

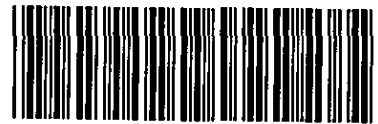
Flowidea Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2011

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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 2011

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 2011

H Angest

D Angest

POLITICAL DONATIONS

During the year the company made political donations of £78,850 to the Conservative Party (2010 £237,310)

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.

AUDITOR

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 12 July 2012

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 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

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/private.cfm.

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 2011 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 FCA (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW

16 July 2012

Flowidea Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2011

	<i>Notes</i>	2011 £	2010 £
INVESTMENT INCOME	1	1,632,217	1,623,943
Profit on disposal of listed investments	2	366,773	-
Amounts written back to investments	3	927	510
Interest payable		(359,497)	(418,995)
Other operating expenses (net)	2	(261,431)	(383,300)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	1,378,989	822,158
Taxation	5	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	1,378,989	822,158

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 2011

Company Registration No 02463564

	Notes	2011 £	2010 £
FIXED ASSETS			
Investments	7	16,711,533	16,261,661
CURRENT ASSETS			
Debtors	8	15,359	10,141
Cash at bank and in hand		539,103	166,972
		554,462	177,113
CREDITORS Amounts falling due within one year	9	8,104,898	11,156,666
NET CURRENT LIABILITIES		(7,550,436)	(10,979,553)
TOTAL ASSETS LESS CURRENT LIABILITIES		9,161,097	5,282,108
CREDITORS Amounts falling due after more than one year	10	(3,300,000)	-
		5,861,097	5,282,108
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account	12	5,860,997	5,282,008
SHAREHOLDERS' FUNDS	13	5,861,097	5,282,108

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 12 July 2012 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

In assessing the company's going concern position, the directors have considered the net liability position, projected future cash flows for not less than 12 months from the date of signing these accounts, and personal guarantees provided by Henry Angest in relation to bank loans. In their opinion, 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.

Deferred tax is recognised to the extent that there is certainty of its recoverability.

Flowidea Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2011

1	INVESTMENT INCOME	2011 £	2010 £
	Income from participating interests	1,630,779	1,622,304
	Bank interest	1,438	1,639
		<u>1,632,217</u>	<u>1,623,943</u>
2	OTHER OPERATING EXPENSES (NET)	2011 £	2010 £
	Administrative expenses	261,431	383,300
	Other operating income	(366,773)	-
		<u>(105,342)</u>	<u>383,300</u>
<p>During the year Flowidea Limited sold 250,000 shares in Arbuthnot Banking Group Plc to Cherrydene UK Limited, a connected company by virtue of common control, for £856,250. The shares were held at £489,477 generating a profit on sale of £366,773.</p>			
3	AMOUNTS WRITTEN BACK TO INVESTMENTS	2011 £	2010 £
	Amounts written back to fixed asset investments		
	- reversal of temporary diminution in value	(927)	(510)
4	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2011 £	2010 £
	Profit/(loss) is stated after charging		
	Auditor's remuneration	11,499	11,688

Flowidea Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2011

5	TAXATION	2011	2010
		£	£
	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 20.00% as explained below		
	Profit on ordinary activities before taxation	1,378,989	822,158
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2010 - 21.00%)	275,798	172,653
	Effects of		
	Non deductible expenses	18,784	51,698
	Tax losses created	86,827	116,333
	Dividends and distributions received	(326,156)	(340,684)
	Other tax adjustments	(55,253)	-
	CURRENT TAX CHARGE	(275,798)	(172,653)
		-	-
	Tax losses carried forward of £9,921,022 (2010 £9,486,891) have not been provided for due to the company not being expected to make taxable profits against which to offset them		
6	DIVIDENDS	2011	2010
		£	£
	Ordinary		
	Interim paid - £8,000.00 (2010 - £6,000.00)	800,000	600,000

Flowidea Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2011

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 2011	156,887	2,188,754	16,462,626
Additions	-	172,872	938,422
Disposals	-	-	(489,477)
31 December 2011	156,887	2,361,626	16,911,571
Provisions for diminution in value			
1 January 2011	153,965	47,000	200,965
Charge in the year	(927)	-	(927)
31 December 2011	153,038	47,000	200,038
Net book value			
31 December 2011	3,849	2,314,626	16,711,533
31 December 2010	2,922	2,141,754	16,261,661

Included within shares in group undertakings and participating interests, is £14,393,058 of listed investments. The market value of these investments was £24,288,994 (2010: £29,781,209).

Included within unlisted investments are loans of £2,314,387.

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	47.10

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

		Capital and reserves 2011 £	Loss for the year 2011 £
	Principal activity		
Flowtrade Limited	Investment trading	(11,741)	(976)
Arbuthnot Banking Group Plc	Investment banking	46,971,000	(6,950,000)

Flowidea Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2011

8	DEBTORS	2011 £	2010 £
	Amounts owed by group undertakings	11,074	10,138
	Other debtors	4,285	3
		<u>15,359</u>	<u>10,141</u>

9	CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	2011 £	2010 £
	Bank loans and overdrafts	7,780,114	10,847,047
	Other creditors	324,784	309,619
		<u>8,104,898</u>	<u>11,156,666</u>

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

During the year, the company refinanced £1 8m of its bank loans, which include a loan facility of £3 3m until 30 November 2015

10	CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2011 £	2010 £
	Bank loans	<u>3,300,000</u>	<u>-</u>
	ANALYSIS OF LOANS		
	Wholly repayable within five years	<u>3,300,000</u>	<u>-</u>
	LOAN MATURITY ANALYSIS		
	In more than two years but not more than five years	<u>3,300,000</u>	<u>-</u>

11	SHARE CAPITAL	2011 £	2010 £
	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 2011

12 RESERVES

	Profit and loss account
	£
Balance at 1 January 2011	5,282,008
Profit for the year	1,378,989
Dividends paid	(800,000)
Balance at 31 December 2011	<u>5,860,997</u>

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	1,378,989	822,158
Dividends	(800,000)	(600,000)
Net addition to shareholders' funds	<u>578,989</u>	<u>222,158</u>
Opening shareholders' funds	5,282,108	5,059,950
Closing shareholders' funds	<u>5,861,097</u>	<u>5,282,108</u>

14 CONTROL

The company is controlled by Mr H Angest, a director

15 RELATED PARTY TRANSACTIONS

At the balance sheet date £206,111 (2010 £202,992) was due to Wyler Investments Limited, a connected company by virtue of common control. Interest in the year of £3,119 (2010 £2,992) was charged by Wyler Investment Limited on the loan made by it.

At the balance sheet date, and included within other debtors, £4,285 (2010 £nil) was due from Cherrydene UK Limited, a connected company by virtue of common control. During the year Flowidea Limited sold 250,000 shares in Arbuthnot Banking Group Plc to Cherrydene UK Limited, for £856,250.

The company is related to Arbuthnot Banking Group plc since it holds a participating interest in that company. Dividends amounting to £1,630,779 (2010 £1,622,304) were received from Arbuthnot Banking Group Plc in the year.

Included within administration expenses is £65,423 (2010 £68,434) charged by the director, H Angest, for personal guarantees given on bank loans in the company. At the balance sheet date £51,155 (2010 £51,522) was accrued in respect of these guarantees and is included in other creditors.

Dividends of £16,000 (2010 £12,000) 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.