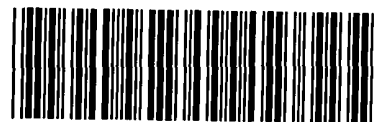


Episode 1 Ventures LLP
Report And Financial Statements
31 March 2017

Rees Pollock
Chartered Accountants

FRIDAY



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COMPANIES HOUSE

MEMBERS' REPORT
For the Year Ended 31 March 2017

The members present their annual report together with the audited financial statements of Episode 1 Ventures LLP (the "LLP") for the year ended 31 March 2017.

Principal activities

The principal objective of the LLP is the provision of investment management services.

Designated Members

The following were designated members of the LLP during period:

S T Murdoch
D J P Lane
A E Lloyd
P McNabb

Members' capital and interests

Members' capital and drawings are determined by the regulatory capital requirements of the FCA and any trading needs of the LLP. Members' capital is not repayable except where allowed under FCA rules.

Details of changes in members' capital in the ended 31 March 2017 are set out in the financial statements.

Members share profits and losses in accordance with agreed profit sharing agreements.

Members' responsibilities statement

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members are 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 LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other

Episode 1 Ventures LLP

MEMBERS' REPORT (continued)
For the Year Ended 31 March 2017

irregularities.

Disclosure of information to auditors

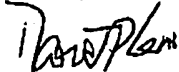
Each of the persons who are members at the time when this Members' report is approved has confirmed that:

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

Auditors

The auditors, Rees Pollock, have indicated their willingness to continue in office.

This report was approved by the members on 3 July 2017 and signed on their behalf by:



D J P Lane
Designated member

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EPISODE 1 VENTURES LLP

We have audited the financial statements of Episode 1 Ventures LLP for the year ended 31 March 2017, set out on pages 4 to 13. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members and Auditors

As explained more fully in the Members' responsibilities statement on page 1, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 2017 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006, as applied to limited liability partnerships, requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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
- we have not received all the information and explanations we require for our audit.

Jonathan Munday (Senior Statutory Auditor)
for and on behalf of

Rees Pollock, Statutory auditors

4 July 2017

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 March 2017

	Note	2017 £	2016 £
Turnover	2	846,172	847,980
Administrative expenses		(410,978)	(460,594)
Profit for the year before members' remuneration and profit shares available for discretionary division among members		435,194	387,386
Total comprehensive income for the year		435,194	387,386

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

The notes on pages 8 to 13 form part of these financial statements.

BALANCE SHEET
As at 31 March 2017

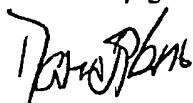
	Note	2017 £	2016 £
Fixed assets			
Tangible assets	6	6,600	4,087
Investments	7	15	15
		<u>6,615</u>	<u>4,102</u>
Current assets			
Debtors: amounts falling due within one year	8	31,730	14,156
Cash at bank and in hand		196,723	169,483
		<u>228,453</u>	<u>183,639</u>
Creditors: Amounts Falling Due Within One Year	9	(66,879)	(39,625)
Net current assets		<u>161,574</u>	<u>144,014</u>
Net assets		<u><u>168,189</u></u>	<u><u>148,116</u></u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts	10	147,189	127,116
		<u>147,189</u>	<u>127,116</u>
Members' other interests			
Members' capital classified as equity	21,000	21,000	21,000
		<u>168,189</u>	<u>148,116</u>
Total members' interests			
Loans and other debts due to members	10	147,189	127,116
Members' other interests		21,000	21,000
		<u>168,189</u>	<u>148,116</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 3 July 2017.

D J P Lane

Designated member

The notes on pages 8 to 13 form part of these financial statements.



RECONCILIATION OF MEMBERS' INTERESTS
For the Year Ended 31 March 2017

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £	Total £
Amounts due to members				187,480	187,480	
Balance at 1 April 2015	21,000	-	21,000	187,480	187,480	208,480
Profit for the year available for discretionary division among members	-	387,386	387,386	-	-	387,386
Members' interests after profit for the year	21,000	387,386	408,386	187,480	187,480	595,866
Allocated profit for year	-	(387,386)	(387,386)	387,386	387,386	-
Drawings	-	-	-	(447,750)	(447,750)	(447,750)
Amounts due to members				127,116	127,116	
Balance at 31 March 2016	21,000	-	21,000	127,116	127,116	148,116
Profit for the year available for discretionary division among members	-	435,194	435,194	-	-	435,194
Members' interests after profit for the year	21,000	435,194	456,194	127,116	127,116	583,310
Allocated profit for year	-	(435,194)	(435,194)	435,194	435,194	-
Drawings	-	-	-	(415,121)	(415,121)	(415,121)
Amounts due to members				147,189	147,189	
Balance at 31 March 2017	21,000	-	21,000	147,189	147,189	168,189

The notes on pages 8 to 13 form part of these financial statements.

The ability of the members of the LLP to reduce the amount of Members' other interests is restricted by the regulatory capital requirements of the FCA.

STATEMENT OF CASH FLOWS
For the Year Ended 31 March 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	435,194	387,386
Adjustments for:		
Depreciation of tangible assets	2,199	1,362
(Increase)/decrease in debtors	(17,574)	397
Increase/(decrease) in creditors	27,254	(3,659)
Net cash generated from operating activities	<u>447,073</u>	<u>385,486</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,712)	(100)
Net cash from investing activities	<u>(4,712)</u>	<u>(100)</u>
Cash flows from financing activities		
Payments to members	(415,121)	(447,750)
Net cash used in financing activities	<u>(415,121)</u>	<u>(447,750)</u>
Net increase/(decrease) in cash and cash equivalents	27,240	(62,364)
Cash and cash equivalents at beginning of year	169,483	231,847
Cash and cash equivalents at the end of year	<u><u>196,723</u></u>	<u><u>169,483</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	196,723	169,483
	<u><u>196,723</u></u>	<u><u>169,483</u></u>

The notes on pages 8 to 13 form part of these financial statements.

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

1. Accounting policies

1.1 Basis of preparation of financial statements

Episode I Ventures LLP is a limited liability partnership registered in the UK.

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

The principal activity is set out in the members' report.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. 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 judgments have been made in applying the entity's accounting policies.

The LLP is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the LLP as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

1.2 Turnover

Turnover comprises revenue recognised by the LLP in respect of management services supplied during the year, exclusive of value added tax. Fees are recognised over the period in which services are provided.

1.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	- 25% reducing balance
Computer equipment	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

1.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

1. Accounting policies (continued)

1.5 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.

1.6 Foreign currency translation

Functional and presentation currency

The LLP's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

2. TURNOVER

The turnover and operating profit for the year were derived from the LLP's principal activity.

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	2,199	1,362
Auditor's remuneration - audit	8,575	8,575
Auditor's remuneration - non-audit	1,260	1,260
Exchange differences	170	-
	<u>12,104</u>	<u>11,197</u>

4. Employees

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	175,669	198,235
Social security costs	15,684	21,216
	<u>191,353</u>	<u>219,451</u>

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows:

2017	2016
No.	No.
3	4
<u>3</u>	<u>4</u>

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

5. Information in relation to members

	2017 Number	2016 Number
The average number of members during the year was	4	3
	<u>2017</u> £	<u>2016</u> £
The amount of profit attributable to the member with the largest entitlement was	108,799	118,368

6. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2016	1,514	6,744	8,258
Additions	1,594	3,118	4,712
At 31 March 2017	<u>3,108</u>	<u>9,862</u>	<u>12,970</u>
Depreciation			
At 1 April 2016	643	3,528	4,171
Charge for the period on owned assets	616	1,583	2,199
At 31 March 2017	<u>1,259</u>	<u>5,111</u>	<u>6,370</u>
Net book value			
At 31 March 2017	<u>1,849</u>	<u>4,751</u>	<u>6,600</u>
At 31 March 2016	<u>871</u>	<u>3,216</u>	<u>4,087</u>

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

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2016	15
At 31 March 2017	15
Net book value	
At 31 March 2017	15
At 31 March 2016	15

Subsidiary undertakings

The following were subsidiary undertakings of the LLP:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Episode (GP) Limited	UK	Ordinary shares	100 %	General partner

The aggregate of the share capital and reserves as at 31 March 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Episode (GP) Limited	(1,320)	(1,294)
	(1,320)	(1,294)

8. Debtors

	2017 £	2016 £
Trade debtors	-	341
Other debtors	9,579	6,340
Prepayments and accrued income	22,151	7,475
	31,730	14,156

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

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	3,931	4,350
Other taxation and social security	-	26
Other creditors	-	949
Accruals and deferred income	62,948	34,300
	<u>66,879</u>	<u>39,625</u>

10. Loans and other debts due to members

	2017 £	2016 £
Amounts due to members	147,189	127,116
	<u>147,189</u>	<u>127,116</u>

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

11. Related party transactions

During the year, Episode (GP) Limited, a wholly owned subsidiary of Episode 1 Ventures LLP, paid investment management fees totalling £844,079 (2016: £846,062) to the partnership. A balance of £nil (2016: £3,033) is outstanding at the balance sheet date in respect of these fees. The LLP also paid expenses on behalf of Episode (GP) Limited of £1,674 (2015: £1,650). A balance of £3,324 (2016: £1,650) is outstanding at the balance sheet date in respect of these expenses.