

Episode 1 Ventures LLP
Report And Financial Statements
31 March 2019

Rees Pollock
Chartered Accountants



Episode 1 Ventures LLP

INFORMATION

Designated Members S T Murdoch
D J P Lane
A E Lloyd
P McNabb
C Namih (appointed 1/7/2018)

LLP registered number OC382081

Registered office 112 - 116 New Oxford Street
London
WC1A 1HH

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 2019

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 2019.

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 year:

S T Murdoch
D J P Lane
A E Lloyd
P McNabb
C Namih (appointed 01/07/2018)

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 year ended 31 March 2019 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 regulations.

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).

Episode 1 Ventures LLP

MEMBERS' REPORT (continued)
For the Year Ended 31 March 2019

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.

Disclosure of information to auditors

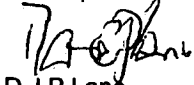
Each of the persons who are members at the time when this Members' report is approved has confirmed that:

- 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 21/6/19 and signed on their behalf by:



D J P Lane
Designated member

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

Opinion

We have audited the financial statements of Episode 1 Ventures LLP (the 'LLP') for the year ended 31 March 2019, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Reconciliation of members' interests and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the LLP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The members are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of members

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, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the LLP's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications 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.

Jonathan Munday (Senior Statutory Auditor)
for and on behalf of
Rees Pollock, Statutory auditors
27 June 2019

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 March 2019

	Note	2019 £	2018 £
Turnover	2	1,772,472	1,268,270
Administrative expenses		(772,150)	(589,120)
		<hr/>	<hr/>
Profit for the year before members' remuneration and profit shares available for discretionary division among members		1,000,322	679,150
		<hr/> <hr/>	<hr/> <hr/>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

The notes on pages 9 to 14 form part of these financial statements.

BALANCE SHEET
As at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets		124,698	77,203
Investments		15	15
		<u>124,713</u>	<u>77,218</u>
Current assets			
Debtors: amounts falling due within one year	8	182,734	80,157
Cash at bank and in hand		428,683	330,553
		<u>611,417</u>	<u>410,710</u>
Creditors: Amounts Falling Due Within One Year	9	(136,311)	(75,781)
Net current assets		<u>475,106</u>	<u>334,929</u>
Net assets		<u><u>599,819</u></u>	<u><u>412,147</u></u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts	10	578,819	391,147
		<u>578,819</u>	<u>391,147</u>
Members' other interests			
Members' capital classified as equity	21,000	21,000	21,000
		<u>599,819</u>	<u>412,147</u>
Total members' interests			
Loans and other debts due to members	10	578,819	391,147
Members' other interests		21,000	21,000
		<u>599,819</u>	<u>412,147</u>

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

21/6/19
D J P Lane
Designated member

The notes on pages 9 to 14 form part of these financial statements.

RECONCILIATION OF MEMBERS' INTERESTS
For the Year Ended 31 March 2019

	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				147,189	147,189	
Balance at 1 April 2017	21,000	-	21,000	147,189	147,189	168,189
Profit for the year available for discretionary division among members	-	679,150	679,150	-	-	679,150
Members' interests after profit for the year	21,000	679,150	700,150	147,189	147,189	847,339
Allocated profit for year	-	(679,150)	(679,150)	679,150	679,150	-
Drawings	-	-	-	(435,192)	(435,192)	(435,192)
Amounts due to members				391,147	391,147	
Balance at 31 March 2018	21,000	-	21,000	391,147	391,147	412,147
Profit for the year available for discretionary division among members	-	1,000,322	1,000,322	-	-	1,000,322
Members' interests after profit for the year	21,000	1,000,322	1,021,322	391,147	391,147	1,412,469
Allocated profit for year	-	(1,000,322)	(1,000,322)	1,000,322	1,000,322	-
Amounts introduced by members	4,200	-	4,200	-	-	4,200
Repayment of capital	(4,200)	-	(4,200)	-	-	(4,200)
Drawings	-	-	-	(812,650)	(812,650)	(812,650)
Amounts due to members				578,819	578,819	
Balance at 31 March 2019	21,000	-	21,000	578,819	578,819	599,819

The notes on pages 9 to 14 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 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	1,000,322	679,150
Adjustments for:		
Depreciation of tangible assets	26,258	6,944
(Increase) in debtors	(102,577)	(48,427)
Increase in creditors	60,530	8,902
Net cash generated from operating activities before transactions with members	<u>984,533</u>	<u>646,569</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(73,753)	(77,547)
Net cash from investing activities	<u>(73,753)</u>	<u>(77,547)</u>
Cash flows from financing activities		
Members' capital contributed	4,200	-
Members' capital repaid	(4,200)	-
Distribution paid to members	(812,650)	(435,192)
Net cash used in financing activities	<u>(812,650)</u>	<u>(435,192)</u>
Net increase in cash and cash equivalents	<u>98,130</u>	<u>133,830</u>
Cash and cash equivalents at beginning of year	330,553	196,723
Cash and cash equivalents at the end of year	<u><u>428,683</u></u>	<u><u>330,553</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	428,683	330,553
	<u><u>428,683</u></u>	<u><u>330,553</u></u>

The notes on pages 9 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

Episode 1 Ventures LLP is a limited liability partnership registered in the UK and registered in England and Wales.

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

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 LLP's accounting policies. Due to the straight forward nature of the business management consider that no critical judgments have been made in applying the LLP'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.

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:

Leasehold Improvements	- Over the length of the lease
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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

1. Accounting policies (continued)

1.4 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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.

1.7 Related party transactions

The LLP is exempt under section 33 of FRS102 from disclosing transactions or balances between wholly owned group companies.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

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:

	2019 £	2018 £
Depreciation of tangible fixed assets	26,258	6,944
Auditors' remuneration - audit	5,000	5,000
Auditors' remuneration - non-audit	5,600	4,250
Operating lease rentals	110,899	38,249
Pension costs	2,397	1,780
	<u>219,154</u>	<u>86,223</u>

4. Employees

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	191,858	172,205
Social security costs	20,183	20,041
Pension costs	2,397	1,780
	<u>214,438</u>	<u>194,026</u>

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

2019 No.	2018 No.
<u>3</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

5. Information in relation to members

	2019 Number	2018 Number
The average number of members during the year was	4	4
	<u>2019</u> £	<u>2018</u> £
The amount of profit attributable to the member with the largest entitlement was	212,568	169,788

6. Tangible fixed assets

	Leasehold Improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2018	59,191	16,345	14,981	90,517
Additions	49,612	17,440	6,701	73,753
At 31 March 2019	<u>108,803</u>	<u>33,785</u>	<u>21,682</u>	<u>164,270</u>
Depreciation				
At 1 April 2018	705	5,030	7,579	13,314
Charge for the year	15,543	7,189	3,526	26,258
At 31 March 2019	<u>16,248</u>	<u>12,219</u>	<u>11,105</u>	<u>39,572</u>
Net book value				
At 31 March 2019	<u>92,555</u>	<u>21,566</u>	<u>10,577</u>	<u>124,698</u>
At 31 March 2018	<u>58,486</u>	<u>11,315</u>	<u>7,402</u>	<u>77,203</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

7. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2018	15
At 31 March 2019	15
Net book value	
At 31 March 2019	15
At 31 March 2018	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

8. Debtors

	2019 £	2018 £
Other debtors	89,074	43,110
Prepayments and accrued income	93,660	37,047
	<u>182,734</u>	<u>80,157</u>

Included within other debtors is a rent deposit of £29,080 (2018: £29,080) due in more than one year.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	22,093	20,259
Other creditors	331	522
Accruals and deferred income	113,887	55,000
	<u>136,311</u>	<u>75,781</u>

10. Loans and other debts due to members

	2019 £	2018 £
Amounts due to members	578,819	391,147

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

11. Commitments under operating leases

At 31 March 2019 the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	115,536	58,160
Later than 1 year and not later than 5 years	223,159	348,957
	<u>338,695</u>	<u>407,117</u>