

# Flowidea Limited

## FINANCIAL STATEMENTS

for the year ended

31 December 2008

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COMPANIES HOUSE

Company Registration No. 02463564

# Flowidea Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

H Angest  
D Angest

### SECRETARY

J R Kaye

### COMPANY NUMBER

02463564 (England and Wales)

### REGISTERED OFFICE

Arbuthnot House  
20 Ropemaker Street  
London  
EC2Y 9AR

### AUDITORS

Baker Tilly UK Audit LLP  
The Clock House  
140 London Road  
Guildford  
Surrey  
GU1 1UW

# Flowidea Limited

## DIRECTORS' REPORT

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The directors present their report and financial statements of Flowidea Limited for the year ended 31 December 2008.

### PRINCIPAL ACTIVITIES

The principal activity of the company and its subsidiary during the year was that of an investment company and investment trading company respectively.

### DIRECTORS

The following directors have held office since 1 January 2008:

H Angest

D Angest

### POLITICAL AND CHARITABLE DONATIONS

During the year the company made the following political donations on EU parties and organisations: Global Britain £10,000, Centre for Policy Studies £5,000, The Conservative Party £40,500, Adam Smith Institute £1,000, Angus Conservative and Unionist Association £5,000, Chris Grayling £5,000, CLWCA £3,000, David Ord £550, Focus on Scotland £2,500, Institute of Economic Affairs £3,000, I Want a Referendum £5,000, Labour Euro Safeguards Campaign £1,000, Migration Watch UK £5,000, The Renaissance Forum £15,000, Security Futures £5,000, The Spring Lunch £600, Stuart Wheeler Liston Litigation £5,000, The Tax Payers Alliance £5,000 and Women2Win £5,000. The company also made charitable donations of £1,750.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

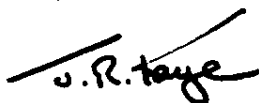
The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITORS

Baker Tilly UK Audit LLP, Chartered Accountants, have shown their willingness to continue as auditors.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



J R Kaye  
Secretary

Date: 22 June 2009

# Flowidea Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLOWIDEA LIMITED

We have audited the financial statements on pages 5 to 12.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities 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) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2008 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

**BAKER TILLY UK AUDIT LLP**  
BAKER TILLY UK AUDIT LLP

Registered Auditor  
Chartered Accountants  
The Clock House  
140 London Road  
Guildford  
Surrey  
GU1 1UW

**23 June 2009**

# Flowidea Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2008

	<i>Notes</i>	2008 £	2007 £
INVESTMENT INCOME	1	2,543,538	2,592,951
Amounts written off investments	2	-	68,540
Interest payable		911,188	848,007
Other operating expenses (net)	3	98,364	486,237
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,533,986	1,190,167
Taxation	5	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	1,533,986	1,190,167

The profit on ordinary activities arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

# Flowidea Limited

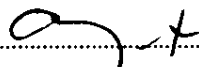
## BALANCE SHEET

31 December 2008

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Investments	7	<u>16,268,138</u>	<u>16,218,793</u>
<b>CURRENT ASSETS</b>			
Debtors	8	8,394	9,724
Cash at bank and in hand		<u>369,214</u>	<u>575,220</u>
		377,608	584,944
CREDITORS: Amounts falling due within one year	9	<u>4,678,126</u>	<u>7,970,103</u>
NET CURRENT LIABILITIES		<u>(4,300,518)</u>	<u>(7,385,159)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,967,620	8,833,634
CREDITORS: Amounts falling due after more than one year	10	<u>(6,925,000)</u>	<u>(4,125,000)</u>
		<u>5,042,620</u>	<u>4,708,634</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	100	100
Profit and loss account	12	<u>5,042,520</u>	<u>4,708,534</u>
SHAREHOLDERS' FUNDS	13	<u>5,042,620</u>	<u>4,708,634</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 12 were approved by the board of directors and authorised for issue on 22 June 2009, and are signed on its behalf by:

 Director  
H Angest

# Flowidea Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

### GOING CONCERN

The company has net current liabilities. In the opinion of the directors, the company will be able to generate sufficient funds to meet its liabilities as they fall due. In view of this, these financial statements have been prepared on the basis that the company is a going concern.

### INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

### INVESTMENT INCOME

Investment income reflects net dividends received, bank interest received and unlisted investment interest received.

### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised to the extent that the directors foresee their recoverability. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

### FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### CONSOLIDATED FINANCIAL STATEMENTS

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

# Flowidea Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

1. INVESTMENT INCOME	2008	2007
	£	£
Income from participating interests	2,405,035	2,365,220
Income from unlisted investments	-	11,250
Profit on disposal of listed investments	105,008	177,524
Bank interest	33,495	38,957
	<u>2,543,538</u>	<u>2,592,951</u>
2. AMOUNTS WRITTEN OFF INVESTMENTS	2008	2007
	£	£
Permanent diminution in value	-	68,540
	<u>-</u>	<u>68,540</u>
3. OTHER OPERATING EXPENSES (NET)	2008	2007
	£	£
Administrative expenses	261,045	486,237
Other operating income	(162,681)	-
	<u>98,364</u>	<u>486,237</u>
4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2008	2007
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Profit on foreign exchange transactions	(162,681)	-
Auditor's remuneration - Audit fees	9,976	9,811
	<u>9,976</u>	<u>9,811</u>

# Flowidea Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2008

5. TAXATION	2008 £	2007 £
Current tax charge	-	-
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	1,533,986	1,190,167
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.50% (2007: 30.00%)	437,186	357,050
Effects of:		
Non deductible expenses	35,308	98,105
Chargeable disposals	-	(10,130)
Dividends and distributions received	(684,890)	(712,941)
Other tax adjustments	212,396	267,916
	(437,186)	(357,050)
Current tax charge	-	-

Tax losses carried forward of £8,269,173 (2007: £7,463,806) have not been provided for due to the company not being expected to make taxable profits against which to offset them.

6. DIVIDENDS PAID	2008 £	2007 £
In respect of ordinary shares:-		
Interim dividends paid totalling £9,000.00 per share (2007 - £7,000.00 per share)	900,000	700,000
Final dividend in respect of year ended 31 December 2007 - £3,000.00 per share	300,000	-
	1,200,000	700,000

# Flowidea Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2008

### 7. FIXED ASSET INVESTMENTS

	<i>Listed investments</i>	<i>Unlisted Shares in group investments undertakings and participating interests</i>	<i>Total</i>
	£	£	£
Cost			
1 January 2008	696,314	1,533,507	16,417,749
Additions	-	411,653	536,501
Disposals	(539,428)	-	(539,428)
31 December 2008	156,886	1,945,160	16,414,822
Provisions for diminution in value			
1 January 2008	198,956	-	198,956
Disposals	(52,272)	-	(52,272)
31 December 2008	146,684	-	146,684
Net book value			
31 December 2008	10,202	1,945,160	16,268,138
31 December 2007	497,358	1,533,507	16,218,793

Included within shares in group undertakings and participating interests, is £14,312,676 of listed investments.

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

<u>Company</u>	<u>Country of incorporation</u>	<u>Class</u>	<u>Shares held</u> %
<u>Subsidiary undertaking</u>			
Flowtrade Limited	England	Ordinary	100
<u>Participating interest</u>			
Arbuthnot Banking Group Plc	England	Ordinary	49

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	<i>Capital and reserves</i>	<i>Retained Profit/(loss) for the year</i>
	£	£
Flowtrade Limited	(8,607)	(842)
Arbuthnot Banking Group Plc	34,414,000	519,000

The stock exchange value of listed investments at 31 December 2008 was £18,823,865 (2007: £33,230,648).

Unlisted investments include 1,600 (2007: 1,600), 10 pence ordinary shares in Thurleigh Estates Limited, being 15% of the issued ordinary share capital. A further 45% (2007: 45%) interest is held by Wyler Investments Limited, a company which is wholly owned by Mr H Angest - director and 100% beneficial shareholder of Flowidea Limited.

# Flowidea Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2008

8. DEBTORS	2008 £	2007 £
Due within one year:		
Amounts owed by group undertakings	8,394	7,536
Other debtors	-	2,188
	<u>8,394</u>	<u>9,724</u>

9. CREDITORS: Amounts falling due within one year	2008 £	2007 £
Bank overdraft	14,991	-
Bank loans	4,025,000	7,300,000
Other creditors	638,135	670,103
	<u>4,678,126</u>	<u>7,970,103</u>

The bank loans above and in note 10 are secured by a lien over the shares held in Arbuthnot Banking Group Plc, and personal guarantees from H Angest, a director of the company.

10. CREDITORS: Amounts falling due in more than one year	2008 £	2007 £
Bank loans	<u>6,925,000</u>	<u>4,125,000</u>
Loans		
Wholly repayable within five years	10,950,000	11,425,000
Included in current liabilities	(4,025,000)	(7,300,000)
	<u>6,925,000</u>	<u>4,125,000</u>
Loan maturity analysis:		
In more than one year but not more than two years	450,000	500,000
In more than two years but not more than five years	<u>6,475,000</u>	<u>3,625,000</u>

11. SHARE CAPITAL	2008 £	2007 £
Authorised:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

# Flowidea Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2008

### 12. STATEMENT OF MOVEMENT ON RESERVES

	<i>Profit and loss account £</i>
1 January 2008	4,708,534
Retained profit for the year	1,533,986
Dividends paid	<u>(1,200,000)</u>
31 December 2008	<u><u>4,917,672</u></u>

### 13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the financial year	1,533,986	1,190,167
Dividends paid	<u>(1,200,000)</u>	<u>(700,000)</u>
Net addition to shareholders' funds	333,986	490,167
Opening shareholders' funds	<u>4,708,634</u>	<u>4,218,467</u>
Closing shareholders' funds	<u><u>5,042,620</u></u>	<u><u>4,708,634</u></u>

### 14. CONTROL

The company is controlled by Mr H Angest, a director.

### 15. RELATED PARTY TRANSACTIONS

At the balance sheet date £8,394 (2007: £7,536) was due to the company from Flowtrade Limited a subsidiary undertaking of Flowidea Limited and £528,840 (2007: £500,356) was due to Wyler Investments Limited a connected company by virtue of common control.

The company received dividends amounting to £2,280,187 (2007: £2,365,220) from Arbuthnot Banking Group Plc.

Included within administration expenses is £67,588 (2007: £74,019) charged by the director, H Angest, for personal guarantees given on bank loans in the company. At the balance sheet date £50,450 (2007: £59,537) was owed to H Angest and is included in other creditors.

Thurleigh Estates (Dartmouth) Limited, a company over which a director, H Angest, has significant influence, owed £1,897,759 (2007: £1,486,107) to Flowidea Limited. No interest accrued on this balance.

Dividends of £24,000 (2007: £14,000) were paid to a director, H Angest, in the year.