

**Episode (GP) Limited**  
**Report And Financial Statements**  
*31 March 2017*

Rees Pollock  
Chartered Accountants

FRIDAY



A32

\*A6LCYRD5\*

15/12/2017

#458

COMPANIES HOUSE

Episode (GP) Limited

---

**COMPANY INFORMATION**

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

## Episode (GP) Limited

---

### DIRECTORS' REPORT

For the Year Ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

#### Principal activity

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  
P A McNabb (appointed 4 July 2016)

#### 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 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'. 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:

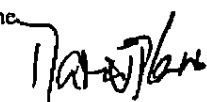
- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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.

#### Small companies note

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

This report was approved by the board on 24/8/17 and signed on its behalf.

D J P Lane  
Director 

**STATEMENT OF INCOME AND RETAINED EARNINGS**  
For the Year Ended 31 March 2017

	Note	2017 £	2016 £
Turnover		842,860	846,062
<b>GROSS PROFIT</b>		<u>842,860</u>	<u>846,062</u>
Administrative expenses		(844,154)	(846,062)
<b>OPERATING (LOSS)/PROFIT</b>		<u>(1,294)</u>	<u>-</u>
<b>(LOSS)/PROFIT AFTER TAX</b>		<u>(1,294)</u>	<u>-</u>
Retained earnings at the beginning of the year		(41)	(41)
		(41)	(41)
Loss for the year		(1,294)	-
<b>RETAINED EARNINGS AT THE END OF THE YEAR</b>		<u>(1,335)</u>	<u>(41)</u>

The notes on pages 3 to 5 form part of these financial statements.

**BALANCE SHEET**  
As at 31 March 2017

	Note	2017 £	2016 £
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		1,713	3,007
		<u>1,713</u>	<u>3,007</u>
Creditors: amounts falling due within one year	3	(3,033)	(3,033)
		<u>(3,033)</u>	<u>(3,033)</u>
<b>NET CURRENT LIABILITIES</b>		(1,320)	(26)
<b>NET LIABILITIES</b>		<u>(1,320)</u>	<u>(26)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		15	15
Profit and loss account		(1,335)	(41)
		<u>(1,320)</u>	<u>(26)</u>

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



24/3/17

D J P Lane  
Director

The notes on pages 3 to 5 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2017**

**1. GENERAL INFORMATION**

Episode (GP) Limited is a private limited company incorporated in the UK and registered in England and Wales.

The principal activity of the company is documented in the directors' report.

The company's registered address is Kingsbourne House, 229-231 High Holborn, London WC1V 7DA.

**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. The entity transitioned from United Kingdom Generally Accepted Accounting Practice to Financial Reporting Standard 102 as at 1 April 2015. No change of the financial statements was considered necessary.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. Management do not consider there are any key accounting estimates or assumptions made that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Management are also required to exercise judgment in applying the entity's accounting policies. Due to the straight forward nature of the business management consider that no critical judgements have been made in applying the entity's accounting policies.

**2.2 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').

**2.3 Financial instruments**

The company 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 company 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 company'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 company only has short term receivables and payables, its net current asset position is a reasonable measure of its liquidity at any given time.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2017

**2. ACCOUNTING POLICIES (continued)**

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company'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.

**2.5 Current and deferred taxation**

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

	2017 £	2016 £
Amounts owed to group undertakings	3,033	3,033
	<u>3,033</u>	<u>3,033</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2017

**4. SHARE CAPITAL**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and partly paid</b>		
15 Ordinary shares of £1 each	15	15
	<u>15</u>	<u>15</u>

**5. ULTIMATE PARENT UNDERTAKING**

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.



**Episode 1 Investments LP**

**Report And Financial Statements**

*31 March 2017*

Rees Pollock  
Chartered Accountants

THESE PARTNERSHIP  
ACCOUNTS FORM  
PART OF THE ACCOUNTS  
OF THE COMPANY  
08383439

## Episode 1 Investments LP

---

### 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

**GENERAL PARTNER'S REPORT**  
For the year ended 31 March 2017

The General Partner presents their report and the audited financial statements for the year ended 31 March 2017.

The principal activity of the Partnership is that of a venture capital fund investing in early stage software-enabled businesses.

**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 applicable law and regulations.

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 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'. Under company law the general partner must not approve the financial statements unless he is satisfied that he gives a true and fair view of the state of affairs of the LP and of the profit or loss of the LP 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LP will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the LP's transactions and disclose with reasonable accuracy at any time the financial position of the LP 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 LP 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.

**GENERAL PARTNER'S REPORT**

For the year ended 31 March 2017

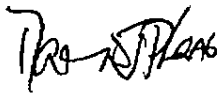
**Auditors**

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

**Small companies note**

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

This report was approved by the board on 29 June 2017 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 2017, set out on pages 4 to 11. The financial reporting framework that has been applied in their preparation is the Companies Act 2006 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'.

This report is made solely to the LP'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 LP'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 LP and the LP'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 2017 and of its 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;
- all amounts allocated or distributed to Investors have been so allocated or distributed in accordance with the provisions of the Limited Partnership Agreement; and
- the investments acquired by the Partnership fall within the Investment Policy stated in the Limited Partnership Agreement, insofar as the Investment Policy contains objective criteria for assessment.

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

In our opinion, based on the work undertaken in the course of the audit, the information given in the general partner's report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

### **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 2017

**PROFIT AND LOSS ACCOUNT**  
For the year ended 31 March 2017

	Note	2017 £	Restated 2016 £
Administrative expenses		(12,957)	(32,093)
<b>OPERATING LOSS</b>		(12,957)	(32,093)
Fair value movements		1,661,201	5,882,939
Interest receivable and similar income		6,557	5,612
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR BEFORE PARTNERS' REMUNERATION AND PROFIT SHARES</b>		1,654,801	5,856,458
Partners' remuneration charged as an expense - Priority profit share to General Partner		(480,384)	(304,050)
Partners' remuneration charged as an expense - Prioritised return to the Preferred Partner		(843,750)	(846,062)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG PARTNERS</b>		330,667	4,706,346

All amounts relate to continuing operations.

There were no recognised gains and losses for 2017 or 2016 other than those included in the Profit and loss account.

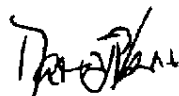
The notes on pages 7 to 11 form part of these financial statements.

**BALANCE SHEET**  
As at 31 March 2017

	Note	£	2017 £	£	Restated 2016 £
<b>FIXED ASSETS</b>					
Investments	3		31,673,038		23,944,916
<b>CURRENT ASSETS</b>					
Cash at bank		1,166,862		1,156,766	
<b>CREDITORS:</b> amounts falling due within one year	4	(28,226,724)		(20,819,173)	
<b>NET CURRENT LIABILITIES</b>			(27,059,862)		(19,662,407)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,613,176</u>		<u>4,282,509</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	5		909		909
Profit and loss account			<u>4,612,267</u>		<u>4,281,600</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>4,613,176</u>		<u>4,282,509</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2017.



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

The notes on pages 7 to 11 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 March 2017

	<b>Capital Contributions £</b>	<b>Profit and loss account £</b>	<b>Total Equity £</b>
At 1 April 2016	909	4,735,104	4,736,013
Prior year adjustment	-	(453,504)	(453,504)
	<hr/>	<hr/>	<hr/>
At 1 April 2016 (as restated)	909	4,281,600	4,282,509
	<hr/>	<hr/>	<hr/>
Profit for the year	-	330,667	330,667
	<hr/>	<hr/>	<hr/>
As at 31 March 2017	909	4,612,267	4,613,176
	<hr/>	<hr/>	<hr/>

**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 March 2016

	<b>Capital Contributions £</b>	<b>Profit and loss account £</b>	<b>Total Equity £</b>
At 1 April 2015	909	(275,292)	(274,383)
Prior year adjustment	-	(149,454)	(149,454)
	<hr/>	<hr/>	<hr/>
At 1 April 2015 (as restated)	909	(424,746)	(423,837)
	<hr/>	<hr/>	<hr/>
Profit for the year	-	4,706,346	4,706,346
	<hr/>	<hr/>	<hr/>
As at 31 March 2016	909	4,281,600	4,282,509
	<hr/>	<hr/>	<hr/>



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2017

**1. ACCOUNTING POLICIES**

**General Information**

Episode 1 Investments LP is a limited partnership incorporated in the UK.

The entity's registered address is Kingsbourne House, 229-231 High Holborn, London WC1V 7DA.

The principal activities are documented in the General Partner's Report

**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. The entity transitioned from United Kingdom Generally Accepted Accounting Practice to Financial Reporting Standard 102 as at 1 April 2015.

Information on the impact of first time adoption of FRS 102 is given in note 7.

**Investments**

Investments are initially measured at cost. At each balance sheet date investments are remeasured to market value. Gains and losses on remeasurement are recognised in profit or loss for the period.

All investments in portfolio companies are held as a means to benefit from increases in their marketable value and not as a medium through which the business of the company is carried out. Accordingly they are not accounted for as associates.

**Going concern**

The LP discloses net current liabilities. However, the loan contributions are only due to be paid back once the LP has received net income or proceeds from the realisation of the investments and once the Preferred Partner has received its priority profit share. The General Partner therefore adopts the going concern basis when preparing the financial statements.

**Other financial instruments**

Debtors are initially recognised at transaction value, as none contain in substance a financing transaction. Thereafter debtors are reviewed for impairment where there is objective evidence based on observable data that the balance may be impaired. The LP 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 LP's cash holdings comprise on demand balances. All cash is held with banks with strong external credit ratings.

Loan contributions from the limited partners to finance the LP are initially recognised at transaction value. Amounts payable within one year are measured at the undiscounted amount of amount due.

Other creditors and accruals are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished.

The LP only has short term receivables and payables. Its net current asset position after adding back the value of the loan contributions is a reasonable measure of its liquidity at any given time given that the loan contributions can only be repaid from net income and capital proceeds from the realisation of investments.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2017

**1. ACCOUNTING POLICIES (continued)**

**Foreign currencies**

The LP's functional and presentational currency is GBP.

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 profit and loss account.

**Members' remuneration**

Members' remuneration is made up of priority profit share to the General Partner and the prioritised return to the Preferred Partner.

Priority profit share to the General Partner:

The LP agreement provides for a priority profit share (PPS) to be made for each accounting period to the General Partner. If the profit for the year is less than the PPS, any deficiency is treated as an interest free loan. Such loan may only be extinguished by an allocation of future profits and is not recoverable in any other way. On this basis the PPS is treated as members' remuneration charged as an expense in the profit and loss account.

Prioritised return to the Preferred Partner:

The LP agreement provides for a prioritised return to the Preferred Partner. This is accrued each year and is payable on a cash distribution after payment to the General Partner for its PPS, but ahead of any other payments to partners. The timing of cash distributions is at the General Partner's discretion. On this basis the prioritised return is treated as members' remuneration charged as an expense in the profit and loss account.

**Taxation**

The LP is domiciled in England, United Kingdom. Under the current laws, there is no income, estate, corporation, capital gains or other taxes payable by the Partnership. Any other tax liability arising on the activities of the LP itself will be borne by the individual partners.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### 2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. Management consider the following are key accounting estimates or assumptions made that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

#### Valuation of 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.

Investments are initially valued on acquisition at the cost of the investment. The investment cost is considered to provide the best indication of fair value for an initial period after the investment has been made. Subsequently, investments are valued at their fair value using methodologies set out in the guidelines, which may include: earnings multiple; the price at which third party capital has recently been raised; or other relevant factors.

Management are also required to exercise judgment in applying the entity's accounting policies. Due to the straight forward nature of the business management consider that no critical judgements have been made in applying the entity's accounting policies.

### 3. FIXED ASSET INVESTMENTS

	Unlisted investments £
<b>Valuation</b>	
At 1 April 2016	23,944,916
Additions	6,066,922
Revaluations	1,661,200
At 31 March 2017	<u>31,673,038</u>

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

	2017 £	Restated 2016 £
Trade creditors	890	-
Prioritised return	933,888	453,504
Loan contribution	27,280,144	20,353,969
Other creditors	11,802	11,700
	<u>28,226,724</u>	<u>20,819,173</u>

The loan contributions have been injected by the limited partners to fund the LP. There is no set repayment date for these contributions and they are due to be paid out of net income or capital proceeds the LP receives from the realisation of its investments. As there is no unconditional right to defer payment beyond twelve months from the balance sheet date they are treated as short term liabilities.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2017

**4. CREDITORS:**  
Amounts falling due within one year (continued)

**5. CAPITAL CONTRIBUTION ACCOUNT**

	2017 £	2016 £
Partner capital	<u>909</u>	<u>909</u>

**6. CONTROLLING PARTY**

There is no controlling party.

**7. FIRST TIME ADOPTION OF FRS102**

This is the first year that the LP has presented its results under FRS 102. The last financial statements under the previous UK GAAP accounting standards were for the year ended 31 March 2016. The date of transition to FRS 102 was 1 April 2015. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 March 2015 and the total equity as at 1 April 2015 and 31 March 2016 between UK GAAP as previously reported and FRS 102.

The prior year adjustment relates to a change in accounting policy in regards to the Prioritised return. This was not previously being accrued but are now being accrued and are included as a liability.

	As previously stated 1 April 2015 £	Effect of transition 1 April 2015 £	Effect of prior year adjustment 1 April 2015 £	FRS 102 (as restated) 1 April 2015 £
Fixed investments	11,724,862	-	-	11,724,862
Current assets	1,125,273	-	-	1,125,273
Creditors	(13,124,518)	-	(149,454)	(13,273,972)
<b>NET ASSETS</b>	<u>(274,383)</u>	<u>-</u>	<u>(149,454)</u>	<u>(423,837)</u>
<b>Capital and reserves</b>				
Capital contribution account	909	-	-	909
Revaluation reserve	1,069,889	(1,069,889)	-	-
Profit and loss account	(1,345,181)	1,069,889	(149,454)	(424,746)
	<u>(274,383)</u>	<u>-</u>	<u>(149,454)</u>	<u>(423,837)</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

	As previously stated 31 March 2016 £	Effect of transition 31 March 2016 £	Effect of prior year adjustment 31 March 2016 £	FRS 102 (as restated) 31 March 2016 £
Fixed investments	23,944,916	-	-	23,944,916
Current assets	1,156,766	-	-	1,156,766
Creditors	(20,365,669)	-	(453,504)	(20,819,173)
<b>NET ASSETS</b>	<b>4,736,013</b>	<b>-</b>	<b>(453,504)</b>	<b>4,282,509</b>
<b>Capital and reserves</b>				
Capital contribution account	909	-	-	909
Revaluation reserve	7,552,828	(7,552,828)	-	-
Profit and loss account	(2,817,724)	7,552,828	(453,504)	4,281,600
	<b>4,736,013</b>	<b>-</b>	<b>(453,504)</b>	<b>4,282,509</b>

	As previously stated 31 March 2016 £	Effect of transition 31 March 2016 £	FRS 102 (as restated) 31 March 2016 £
Administrative expenses	(32,093)	-	(32,093)
Impairment of investments	(600,000)	600,000	-
<b>OPERATING PROFIT/(LOSS)</b>	<b>(632,093)</b>	<b>600,000</b>	<b>(32,093)</b>
Fair value movements	-	5,882,939	5,882,939
Interest receivable and similar income	5,612	-	5,612
<b>PROFIT FOR THE YEAR BEFORE MEMBERS' REMUNERATION</b>	<b>(626,481)</b>	<b>6,482,939</b>	<b>5,856,458</b>

Explanation of changes to previously reported profit and equity:

FRS102 treatment of financial assets dictates that fair value movements are investments are shown through the profit and loss account. This represents a change in accounting policy. Previously, only permanent impairment charges were shown through the profit and loss account, with revaluation movements recognised in the revaluation reserve. Under FRS102, all fair value movements, including impairment, will be shown through the profit and loss account.