

Flowidea Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2013

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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 3rd Floor One London Square Cross Lanes Guildford Surrey GU1 1UN

Flowidea Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of an investment company.

DIRECTORS

The following directors have held office since 1 January 2013:

H Angest

D Angest

POLITICAL AND CHARITABLE DONATIONS

During the year the company made political donations of £64,000 to the Conservative Party (2012: £156,500).

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

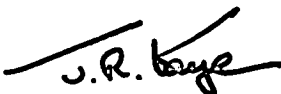
The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have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

AUDITOR

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

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: 8 July 2014

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 12. 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 AUDITOR

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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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 from the requirement to prepare a strategic report or in preparing the directors' report.

BAKER TILLY UK AUDIT LLP

Christopher Hurren FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

3rd Floor

One London Square

Cross Lanes

Guildford

Surrey

GU1 1UN

9 July 2014

Flowidea Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2013

	Notes	2013 £	2012 £
INVESTMENT INCOME	1	3,169,044	1,728,330
Amounts written back to/(off) investments	3	2,119	(417)
Interest payable		(708,757)	(480,411)
Other operating expenses	2	(385,768)	(340,787)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	2,076,638	906,715
Taxation	6	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	2,076,638	906,715

The profit for the year 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 2013

Company Registration No. 02463564

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	8	5,613,461	-
Investments	9	16,882,005	16,754,335
		<u>22,495,466</u>	<u>16,754,335</u>
CURRENT ASSETS			
Cash at bank and in hand		1,880,378	874,110
CREDITORS: Amounts falling due within one year	10	(691,394)	(4,360,633)
		<u>1,188,984</u>	<u>(3,486,523)</u>
NET CURRENT ASSETS/(LIABILITIES)			
		23,684,450	13,267,812
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: Amounts falling due after more than one year	11	(15,490,000)	(6,700,000)
		<u>8,194,450</u>	<u>6,567,812</u>
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account	13	8,194,350	6,567,712
		<u>8,194,450</u>	<u>6,567,812</u>
SHAREHOLDERS' FUNDS			
	14	<u>8,194,450</u>	<u>6,567,812</u>

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 12 were approved by the board of directors and authorised for issue on 8 July 2014 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.

TANGIBLE FIXED ASSETS

In accordance with SSAP 19, "Accounting for Investment Properties", investment properties are revalued annually and the aggregate surplus or deficit is transferred to revaluation reserve, except where a deficit on an individual investment property is expected to be permanent in which case it is charged (or credited, where a deficit is reversed) to the profit and loss account of the period. No depreciation is provided in respect of freehold investment properties or on leasehold investment properties where the unexpired lease term exceeds 20 years.

The Companies Act requires all property to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However the amount of depreciation cannot reasonably be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Investment properties are revalued annually by the directors and every third year by independent Chartered Surveyors on an open market basis.

INVESTMENTS

Fixed asset investments are stated at 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 represents income receivable from dividends, bank interest and unlisted investment interest.

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 substantively 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 2013

1	INVESTMENT INCOME	2013 £	2012 £
	Income from participating interests	3,094,598	1,727,217
	Bank interest	975	1,113
	Rental income	73,471	-
		<u>3,169,044</u>	<u>1,728,330</u>
2	OTHER OPERATING EXPENSES	2013 £	2012 £
	Administrative expenses	<u>385,768</u>	<u>340,787</u>
3	AMOUNTS WRITTEN OFF/BACK TO INVESTMENTS	2013 £	2012 £
	Provisions against fixed asset investments (note 9):		
	- (Reversal of temporary diminution in value)/temporary diminution in value	<u>(2,119)</u>	<u>417</u>
4	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2013 £	2012 £
	Profit is stated after charging:		
	Auditor's remuneration for statutory audit	<u>8,220</u>	<u>7,700</u>
5	DIRECTORS AND EMPLOYEES		

Other than the directors, who received no remuneration, no persons were employed during the year.

Flowidea Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

6 TAXATION	2013 £	2012 £
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 applicable rate of corporation tax for small companies of 20% as explained below:		
Profit on ordinary activities before taxation	2,076,638	906,715
Profit on ordinary activities before taxation multiplied by the applicable rate of UK corporation tax of 20.00% (2012 - 20.00%)	415,328	181,343
Effects of:		
Non deductible expenses	13,876	37,781
Unutilised tax losses carried forward	189,560	126,320
Dividends and distributions received	(618,920)	(345,444)
Other tax adjustments	156	-
	(415,328)	(181,343)
CURRENT TAX CHARGE	-	-

The company has estimated tax losses of £11,440,823 (2012: £10,552,623) available to carry forward.

A deferred tax asset has not been recognised in the financial statements in respect of these losses as the company does not expect to make taxable profit against which they can be offset.

7 DIVIDENDS	2013 £	2012 £
Ordinary:		
May Interim dividend paid per share - £1,500 (2012 - £1,000)	150,000	100,000
July Interim dividend paid per share - £3,000 (2012 - £1,000)	300,000	100,000
	450,000	200,000

Flowidea Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

8 TANGIBLE FIXED ASSETS

	Investment properties £
COST	
At 1 January 2013	-
Additions	5,613,461
At 1 January 2013 & at 31 December 2013	5,613,461
DEPRECIATION	
At 1 January 2013 & at 31 December 2013	-
NET BOOK VALUE	
At 31 December 2013	5,613,461

The investment property was valued on an open market basis by the directors on 31 December 2013. The historical cost of the investment property is the same as the net book value.

9 FIXED ASSET INVESTMENTS

	Listed investments	Unlisted Shares in group investments	Shares in group undertakings and participating interests	Total
	£	£	£	£
Cost				
1 January 2013	156,887	2,357,845	14,393,058	16,907,790
Additions	-	77,792	47,759	125,551
31 December 2013	156,887	2,435,637	14,440,817	17,033,341
Provisions for diminution in value				
1 January 2013	153,455	-	-	153,455
Charge in the year	(2,119)	-	-	(2,119)
31 December 2013	151,336	-	-	151,336
Net book value				
31 December 2013	5,551	2,435,637	14,440,817	16,882,005
31 December 2012	3,432	2,357,845	14,393,058	16,754,335

Included within shares in group undertakings and participating interests, is £14,440,817 of listed investments. The market value of these investments was £102,970,568 (2012: £55,414,890).

Included within unlisted investments are loans of £2,435,397 (2012: £2,357,605).

Flowidea Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

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

COMPANY	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings:			
Flowtrade Limited	England	Ordinary	100.00
Associated undertakings:			
Arbuthnot Banking Group Plc	England	Ordinary	47.13

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

	Principal activity	Capital and reserves 2013 £	Profit/(Loss) for the year 2013 £
Flowtrade Limited	Investment trading	(13,405)	(670)
Arbuthnot Banking Group Plc	Investment banking	86,914,000	11,515,000

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2013 £	2012 £
Bank loans and overdrafts	549,745	4,257,523
Other creditors	141,649	103,110
	<u>691,394</u>	<u>4,360,633</u>

The bank loans above and in note 11 are secured by a lien over shares held in Arbuthnot Banking Group Plc, legal charges over the investment property and personal guarantees from H Angest, a director of the company.

Flowidea Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

11	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2013 £	2012 £
	Bank loans	15,490,000	6,700,000
	LOAN MATURITY ANALYSIS		
	In one year or less on demand	500,000	4,140,000
	In more than one year but not more than two years	15,490,000	500,000
	In more than two years but not more than five years	-	6,200,000
		15,490,000	6,700,000
12	SHARE CAPITAL	2013 £	2012 £
	ALLOTTED, CALLED UP AND FULLY PAID		
	100 Ordinary shares of £1 each	100	100
13	RESERVES		Profit and loss account £
	Balance at 1 January 2013		6,567,712
	Profit for the year		2,076,638
	Dividends paid		(450,000)
	Balance at 31 December 2013		8,194,350
14	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2013 £	2012 £
	Profit for the financial year	2,076,638	906,715
	Dividends	(450,000)	(200,000)
	Net addition to shareholders' funds	1,626,638	706,715
	Opening shareholders' funds	6,567,812	5,861,097
	Closing shareholders' funds	8,194,450	6,567,812
15	CONTROL		

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

Flowidea Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

16 RELATED PARTY TRANSACTIONS

The company is related to Arbuthnot Banking Group plc since it holds a participating interest in that company. Dividends amounting to £3,094,598 (2012: £1,727,217) were received from Arbuthnot Banking Group Plc in the year.

Included within administration expenses is £54,426 (2012: £66,840) charged by the director, H Angest, for personal guarantees given on bank loans in the company. At the balance sheet date £36,516 (2012: £49,980) was accrued in respect of these guarantees and is included in other creditors.

Dividends of £9,000 (2012: £4,000) were paid to a director, H Angest, in the year.

The company 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.