

Flowidea Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2012

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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 2012

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 2012

H Angest
D Angest

POLITICAL AND CHARITABLE DONATIONS

During the year the company made charitable donations for conservation purposes of £5,000

During the year the company made political donations of £156,500 to the Conservative Party (2011 £78,850)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

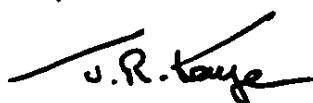
The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have 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 18 July 2013

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 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 2012 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.



GRAEME MILES FCCA (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

30 July 2013

Flowidea Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2012

	<i>Notes</i>	2012 £	2011 £
INVESTMENT INCOME	1	1,728,330	1,632,217
Profit on disposal of listed investments	2	-	366,773
Amounts written (off)/back to investments	3	(417)	927
Interest payable		(480,411)	(359,497)
Other operating expenses	2	(340,787)	(261,431)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	906,715	1,378,989
Taxation	6	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	906,715	1,378,989

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 2012

Company Registration No 02463564

	Notes	2012 £	2011 £
FIXED ASSETS			
Investments	8	<u>16,754,335</u>	<u>16,711,533</u>
CURRENT ASSETS			
Debtors	9	-	15,359
Cash at bank and in hand		<u>874,110</u>	<u>539,103</u>
		874,110	554,462
CREDITORS Amounts falling due within one year	10	<u>4,360,633</u>	<u>8,104,898</u>
NET CURRENT LIABILITIES		<u>(3,486,523)</u>	<u>(7,550,436)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,267,812	9,161,097
CREDITORS Amounts falling due after more than one year	11	<u>(6,700,000)</u>	<u>(3,300,000)</u>
		<u>6,567,812</u>	<u>5,861,097</u>
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account	13	<u>6,567,712</u>	<u>5,860,997</u>
SHAREHOLDERS' FUNDS	14	<u>6,567,812</u>	<u>5,861,097</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 18 July 2013 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 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 2012

1 INVESTMENT INCOME	2012	2011
	£	£
Income from participating interests	1,727,217	1,630,779
Bank interest	1,113	1,438
	<u>1,728,330</u>	<u>1,632,217</u>

2 OTHER OPERATING EXPENSES (NET)	2012	2011
	£	£
Administrative expenses	340,787	261,431
Other operating income	-	(366,773)
	<u>340,787</u>	<u>(105,342)</u>

During the previous year Flowidea Limited sold 250,000 shares in Arbutnot 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 which generated a profit on sale of £366,773.

3 AMOUNTS WRITTEN OFF/BACK TO INVESTMENTS	2012	2011
	£	£
Provisions against fixed asset investments (note 8).		
- Temporary diminution in value/(reversal of temporary diminution in value)	<u>417</u>	<u>(927)</u>

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2012	2011
	£	£
Profit is stated after charging		
Auditor's remuneration for statutory audit	<u>7,700</u>	<u>11,499</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 2012

6	TAXATION	2012	2011
		£	£
	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	906,715	1,378,989
	Profit on ordinary activities before taxation multiplied by the applicable rate of UK corporation tax of 20.00% (2011 - 20.00%)	181,343	275,798
	Effects of		
	Non deductible expenses	37,781	18,784
	Unutilised tax losses carried forward	126,320	86,827
	Dividends and distributions received	(345,444)	(326,156)
	Other tax adjustments	-	(55,253)
		(181,343)	(275,798)
	CURRENT TAX CHARGE	-	-

The company has estimated tax losses of £10,552,623 (2011: £9,921,022) 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	2012	2011
		£	£
	Ordinary		
	Interim dividend paid per share - £2 000 00 (2011 - £8,000 00)	200,000	800,000

Flowidea Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

8 FIXED ASSET INVESTMENTS

	<i>Listed investments</i>	<i>Unlisted Shares in group investments undertakings and participating interests</i>	<i>Total</i>
	£	£	£
Cost			
1 January 2012	156,887	2,361,626	14,393,058
Additions	-	43,219	-
Disposals	-	(47,000)	-
31 December 2012	156,887	2,357,845	14,393,058
Provisions for diminution in value			
1 January 2012	153,038	47,000	-
Charge in the year	417	-	-
Disposals	-	(47,000)	-
31 December 2012	153,455	-	-
Net book value			
31 December 2012	3,432	2,357,845	14,393,058
31 December 2011	3,849	2,314,626	14,393,058

Included within shares in group undertakings and participating interests, is £14,393,058 of listed investments. The market value of these investments was £55,414,890 (2011: £24,288,994)

Included within unlisted investments are loans of £2,357,605 (2011: £2,314,386)

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 2012	Profit/(Loss) for the year 2012
	Principal activity	£	£
Flowtrade Limited	Investment trading	(12,735)	(994)
Arbuthnot Banking Group Plc	Investment banking	68,648,000	11,118,000

Flowidea Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

9	DEBTORS	2012	2011
		£	£
	Amounts owed by group undertakings	-	11,074
	Other debtors	-	4,285
		<u>-</u>	<u>15,359</u>

10	CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR	2012	2011
		£	£
	Bank loans and overdrafts	4,257,523	7,780,114
	Other creditors	103,110	324,784
		<u>4,360,633</u>	<u>8,104,898</u>

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

11	CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2012	2011
		£	£
	Bank loans	<u>6,700,000</u>	<u>3,300,000</u>
	LOAN MATURITY ANALYSIS		
	In one year or less on demand	<u>4,140,000</u>	<u>7,775,831</u>
	In more than one year but not more than two years	500,000	-
	In more than two years but not more than five years	<u>6,200,000</u>	<u>3,300,000</u>
		<u>6,700,000</u>	<u>3,300,000</u>

12	SHARE CAPITAL	2012	2011
		£	£
	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 2012

13 RESERVES

	Profit and loss account
	£
Balance at 1 January 2012	5,860,997
Profit for the year	906,715
Dividends paid	(200,000)
Balance at 31 December 2012	<u>6,567,712</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	906,715	1,378,989
Dividends	(200,000)	(800,000)
Net addition to shareholders' funds	<u>706,715</u>	<u>578,989</u>
Opening shareholders' funds	5,861,097	5,282,108
Closing shareholders' funds	<u>6,567,812</u>	<u>5,861,097</u>

15 CONTROL

The company is controlled by Mr H Angest, a director

16 RELATED PARTY TRANSACTIONS

At the balance sheet date £nil (2011: £206,111) was due to Wyler Investments Limited, a connected company by virtue of common control. Interest in the year of £1,172 (2011: £3,119) was charged by Wyler Investments Limited on the loan made by it.

At the balance sheet date, and included within other debtors, £nil (2011: £4,285) was due from Cherrydene UK Limited, a connected company by virtue of common control. During the previous 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 £1,727,217 (2011: £1,630,779) were received from Arbuthnot Banking Group Plc in the year

Included within administration expenses is £66,840 (2011: £65,423) charged by the director, H Angest, for personal guarantees given on bank loans in the company. At the balance sheet date £49,980 (2011: £51,155) was accrued in respect of these guarantees and is included in other creditors

Dividends of £4,000 (2011: £16,000) 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

Flowidea Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

17 POST BALANCE SHEET EVENTS

On 8 March 2013 the company purchased a freehold investment property for £5,600,000 funded by new loans drawn from its bankers

Flowidea Limited

DETAILED PROFIT AND LOSS ACCOUNT for the year ended 31 December 2012

	2012 £	2011 £
INVESTMENT INCOME		
Profit on disposal of listed investments	-	366,773
Bank interest received	1,113	1,438
Dividends receivable from participating interests	1,727,217	1,630,779
	<u>1,728,330</u>	<u>1,998,990</u>
OVERHEAD EXPENSES		
Professional and accountancy fees	15,805	18,713
Legal and professional fees	12,043	-
Audit fee	10,206	11,499
Loan facility fees	112,276	122,271
Bank charges	11,889	14,068
Bad and doubtful debts	12,028	-
Sundry expenses	40	30
Donations	166,500	94,850
Amounts written off/(back to) fixed asset investments	417	(927)
Bank interest paid	480,411	359,497
	<u>821,615</u>	<u>620,001</u>
NET PROFIT FOR THE YEAR	<u>906,715</u>	<u>1,378,989</u>

This page does not form part of the audited financial statements

**ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE
FINANCIAL STATEMENTS OF FLOWIDEA LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2012**

In order to assist you to fulfil your duties under the Companies Act 2006, we prepared for your approval the financial statements of Flowidea Limited which comprise the Profit and Loss Account, the Balance Sheet and the related notes as set out on pages 4 to 12 from the accounting records and information and explanations you have given us

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://icaew.com/en/members/regulations-standards-and-guidance>

This report is made solely to the board of directors of Flowidea Limited as a body, in accordance with the terms of our engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Flowidea Limited and state those matters we have agreed to state to you in accordance with AAF 2/10 as detailed at icaew.com/compilation. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against Baker Tilly Tax and Accounting Limited for any purpose or in any context. Any party other than the directors which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, Baker Tilly Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to the Directors on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without prior consent.

It is your duty to ensure that Flowidea Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Flowidea Limited under the Companies Act 2006.

We have not been instructed to carry out an audit or review of the financial statements of Flowidea Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

BAKER TILLY TAX AND ACCOUNTING LIMITED

Chartered Accountants
3rd Floor
One London Square
Cross Lanes
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