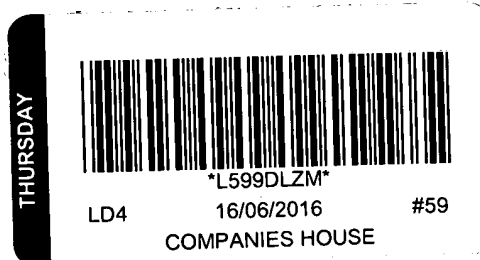


Partnership Registration Number: OC343126

EPISTEME CAPITAL PARTNERS (UK) LLP

Annual Report and Financial Statements

Year ended 31 December 2015



EPISTEME CAPITAL PARTNERS (UK) LLP

Financial Statements

Year ended 31 December 2015

Contents	Page
Members and Professional Advisors	1
The Members' Report	2 – 4
Independent Auditors' Report	5 – 6
Statement of Profit or Loss	7
Balance Sheet	8
Statement of Changes in Members' Interests	9
Cash Flow Statement	10
Notes to the Financial Statements	11 – 19
Unaudited Appendix – PILLAR 3 Disclosure	

EPISTEME CAPITAL PARTNERS (UK) LLP

Members and Professional Advisors

Year ended 31 December 2015

Members: Episteme Capital Holdings (Cayman) Ltd. (the “Corporate Member”)
A Eterovic
G Lau
J Kassam

Registered Office: One Silk Street
London
EC2Y 8HQ

Independent Auditors: PricewaterhouseCoopers LLP
7 More London
Riverside
London
SE1 2RT

Bankers: HSBC plc
90 Baker Street
London
W1U 6AX

EPISTEME CAPITAL PARTNERS (UK) LLP

Members' Report

Year ended 31 December 2015

The members present their report and audited financial statements of Episteme Capital Partners (UK) LLP, (the "Partnership"), for the year ended 31 December 2015.

Principal activities:

The principal activity of the Partnership is to provide investment management and advisory services to private funds. During 2015 the Partnership provided services to seven private funds (2014: five).

Review of the business and future developments

The members are satisfied with the results for the year ended 31 December 2015 and with the state of affairs of the Partnership at the balance sheet date. The members intend to continue their marketing efforts in 2016 with the intention of increasing assets under management within the private funds and the turnover of the Partnership for 2016 and future years.

The Partnership has maintained continuous compliance with the Financial Conduct Authority Capital Adequacy requirements and has the resources to continue this compliance. During 2015 a further £nil (2014: £93,942), was injected by the partners.

The key performance indicators used by the Members for understanding the development and performance of the Partnership include management accounts, expense and cost reports, regulatory capital reports and cash flow projections.

Results for the year and allocation to members

The results of the Partnership for the year are set out in detail on page 7. The profit for the financial year ended 31 December 2015 was £1,065,240 (2014: £1,339,569). The profit will be allocated to the members in 2016 as decided by the Corporate Member and governed by the Limited Liability Partnership Deed.

Designated Members and Corporate Member

The designated members who were in office during the year and up to the date of signing the financial statements were:

- A Eterovic
- G Lau
- J Kassam
- Episteme Capital Holdings (Cayman), Ltd is the Corporate Member of the Partnership

Financial support

The Partnership is dependent upon the on-going financial support from its ultimate controlling party. Through this support the members believe that the Partnership has access to sufficient liquid resources to continue operations for the foreseeable future. The foreseeable future is a period which is no less than 12 months following the date of signing these financial statements.

EPISTEME CAPITAL PARTNERS (UK) LLP

Members' Report

Year ended 31 December 2015

Financial risk management

The Partnership's operations expose it to certain financial risks. The Partnership members consider financial risks regularly and seek to limit the adverse effects on the financial performance of the Partnership. The principal risks relate to credit risk, market risk, operational risk, business risk and loss of key employees risk. Given that the Partnership's future revenue is dependent on the profitability of the funds it manages, the Partnership is directly affected by the performance of the funds. While the funds' aggregate life to date rate of return has been positive, past performance is not necessarily indicative of future results. The Partnership has significant risk with respect to the performance of the funds as it directly impacts the Partnership's revenue.

Policy with respect to members' drawings and the subscription and repayment of members' capital

Distribution of profits can be made at the discretion of the Corporate Member, taking into account the anticipated needs of the Partnership. Members may draw down in advance of profit share at the discretion of the corporate member.

Each member has contributed to the capital of the Partnership certain sums as an initial capital contribution in the amount which was agreed upon at their admission to the Partnership. Members do not have an unconditional right to withdraw their capital.

Statement of members' responsibilities

The members are responsible for preparing the Members' Report and financial statements in accordance with applicable law and regulations. Company law as applied to Limited Liability Partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the financial statements in accordance with applicable law, 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 (FRS 102) and the Statement of Recommended Practice (SORP) Accounting by Limited Liability Partnerships issued on 15 July 2014.

Under company law 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 company and of the profit or loss of the Partnership for that period. In preparing these financial statements, the members are required to:

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

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

EPISTEME CAPITAL PARTNERS (UK) LLP

Members' Report

Year ended 31 December 2015

Disclosure of information to auditors

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

- As far as the member is aware, there is no relevant audit information of which the Partnership's auditor is unaware; and
- The member has taken all the steps that he/she ought to have taken as a member in order to make him/herself aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

Independent Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the next members' meeting.

Signed on behalf of the members:



A Eterovic



G Lau

Approved by the members on 25 April 2016

EPISTEME CAPITAL PARTNERS (UK) LLP

Independent Auditors' report to the Members of EPISTEME CAPITAL PARTNERS (UK) LLP

Year ended 31 December 2015

Report on the financial statements

Our Opinion

In our opinion, Episteme Capital Partners (UK), LLP's financial statements (the "financial statements"):

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2015 and of its profit and cash flows 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.

What we have audited

Episteme Capital Partners (UK) LLP's financial statements comprise:

- the Balance Sheet as at 31 December 2015;
- the Statement of Profit or Loss for the year then ended;
- the Statement of Changes in Members' Interests for the year then ended;
- the Cash Flow Statement for the year then ended and ;
- the notes to the financial statements which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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

We have no exceptions to report arising from this responsibility.

Responsibility for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Statement of members' responsibilities set out on page 3, 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 & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

EPISTEME CAPITAL PARTNERS (UK) LLP

Independent Auditors' report to the Members of EPISTEME CAPITAL PARTNERS (UK) LLP

Year ended 31 December 2015

This report, including the opinion, has been prepared for and only for the members of the Partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agrees by our prior consent in writing.

What the audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the designated members; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Caroline May (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

25 April 2016

EPISTEME CAPITAL PARTNERS (UK) LLP

Statement of Profit or Loss

Year ended 31 December 2015

	Note	2015 £	2014 £
Turnover		2,216,183	2,180,474
Administrative expenses		(670,896)	(660,189)
Operating profit	5	1,545,287	1,520,285
Profit for the financial year before members' remuneration and profit shares		1,545,287	1,520,285
Members' remuneration charged as an expense		(480,047)	(180,716)
Profit for the financial year available for discretionary division among members		1,065,240	1,339,569

Turnover and operating profit derive wholly from continuing operations.

The limited liability partnership has no recognised gains or losses for the year other than the results above and hence no Statement of Comprehensive Income has been prepared.

EPISTEME CAPITAL PARTNERS (UK) LLP

Balance Sheet

Year ended 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	8	5,720	8,950
Investment in associate	7	3,036	3,036
		<u>8,756</u>	<u>11,986</u>
Current assets			
Trade and other receivables	9	162,648	1,193,422
Cash at bank and in hand		1,151,507	571,104
		<u>1,314,155</u>	<u>1,764,526</u>
Creditors - Amounts falling due within one year			
Trade and other payables	10	68,287	60,440
Net current assets		<u>1,245,868</u>	<u>1,704,086</u>
Total assets less current liabilities		<u>1,254,624</u>	<u>1,716,072</u>
 Net assets attributable to members		<u>1,254,624</u>	<u>1,716,072</u>
 Represented by:			
Members' other interests			
Members' capital		1,254,624	1,850,784
Other reserves		-	(134,712)
		<u>1,254,624</u>	<u>1,716,072</u>
 Total members' interests			
Members' other interests		<u>1,254,624</u>	<u>1,716,072</u>

The financial statements on pages 7 to 19 were approved by the members on 25 April 2016 and were signed on its behalf by:


A Eterovic


G Lau

The notes on pages 11 to 19 form part of these financial statements
Partnership Registration Number OC343126

EPISTEME CAPITAL PARTNERS (UK) LLP

Statement of Changes in Members' Interests

Year ended 31 December 2015

	Equity			Debt	Total Members' Interests
	Member's Other Interests			Loan and other debts due to Members less any amounts in debtors	
	Members' Capital (Classified as equity)	Other Reserves	Total Members' Other Interests		
	£	£	£		
Balance at 1 January 2014	1,756,842	(1,474,281)	282,561	-	282,561
Members' remuneration charged as expense	-	-	-	180,716	180,716
Profit for the financial year	-	1,339,569	1,339,569	-	1,339,569
Members' interests after profit for the year	1,756,842	(134,712)	1,622,130	180,716	1,802,846
Capital introduced during the year by members	93,942	-	93,942	-	93,942
Drawings	-	-	-	(180,716)	(180,716)
Balance at 31 December 2014	1,850,784	(134,712)	1,716,072	-	1,716,072

Balance at 1 January 2015	1,850,784	(134,712)	1,716,072	-	1,716,072
Members' remuneration charged as expense	-	-	-	480,047	480,047
Profit for the financial year	-	1,065,240	1,065,240	-	1,065,240
Members' interests after income for the year	1,850,784	930,528	2,781,312	480,047	3,261,359
Other division of profits	-	(930,528)	(930,528)	930,528	-
Repayment of capital	(596,160)	-	(596,160)	-	(596,160)
Drawings	-	-	-	(1,410,575)	(1,410,575)
Balance at 31 December 2015	1,254,624	-	1,254,624	-	1,254,624

The notes on pages 11 to 19 form part of these financial statements
Partnership Registration Number OC343126

EPISTEME CAPITAL PARTNERS (UK) LLP

Cash Flow Statement

Year ended 31 December 2015

	Note	2015 £	2014 £
Net cash inflows from operating activities:	12	2,111,551	236,362
Cash flows from investing activities			
Additions to fixed assets		(4,460)	(7,695)
Cash flows from financing activities			
Contributions by members		-	93,942
Distribution to members		(930,528)	-
Repayment of capital		(596,160)	-
		(1,526,688)	93,942
Increase in cash and cash equivalents		580,403	322,609
Cash and cash equivalents at beginning of year		571,104	248,495
Cash and cash equivalents at end of year		1,151,507	571,104

The notes on pages 11 to 19 form part of these financial statements
Partnership Registration Number OC343126

EPISTEME CAPITAL PARTNERS (UK) LLP

Notes to the Financial Statements

Year ended 31 December 2015

1. General Information

Episteme Capital Partners (UK) LLP (the "Partnership") provides investment management services to private funds. The partnership is incorporated and domiciled in the UK. The address of the registered office is One Silk Street, London, EC2Y 8HQ.

2. Accounting policies

Basis of Accounting

The financial statements are prepared on the going concern basis, under the historical cost convention in accordance with applicable accounting standards in the United Kingdom, including Financial Reporting Standard 102, the Companies Act 2006 as applied to limited liability partnerships, and in accordance with the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (SORP) issued in July 2014. The principal accounting policies which have been applied on a consistent basis throughout the year are set out below.

These financial statements, for the year ended 31 December 2015, are the first the Partnership has prepared in accordance with Financial Reporting Standard 102 ("FRS 102"). For periods up to and including the year ended 31 December 2014, the Group prepared its financial statements in accordance with UK generally accepted accounting practice (UK GAAP).

Accordingly, the Partnership has prepared financial statements which comply with FRS 102 applicable for periods ending on or after 31 December 2015, together with the comparative period data as at and for the period ended 31 December 2014. In preparing these financial statements, the Partnership's opening balance sheet was prepared as at 1 January 2014, the Partnership's date of transition to FRS 102. An explanation of how transition from previous UK GAAP to FRS 102 has affected the statement of financial position and financial performance is given in note 16.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. No significant or key estimates or judgements have been used in the preparation of these accounts.

These financial statements have been presented in pound sterling and this is also the functional currency of the company.

Financial support

The Partnership is dependent upon the on-going financial support from its ultimate controlling party. Through this support the members believe that the Partnership has access to sufficient liquid resources to continue operations for the foreseeable future. It is therefore considered appropriate to prepare the statements on a going concern basis. The foreseeable future is a period which is no less than 12 months following the date of signing these financial statements.

Turnover

The turnover shown in the profit and loss account represents amounts due for investment management and advisory services recognised on an accrual basis during the year, exclusive of Value Added Tax. All turnover is generated in the UK. Performance fees are based on discreet periods and are recognised at the end of the relevant period when they become due and payable.

EPISTEME CAPITAL PARTNERS (UK) LLP

Notes to the Financial Statements

Year ended 31 December 2015

Tangible fixed assets and depreciation

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Tangible fixed assets and depreciation (continued)

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	- straight line over the term of the lease
Furniture and fittings	- straight line over 5 years
Computer hardware	- straight line over 3 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Taxation

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

Foreign currency transactions

The Partnership's functional and presentation currency is pound sterling. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

Leased assets

Operating leases:

Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease. Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight line basis over the period of the lease.

Lease incentives:

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

The company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2014) and continues to credit such lease incentives to the profit and loss account over the period to the first review date on which the rent is adjusted to market rates.

Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets:

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are reassessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying

EPISTEME CAPITAL PARTNERS (UK) LLP

Notes to the Financial Statements

Year ended 31 December 2015

Financial instruments (continued)

amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial liabilities:

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are de-recognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting:

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Investments

The investment in associate is held at historical cost less accumulated impairment losses.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Capital and profit allocation

A member's share of the profit or loss for the financial year is accounted for as an allocation of profits or losses.

3. Segmental reporting

The Partnership's activities consist solely of the provision of investment management and advisory services to the funds which are organised in the United States, the Cayman Islands or Ireland.

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

No significant or key estimates or judgements have been used in the preparation of these accounts.

EPISTEME CAPITAL PARTNERS (UK) LLP

Notes to the Financial Statements

Year ended 31 December 2015

5. Operating profit

Arrived at after charging / (crediting)

	2015 £	2014 £
Auditors' remuneration:		
Fees payable for the Statutory Audit	23,500	17,000
Fees payable for Audit related assurance services	3,000	3,000
Fees payable for tax and other services	4,050	8,700
Depreciation	7,690	7,689
Foreign exchange losses / (gains)	21,128	(85,312)
Operating lease – land and buildings	51,062	51,062

6. Staff costs

The aggregate payroll costs were as follows:

	2015 £	2014 £
Wages and salaries	133,000	283,387
Social security costs	14,401	32,856
Other staff related costs	11,812	16,412
	159,213	332,655

The average number of employees during the year, analysed by category was as follows:

	2015 No.	2014 No.
Research & strategy	1	2
Operations	-	1
Compliance	1	1
Total	2	4

Members

	2015 No.	2014 No.
The average monthly number of members during the year was as follows	4	4

	2015 £	2014 £
Members' remuneration charged as an expense	480,047	180,716

The member with the largest draw received £160,016 (2014: £128,527)

EPISTEME CAPITAL PARTNERS (UK) LLP

Notes to the Financial Statements

Year ended 31 December 2015

7. Investment in associate

The investment in associate comprises a 21% interest acquired during 2009 by the Partnership in a related party, Episteme Capital, LP, a limited partnership domiciled in the Cayman Islands. The initial cost of this investment was \$5,000, converted at the rate of exchange at purchase (see note 15 for changes due to implementation of FRS102). See Note 11 Related Party Transactions for additional information about Episteme Capital, LP. During 2015 distributions of £nil were received (2014: £nil).

As the net asset value of Episteme Capital, LP approximates the carrying value, the effect of accounting for associates under the equity method on the Financial Statements of the Partnership would not be material.

	2015 £	2014 £
Investment in associate	3,036	3,036

8. Tangible assets

	Leasehold Property £	Furniture and Equipment £	Computer Hardware £	Total £
Cost				
At 1 January 2015	-	463	16,696	17,159
Additions	4,460	-	-	4,460
Disposals	-	-	-	-
At 31 December 2015	4,460	463	16,696	21,619
Accumulated depreciation				
At 1 January 2015	-	(417)	(7,792)	(8,209)
Charge for the year	(2,315)	(46)	(5,329)	(7,690)
Depreciation on disposals	-	-	-	-
At 31 December 2015	(2,315)	(463)	(13,121)	(15,899)
Net book value				
At 31 December 2015	2,145	-	3,575	5,720
At 31 December 2014	-	46	8,904	8,950

9. Trade and other receivables

	31 December 2015 £	31 December 2014 £
Amounts owed by group undertakings	122,049	1,151,380
Other receivables	7,261	7,838
Prepayments and accrued income	33,338	34,204
	162,648	1,193,422

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

EPISTEME CAPITAL PARTNERS (UK) LLP

Notes to the Financial Statements

Year ended 31 December 2015

10. Trade and other payables

	31 December 2015 £	31 December 2014 £
Trade creditors	3,000	5,922
Taxation and social security	3,729	3,672
Accruals and deferred income	61,558	50,846
	<u>68,287</u>	<u>60,440</u>

11. Members' capital and allocation

Current year profits and profits relating to the year ended 31 December 2014 were allocated to the members by the year end (2014: profits not allocated by year end). It is at the members' discretion to determine members' drawings.

12. Reconciliation of operating profit to net cash flows from operating activities

	2015 £	2014 £
Operating profit	1,545,287	1,520,285
Depreciation	7,690	6,776
Payments to members	(480,047)	(180,716)
Decrease / (increase) in debtors	1,030,774	(1,028,950)
Increase / (decrease) in creditors	7,847	(81,033)
	<u>2,111,551</u>	<u>236,362</u>

13. Operating lease commitments

The Partnership has a commitment under an operating lease to pay rental charges for their office space. This commitment expires on 31 August 2016. The lease requires payment of a quarterly service charge.

The future minimum lease payments are as follows:

	2015 £	2014 £
Not later than one year	35,833	53,750
Later than one year but not later than five years	-	35,833
	<u>35,833</u>	<u>89,583</u>

14. Related party transactions

Episteme Capital Partners (Cayman), Ltd

Episteme Capital Partners (Cayman) Ltd is a majority shareholder of the Corporate Member. Episteme Capital Partners (Cayman) Ltd together with the Partnership and Episteme Capital Partners (US) LLC (the "US management company") are investment managers to seven private funds at 31 December 2015, which include Systematic Quest Portfolio Ltd and its feeder funds (collectively the "Fund"), Episteme Global Equity LP and five managed accounts. The Partnership's management fees from its services to the Fund, and the managed accounts for the year ended 31 December 2015, payable from Episteme Capital Partners (Cayman), Ltd was £2,216,183 (2014: £2,180,474). The outstanding amount at 31 December 2015 receivable by the Partnership was £118,276 (2014: £1,151,380).

EPISTEME CAPITAL PARTNERS (UK) LLP

Notes to the Financial Statements

Year ended 31 December 2015

14. Related party transactions (continued)

Episteme Capital Partners (US), LLC

The Partnership has an agreement with Episteme Capital Partners (US), LLC for administrative services that Episteme Capital Partners (US), LLC provides to the Partnership. For the year ended 31 December 2015 the administrative service fee was £172,485 (2014: £131,944). The outstanding amount at 31 December 2015 payable by the Partnership was £nil (2014: £nil).

Episteme Capital, LP

Episteme Capital, LP is the Managing Member or Special Shareholder of the Feeder Funds of Systematic Quest Portfolio Ltd. and General Partner to Episteme Global Equity, LP. As a result of its role as Managing Member, Special Shareholder or General Partner, Episteme Capital LP is entitled to an allocation of profits (or losses) from each of these entities. The allocation of income/loss from these Funds in 2015 was nominal; consequently there is no allocation to the Partnership from Episteme Capital, LP in 2015 (2014: £nil).

Episteme Capital Holdings (Cayman) Ltd

Episteme Capital Partners (UK) LLP paid UK fees on behalf of Episteme Capital Holdings Ltd. For the year ended 31 December 2015 the fee was £3,773 (2014: £3,600). At the balance sheet date the amount due from Episteme Capital Holdings (Cayman) Ltd was £3,773 (2014: £nil).

15. Ultimate controlling party

During the year under review the Partnership was under the control of the Corporate Member, Episteme Capital Holdings (Cayman), Ltd. This partnership's ultimate parent undertaking is Episteme Capital Partners (Cayman), Ltd., a Cayman Islands limited company. In the members' opinion, the Board of Directors of Episteme Capital Partners (Cayman), Ltd. is the ultimate controlling party of the Partnership.

16. Transition to FRS 102

These financial statements, for the year ended 31 December 2015, are the first the Partnership has prepared in accordance with Financial Reporting Standard 102 (FRS 102). For periods up to and including the year ended 31 December 2014, the Partnership prepared its financial statements in accordance with the previous UK generally accepted accounting practice (UK GAAP).

Accordingly, the Partnership has prepared financial statements which comply with FRS 102 applicable for periods ending on or after 31 December 2015, together with the comparative period data as at and for the period ended 31 December 2014. In preparing these financial statements, the Partnership's opening balance sheet was prepared as at 1 January 2014, the Group's date of transition to FRS 102. An explanation of how transition from UK GAAP to FRS 102 has affected the statement of financial position and financial performance is given below.

The investment in the associate (\$5,000) had been revalued at the rate of exchange applicable on the balance sheet date. Under FRS 102 this investment is valued at the rate of exchange applicable on the date of acquisition.

Disclosure has been updated to be compliant but none of the other changes to standards, interpretations and amendments effective for the first time from 1 January 2015 have had a material effect on the financial statements.

EPISTEME CAPITAL PARTNERS (UK) LLP

Notes to the Financial Statements

Year ended 31 December 2015

Balance Sheet at 1 January 2014

	Note	As originally reported £	Remeasure- ment £	As restated £
Fixed assets				
Tangible assets		8,031	-	8,031
Investments		3,020	16	3,036
Total fixed assets		<u>11,051</u>	<u>16</u>	<u>11,067</u>
Current assets				
Debtors		164,472	-	164,472
Cash at bank and in hand		248,495	-	248,495
Total current assets		<u>412,967</u>	<u>-</u>	<u>412,967</u>
Creditors: Amounts falling due within one year		(141,473)	-	(141,473)
Net current assets		<u>271,494</u>	<u>-</u>	<u>271,494</u>
Net assets attributable to members		<u>282,545</u>	<u>16</u>	<u>282,561</u>
Capital and reserves				
Called up share capital		(1,756,842)	-	(1,756,842)
Profit and loss account		1,474,297	(16)	1,474,281
Total members' interests		<u>(282,545)</u>	<u>(16)</u>	<u>(282,561)</u>

EPISTEME CAPITAL PARTNERS (UK) LLP

Notes to the Financial Statements

Year ended 31 December 2015

Balance Sheet at 31 December 2014

	Note	As originally reported £	Remeasure- ment £	As restated £
Fixed assets				
Tangible assets		8,950	-	8,950
Investments		3,210	(174)	3,036
Total fixed assets		12,160	(174)	11,986
Current assets				
Debtors		1,193,422	-	1,193,422
Cash at bank and in hand		571,104	-	571,104
Total current assets		1,764,526	-	1,764,526
Creditors: Amounts falling due within one year		(60,440)	-	(60,440)
Net current assets		1,704,086	-	1,704,086
Net assets attributable to members		1,716,246	(174)	1,716,072
Capital and reserves				
Called up share capital		(1,850,784)	-	(1,850,784)
Profit and loss account		134,538	174	134,712
Total members' interests		(1,716,246)	174	(1,716,072)

Profit and Loss Account for the year ended 31 December 2014

	Note	As originally reported £	Remeasure- ment £	As restated £
Turnover		2,180,474	-	2,180,474
Administrative expenses		(659,999)	(190)	(660,189)
Profit for the financial year before members' remuneration and profit shares		1,520,475	(190)	1,520,285
Members' remuneration charged as an expense		(180,716)	-	(180,716)
Profit for the financial year		1,339,759	(190)	1,339,569
Total Comprehensive income for the year		1,339,759	(190)	1,339,569