

Flowidea Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2009

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COMPANIES HOUSE

Company Registration No 02463564

Flowidea Limited

COMPANY INFORMATION

DIRECTORS	H Angest D Angest
SECRETARY	J R Kaye
COMPANY NUMBER	02463564
REGISTERED OFFICE	Arbuthnot House 20 Ropemaker Street London EC2Y 9AR
AUDITOR	Baker Tilly UK Audit LLP The Clock House 140 London Road Guildford Surrey GU1 1UW

Flowidea Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2009

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 2009

H Angest

D Angest

POLITICAL AND CHARITABLE DONATIONS

During the year the company made the following political donations on EU parties and organisations
The Conservative Party £134,450

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

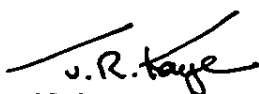
The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have 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 provisions applicable to companies entitled to the small companies exemption.

By order of the board



J R Kaye
Secretary

Date 22 June 2010

Flowidea Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' 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).

Under company law the directors 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 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 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 4 to 11. 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As more fully explained in the Directors' Responsibilities Statement on page 2, the directors 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 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

BAKER TILLY UK AUDIT LLP

CHRISTOPHER HURREN ACA (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP Statutory Auditor
Registered Auditor
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW

5 July 2010

Flowidea Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2009

	<i>Notes</i>	2009 £	2008 £
INVESTMENT INCOME	2	1 609 621	2 543 538
Amounts written off investments	3	54 791	-
Interest payable		528 858	911 188
Other operating expenses	1	308 641	98 364
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	717,331	1,533,986
Taxation	5	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	717,331	1,533,986

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 2009

Company Registration No 02463564

	Notes	2009 £	2008 £
FIXED ASSETS			
Investments	7	16 105 566	16 268 138
CURRENT ASSETS			
Debtors	8	9 256	8,394
Cash at bank and in hand		643 201	369 214
		652 457	377 608
CREDITORS Amounts falling due within one year	9	9 348 073	4 678 126
NET CURRENT LIABILITIES		(8 695 616)	(4,300 518)
TOTAL ASSETS LESS CURRENT LIABILITIES		7 409 950	11 967 620
CREDITORS Amounts falling due after more than one year	10	(2 350 000)	(6 925 000)
		5 059 950	5,042 620
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account	12	5 059 850	5 042 520
SHAREHOLDERS' FUNDS	13	5 059 950	5 042 620

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 4 to 11 were approved by the board of directors and authorised for issue on 22 June 2010 and are signed on its behalf by



H Angest

Director

Flowidea Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

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 lower of cost less a provision for reduction of market value, where market value falls below cost.

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of exemptions available under the small companies regime which entitles the company to an exemption from the requirement to prepare group accounts.

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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Flowidea Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

1	OTHER OPERATING EXPENSES (NET)	2009 £	2008 £
	Administrative expenses	308,641	261,045
	Other operating income	-	(162,681)
		<u>308,641</u>	<u>98,364</u>
2	INVESTMENT INCOME	2009 £	2008 £
	Income from participating interests	1,524,650	2,405,035
	Income from other fixed asset investments	79,209	105,008
	Bank interest	5,762	33,495
		<u>1,609,621</u>	<u>2,543,538</u>
3	AMOUNTS WRITTEN OFF INVESTMENTS	2009 £	2008 £
	Amounts written off fixed asset investments - permanent diminution in value	<u>54,791</u>	<u>-</u>
4	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2009 £	2008 £
	Profit is stated after charging Auditor's remuneration	10,362	9,976
	and after crediting Profit on foreign exchange transactions	<u>-</u>	<u>162,681</u>

Flowidea Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2009

5	TAXATION	2009 £	2008 £
	UK CORPORATION TAX		
	Current tax on profit of the period	-	-
	CURRENT TAX CHARGE	-	-
	FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR		
	The tax assessed for the year is lower than the standard rate of corporation tax (28%) as explained below		
	Profit on ordinary activities before taxation	717,331	1,533,986
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 28.50%)	200,853	437,186
	Effects of		
	Non deductible expenses	62,087	35,308
	Tax losses created	185,321	-
	Dividends and distributions received	(426,902)	(684,890)
	Other tax adjustments	(21,359)	212,396
		(200,853)	(437,186)
	CURRENT TAX CHARGE	-	-
	Tax losses carried forward of £8,932,429 (2008 - £8,270,569) have not been provided for due to the company not being expected to make taxable profits against which to offset them		
6	DIVIDENDS	2009 £	2008 £
	Ordinary		
	Interim dividends paid totalling £7,000,000 per share (2008 - £9,000,000 per share)	700,000	900,000
	Final proposed - Nil (2008 - £3,000,000)	-	300,000
		700,000	1,200,000

Flowidea Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2009

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 2009	156 887	1 945 159	16 414 822
Additions	-	88 170	88 170
Disposals	-	(160)	(195,951)
31 December 2009	156 887	2 033 169	16 307,041
Provisions for diminution in value			
1 January 2009	146 684	-	146 684
Charge in the year	7,791	47 000	54,791
31 December 2009	154 475	47 000	201 475
Net book value			
31 December 2009	2 412	1 986 169	16,105 566
31 December 2008	10 202	1 945 160	16 268 138

Included within shares in group undertakings and participating interests is £14 116 885 of listed investments

Included within unlisted investments are loans of £1 985 929

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>Shares held</u>	<u>%</u>
		<u>Class</u>	
<u>Subsidiary undertaking</u>			
Flowtrade Limited	England	Ordinary	100
<u>Participating interest</u>			
Arbuthnot Banking Group Plc	England	Ordinary	48

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	(9,835)	(1 228)
Arbuthnot Banking Group Plc	34 143 000	3 304 000

The market value of listed investments included within listed investments and shares in group undertakings and participating interests at 31 December 2009 was £27 401 320 (2008: £18 823 865)

Flowidea Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2009

8	DEBTORS	2009 £	2008 £
	Amounts owed by group undertakings	<u>9,256</u>	<u>8,394</u>
9	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2009 £	2008 £
	Bank loans and overdrafts	9,007,178	4,039,991
	Other creditors	<u>340,895</u>	<u>638,135</u>
		<u>9,348,073</u>	<u>4,678,126</u>
	The bank loans above and in note 10 are secured by a lien over shares held in Arbuthnot Banking Group Plc. and personal guarantees from H. Angest, a director of the company.		
10	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2009 £	2008 £
	Bank loans	<u>2,350,000</u>	<u>6,925,000</u>
	ANALYSIS OF LOANS		
	Wholly repayable within five years	11,337,877	10,950,000
	Included in current liabilities	<u>(8,987,877)</u>	<u>(4,025,000)</u>
		<u>2,350,000</u>	<u>6,925,000</u>
	LOAN MATURITY ANALYSIS		
	In more than one year but not more than two years	2,350,000	450,000
	In more than two years but not more than five years	<u>-</u>	<u>6,475,000</u>
11	SHARE CAPITAL	2009 £	2008 £
	ALLOTTED, CALLED UP 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 2009

12 RESERVES

	Profit and loss account
	£
Balance at 1 January 2009	5 042,519
Profit for the year	717 331
Dividends paid	(700 000)
Balance at 31 December 2009	<u>5 059 850</u>

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit for the financial year	717 331	1 533,986
Dividends	(700 000)	(1 200 000)
Net addition to shareholders' funds	<u>17 331</u>	<u>333 986</u>
Opening shareholders' funds	5,042 620	4 708 634
Closing shareholders' funds	<u>5 059 950</u>	<u>5 042 620</u>

14 CONTROL

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

15 RELATED PARTY TRANSACTIONS

At the balance sheet date £9 256 (2008: £8 394) was due to the company from Flowtrade Limited, a subsidiary undertaking of Flowidea Limited, and £234 270 (2008: £528 840) was due to Wyler Investments Limited, a connected company by virtue of common control.

The company is related to Arbuthnot Banking Group plc since it holds a participating interest in that company. Dividends amounting to £1 524 650 (2008: £2 280 187) were received from Arbuthnot Banking Group Plc in the year.

Included within administration expenses is £68 877 (2008: £67 588) charged by the director, H Angest, for personal guarantees given on bank loans in the company. At the balance sheet date £51 177 (2007: £50 450) was accrued in respect of these guarantees, and is included in other creditors.

Dividends of £14 000 (2008: £24 000) were paid to a director, H Angest, in the year.

The group has taken advantage of the exemptions provided by FRS 8 not to disclose transactions where 100% of the voting rights are held within the group.

Flowidea Limited

DETAILED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2009

	2009 £	2008 £
INVESTMENT INCOME		
Exchange gains	-	162 681
Bank interest received	5 762	33 495
Dividends receivable from participating interests	1 524 650	2 405 035
P/L on disposal of listed investments	79 209	105 008
	<u>1 609 621</u>	<u>2 706 219</u>
OVERHEAD EXPENSES		
Professional and accountancy fees	22 412	20 312
Audit fee	10 362	9 976
Loan facility fees	82 127	82 088
Bank charges	26 600	22 949
Sundry expenses	32 690	1 820
Charitable donations	-	1 750
Political donations	134 450	122 150
Amounts written off fixed asset investments	54 791	-
Bank interest paid	528 858	911 188
	<u>892 290</u>	<u>1,172 233</u>
NLT PROFIT FOR THE YEAR	<u>717 331</u>	<u>1 533 986</u>