<u>(274,383)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	6		909		909
Revaluation reserve	7		7,552,828		1,069,889
Profit and loss account	7		(2,817,724)		(1,345,181)
<b>SHAREHOLDERS' FUNDS/(DEFICIT)</b>	8		<u>4,736,013</u>		<u>(274,383)</u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2016.



D Lane  
As director of Episode (GP) Limited  
General Partner

The notes on pages 6 to 8 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

### 1. ACCOUNTING POLICIES

#### Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Investments and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

#### Investments

Fixed asset investments are included in the balance sheet at a value determined in accordance with the "International Private Equity and Venture Capital Valuations Guidelines" developed by the British Venture Capital Association as permitted under the alternative accounting rules of the Companies Act 2006.

#### Associated undertakings and participating interests

The Partnership's investments have not been treated as associated undertakings in accordance with paragraph 49 of Financial Reporting Standard No. 9 ("Associates and joint ventures") as the investments are held as part of the investment portfolio rather than as a medium through which the Partnership carries out its business.

#### Taxation

No provision for tax has been made as each partner will be responsible for their own tax liability.

#### Cash flow statement

The Partnership has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is small.

### 2. FIXED ASSET INVESTMENTS

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 April 2015	11,724,862
Additions	6,337,115
Revaluations	6,482,939
At 31 March 2016	24,544,916
<b>Impairment</b>	
At 1 April 2015	-
Charge for the year	600,000
At 31 March 2016	600,000
<b>Net book value</b>	
At 31 March 2016	23,944,916
At 31 March 2015	11,724,862

Episode 1 Investments LP

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2016

**3. DEBTORS**

	2016 £	2015 £
Other debtors	-	50,000

**4. CREDITORS:  
Amounts falling due within one year**

	2016 £	2015 £
Other creditors	11,700	8,232

**5. CREDITORS:  
Amounts falling due after more than one year**

	2016 £	2015 £
Limited Partners' loans	20,353,969	13,116,286

**6. CAPITAL CONTRIBUTION ACCOUNT**

	2016 £	2015 £
Partner Capital	909	909

**7. RESERVES**

	Revaluation reserve £	Profit and loss account £
At 1 April 2015	1,069,889	(1,345,181)
Loss for the financial year		(1,472,543)
Surplus on revaluation of other fixed assets	6,482,939	
At 31 March 2016	7,552,828	(2,817,724)



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**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2016

**8. RECONCILIATION OF PARTNERS FUNDS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Partners' interests brought forward	(274,383)	(501,021)
Loss for the financial year	(1,472,543)	(843,251)
Surplus on revaluation of fixed asset investments	6,482,939	1,069,889
	<hr/>	<hr/>
Partners' interests carried forward	<b>4,736,013</b>	<b>(274,383)</b>
	<hr/>	<hr/>

**9. CONTROLLING PARTY**

There is no controlling party.