

Episode 1 Ventures LLP
Report And Financial Statements
31 March 2015

TUESDAY



L16 *L4AMQ6FN* #155
30/06/2015
COMPANIES HOUSE

INFORMATION

Designated Members	S T Murdoch D J P Lane A E Lloyd
LLP registered number	OC382081
Registered office	Kingsbourne House 229-231 High Holborn London WC1V 7DA
Independent auditors	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	Metro Bank One Southampton Row London WC1B 5HA

MEMBERS' REPORT

For the year ended 31 March 2015

The members present their annual report together with the audited financial statements of Episode 1 Ventures LLP (the LLP) for year the ended 31 March 2015.

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 throughout the period:

S T Murdoch

D J P Lane

A E Lloyd

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 2015 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law, as applied to LLPs, 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 to LLPs, 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 enable them to ensure that the financial statements comply with the Companies Act 2006. 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 irregularities.

MEMBERS' REPORT (continued)
For the year ended 31 March 2015

Provision of Information to Auditors


Each of the persons who is a member at the date of approval of this annual report confirms that:

- in so far as they are aware there is no relevant audit information of which the LLP's auditor is unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

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

This report was approved by the members on *24 June 2015* 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 2015, set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, 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 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.

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 2015 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, 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

Date: 24 June 2015

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2015

		31 March 2015 £	Period ended 31 March 2014 £
	Note		
TURNOVER	1,2	849,652	446,342
Administrative expenses		(394,648)	(211,366)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		455,004	234,976
		<hr/>	<hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 8 to 15 form part of these financial statements.

BALANCE SHEET
As at 31 March 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	6		5,349		3,074
Investments	7		15		12,515
			<u>5,364</u>		<u>15,589</u>
CURRENT ASSETS					
Debtors	8	14,553		37,105	
Cash at bank		231,847		135,518	
		<u>246,400</u>		<u>172,623</u>	
CREDITORS: amounts falling due within one year	9	(43,284)		(26,235)	
NET CURRENT ASSETS			203,116		146,388
NET ASSETS ATTRIBUTABLE TO MEMBERS			<u>208,480</u>		<u>161,977</u>
REPRESENTED BY:					
Loans and other debts due to members within one year					
Other amounts			187,480		140,977
Members' other interests					
Members' capital classified as equity			21,000		21,000
			<u>208,480</u>		<u>161,977</u>
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members			187,480		140,977
Members' other interests			21,000		21,000
	11		<u>208,480</u>		<u>161,977</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on
24 June 2015



D J P Lane
Designated member

The notes on pages 8 to 15 form part of these financial statements.

CASH FLOW STATEMENT
For the year ended 31 March 2015

		31 March 2015	Period ended 31 March 2014
	Note	£	£
Net cash flow from operating activities	12	496,389	225,131
Capital expenditure and financial investment	13	8,441	(16,599)
Acquisitions and disposals	13	-	(15)
Net cash flow from transactions with members	13	(408,501)	(72,999)
INCREASE IN CASH IN THE YEAR		96,329	135,518

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
For the year ended 31 March 2015

	31 March 2015	Period ended 31 March 2014
	£	£
Increase in cash in the year	96,329	135,518
MOVEMENT IN NET DEBT IN THE YEAR	96,329	135,518
Net funds at 1 April 2014	135,518	-
NET FUNDS AT 31 MARCH 2015	231,847	135,518

The notes on pages 8 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

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.

1.2 Turnover

Turnover comprises revenue recognised by the LLP in respect of management services supplied during the year, exclusive of Value Added Tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

2. TURNOVER

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

All turnover arose within the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

3. PROFIT

The profit is stated after charging:

	31 March 2015 £	Period ended 31 March 2014 £
Depreciation of tangible fixed assets: - owned by the LLP	1,784	1,025
Auditors' remuneration	8,550	7,200
	<u> </u>	<u> </u>

4. STAFF COSTS

Staff costs were as follows:

	31 March 2015 £	Period ended 31 March 2014 £
Wages and salaries	143,597	40,377
Social security costs	14,241	5,041
	<u> </u>	<u> </u>
	<u>157,838</u>	<u>45,418</u>

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

	31 March 2015 No.	Period ended 31 March 2014 No.
	2	2
	<u> </u>	<u> </u>

5. INFORMATION IN RELATION TO MEMBERS

	31 March 2015 Number	Period ended 31 March 2014 Number
The average number of members during the year was	3	3
	<u> </u>	<u> </u>
	<u>£</u>	<u>£</u>
The amount of profit attributable to the member with the largest entitlement was	151,668	78,325
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 April 2014	-	4,099	4,099
Additions	1,414	2,645	4,059
At 31 March 2015	1,414	6,744	8,158
Depreciation			
At 1 April 2014	-	1,025	1,025
Charge for the year	353	1,431	1,784
At 31 March 2015	353	2,456	2,809
Net book value			
At 31 March 2015	1,061	4,288	5,349
At 31 March 2014	-	3,074	3,074

7. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 April 2014	15	12,500	12,515
Distribution to members	-	(12,500)	(12,500)
At 31 March 2015	15	-	15
Net book value			
At 31 March 2015	15	-	15
At 31 March 2014	15	12,500	12,515

Subsidiary undertakings

The following were subsidiary undertakings of the LLP:

Name	Class of shares	Holding
Episode (GP) Limited	Ordinary shares	100 %

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

7. FIXED ASSET INVESTMENTS (continued)

The aggregate of the share capital and reserves as at 31 March 2015 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	(26)	-

8. DEBTORS

	2015 £	2014 £
Trade debtors	1,283	22,428
Other debtors	4,800	3,207
Prepayments and accrued income	8,470	11,470
	<u>14,553</u>	<u>37,105</u>

9. CREDITORS:
Amounts falling due within one year

	2015 £	2014 £
Trade creditors	21,256	9,726
Other taxation and social security	908	1,449
Accruals and deferred income	21,120	15,060
	<u>43,284</u>	<u>26,235</u>

10. LOANS AND OTHER DEBTS DUE TO MEMBERS

	2015 £	2014 £
Amounts due to members	<u>187,480</u>	<u>140,977</u>

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

11. RECONCILIATION OF MEMBERS' INTERESTS

	Members' capital (classified as equity) £	Other reserves £	Total members' other interests £	Loans and debts due to members less any amounts due from members in debtors £	Total 2015 £	Total 2014 £
Amounts due to members b/fwd				140,977		
Amounts due from members b/fwd				-		
Members' interests: balance at 1 April 2014	21,000	-	21,000	140,977	161,977	-
Profit for the year available for discretionary division among members	-	455,004	455,004	-	455,004	234,976
Members' interests after profit for the year	21,000	455,004	476,004	140,977	616,981	234,976
Allocated profit for period	-	(455,004)	(455,004)	455,004	-	-
Amounts withdrawn by members	-	-	-	(408,501)	(408,501)	(93,999)
Capital amounts introduced by members	-	-	-	-	-	21,000
Members' interests at 31 March 2015	21,000	-	21,000	187,480	208,480	161,977
Amounts due to members				187,480		
Amounts due from members				-		
				187,480		

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

12. NET CASH FLOW FROM OPERATING ACTIVITIES

	31 March 2015 £	Period ended 31 March 2014 £
Operating profit	455,004	234,976
Depreciation of tangible fixed assets	1,784	1,025
Decrease/(increase) in debtors	22,552	(37,105)
Increase in creditors	17,049	26,235
Net cash inflow from operating activities	496,389	225,131

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

13. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	31 March 2015 £	Period ended 31 March 2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(4,059)	(4,099)
Purchase of unlisted and other investments	-	(12,500)
Sale of unlisted and other investments	12,500	-
Net cash inflow/(outflow) from capital expenditure	8,441	(16,599)

	31 March 2015 £	Period ended 31 March 2014 £
Transactions with members		
Payments to members	(408,501)	(93,999)
Contributions by members	-	21,000
Net cash outflow from transactions with members	(408,501)	(72,999)

	31 March 2015 £	Period ended 31 March 2014 £
Acquisitions and disposals		
Purchase of fixed asset investments	-	(15)

14. ANALYSIS OF CHANGES IN NET FUNDS

	1 April 2014 £	Cash flow £	31 March 2015 £
Cash at bank and in hand	135,518	96,329	231,847
Net funds	135,518	96,329	231,847

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

15. RELATED PARTY TRANSACTIONS

During the period, Episode (GP) Limited, a wholly owned subsidiary of Episode 1 Ventures LLP, paid investment management fees totalling £843,750 (2014 - £446,147) to the partnership. A balance of £3,033 (2014 - £3,033) is outstanding at the balance sheet date in respect of these fees.