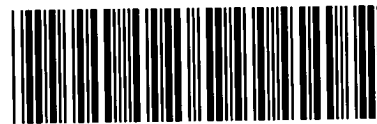


Company Registration No. 02463564 (England and Wales)

FLOWIDEA LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016
PAGES FOR FILING WITH REGISTRAR

WEDNESDAY



A6DFZ8N6

A12

23/08/2017

#449

COMPANIES HOUSE

FLOWIDEA LIMITED

COMPANY INFORMATION

Directors	Sir H Angest Lady D Angest
Secretary	J R Kaye
Company number	02463564
Registered office	Arbuthnot House 7 Wilson Street London EC2M 2SN
Auditor	RSM UK Audit LLP Chartered Accountants One London Square Cross Lanes Guildford Surrey GU1 1UN
Accountants	RSM UK Tax and Accounting Limited Chartered Accountants One London Square Cross Lanes Guildford Surrey GU1 1UN

FLOWIDEA LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

FLOWIDEA LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Investment properties	5	5,613,461		5,613,461	
Investments	6	105,664,315		113,945,165	
		<u>111,277,776</u>		<u>119,558,626</u>	
Current assets					
Debtors	7	936,202		811,202	
Cash at bank and in hand		8,831,118		691,041	
		<u>9,767,320</u>		<u>1,502,243</u>	
Creditors: amounts falling due within one year	8	<u>(5,079,153)</u>		<u>(1,583,552)</u>	
Net current assets/(liabilities)		<u>4,688,167</u>		<u>(81,309)</u>	
Total assets less current liabilities		<u>115,965,943</u>		<u>119,477,317</u>	
Creditors: amounts falling due after more than one year					
Borrowings	9	-		(18,150,000)	
Provisions for liabilities	11	<u>(10,563,079)</u>		<u>(12,936,896)</u>	
Net assets		<u>105,402,864</u>		<u>88,390,421</u>	
Capital and reserves					
Called up share capital	12	100		100	
Revaluation reserve		87,449,640		95,730,490	
Profit and loss reserves		<u>17,953,124</u>		<u>(7,340,169)</u>	
Total equity		<u>105,402,864</u>		<u>88,390,421</u>	

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 4 August 2017 and are signed on its behalf by:



Sir H Angest
Director

FLOWIDEA LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2015		100	-	5,784,909	5,785,009
Effect of transition to FRS 102		-	80,464,923	(11,595,055)	68,869,868
As restated		100	80,464,923	(5,810,146)	74,654,877
Year ended 31 December 2015:					
Profit and total comprehensive income for the year		-	-	14,735,544	14,735,544
Dividends	4	-	-	(1,000,000)	(1,000,000)
Transfer of unrealised gains and losses		-	15,265,567	(15,265,567)	-
Balance at 31 December 2015		100	95,730,490	(7,340,169)	88,390,421
Year ended 31 December 2016:					
Profit and total comprehensive income for the year		-	-	18,512,443	18,512,443
Dividends	4	-	-	(1,500,000)	(1,500,000)
Transfer of unrealised gains and losses		-	(8,280,850)	8,280,850	-
Balance at 31 December 2016		100	87,449,640	17,953,124	105,402,864

FLOWIDEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Flowidea Limited is a private company limited by shares incorporated in England and Wales. The registered office is Arbuthnot House, 7 Wilson Street, London, EC2M 2SN.

Accounting convention

First time adoption of FRS 102

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

These financial statements are the first financial statements of Flowidea Limited prepared in accordance with FRS 102. The financial statements of Flowidea Limited for the year ended 31 December 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date and are detailed in note 16.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

Investment income

Investment income from trade investments and investments in subsidiaries, associates and jointly controlled entities is recognised when the Company's right to receive payment is established.

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the income statement.

FLOWIDEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Fixed asset investments

Interests in subsidiaries entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

Interests in associates and jointly controlled entities are initially measured at transaction price, excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in profit or loss. Transaction costs are expensed to the income statement as incurred.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

FLOWIDEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

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 assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing difference can be deducted.

Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Employees

The average monthly number of persons, including directors, employed by the company during the year was 2 (2015 - 2).

3 Taxation

	2016 £	2015 £
Deferred tax		
Origination and reversal of timing differences	(2,373,817)	1,341,841

FLOWIDEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

4 Dividends

	2016 £	2015 £
Interim paid	1,500,000	1,000,000

5 Investment property

	2016 £
Fair value	
At 1 January 2016 and 31 December 2016	5,613,461

The investment property was valued on an open market basis by the directors on 31 December 2016. The historical cost of the investment property is the same as the fair value.

6 Fixed asset investments

	2016 £	2015 £
Investments	105,664,315	113,945,165

Movements in fixed asset investments

	Shares in group undertakings £	Share in listed associated undertakings £	Total £
Cost or valuation			
At 1 January 2016	3,773,858	110,171,307	113,945,165
Valuation changes	-	(8,280,850)	(8,280,850)
At 31 December 2016	3,773,858	101,890,457	105,664,315
Carrying amount			
At 31 December 2016	3,773,858	101,890,457	105,664,315
At 31 December 2015	3,773,858	110,171,307	113,945,165

Fixed asset investments revalued

If the shares in listed associated undertakings were stated on an historical cost basis rather than a fair value basis, the net book value would have been £14,440,817.

7 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Amounts due from group undertakings	936,202	811,202

FLOWIDEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

8 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans	5,000,000	1,340,000
Other creditors	79,153	243,552
	<u>5,079,153</u>	<u>1,583,552</u>

9 Borrowings

	2016 £	2015 £
Bank loans	<u>5,000,000</u>	<u>19,490,000</u>
Payable within one year	5,000,000	1,340,000
Payable after one year	-	<u>18,150,000</u>

The bank loan above is secured by lien over shares held in Arbuthnot Banking Group Plc, legal charges over the investment property, personal guarantees from Sir H Angest, a director of the company, and unlimited cross guarantees from Cherrydene UK Limited, a related party.

10 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	<u>10,563,079</u>	<u>12,936,896</u>
	<u>10,563,079</u>	<u>12,936,896</u>

11 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Tax losses	(2,401,694)	(2,393,321)
Chargeable gains	<u>12,964,773</u>	<u>15,330,217</u>
	<u>10,563,079</u>	<u>12,936,896</u>

FLOWIDEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

11 Deferred taxation (Continued)

	2016 £
Movements in the year:	
Liability at 1 January 2016	12,936,896
Credit to profit or loss	(2,373,817)
	<u>10,563,079</u>
Liability at 31 December 2016	<u>10,563,079</u>

The deferred tax liability set out above is expected to reverse when the investments to which it relates are sold. The deferred tax asset is expected to reverse when the company has taxable profits to offset against its brought forward losses.

12 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

13 Events after the reporting date

Subsequent to the balance sheet date the company completed the following non-adjusting balance sheet events:

On 21 March 2017 the company completed the purchase of an addition to its property portfolio for a consideration of £680,320.

On 4 April 2017 the company increased its investment in its listed associated undertaking by the purchase of an additional 150,500 shares for an amount of £2,162,359.

14 Related party transactions

The company is related to Arbuthnot Banking Group Plc since it holds a participating interest in that company. Dividends amounting to £25,562,623 (2015: £2,016,207) were received from Arbuthnot Banking group Plc in the year.

Included within administration expenses is £9,991 (2015: £47,460) charged by the director, Sir H Angest, for personal guarantees given on bank loans in the company. At the balance sheet date £19,614 (2015: £35,866) was accrued in respect of these guarantees and are included in other creditors.

Dividends of £30,000 (2015: £20,000) were paid to director Sir H Angest in the year. Dividends of £735,000 (2015: £490,000) each were paid to Flowfred Limited and Flowgab Limited, companies with a participating interest in Flowidea Limited.

15 Controlling party

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

FLOWIDEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

16 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliation of equity

	Notes	1 January 2015 £	31 December 2015 £
Equity as reported under previous UK GAAP		5,785,009	5,596,827
Adjustments arising from transition to FRS 102:			
Revaluation of listed investments	a)	80,464,923	95,730,490
Deferred tax on revaluation	b)	(11,595,055)	(12,936,896)
Equity reported under FRS 102		<u>74,654,877</u>	<u>88,390,421</u>

Reconciliation of profit for the financial period

	Notes	2015 £
Profit as reported under previous UK GAAP		811,818
Adjustments arising from transition to FRS 102:		
Revaluation of listed investments	a)	15,265,567
Deferred tax on revaluation	b)	(1,341,841)
Profit reported under FRS 102		<u>14,735,544</u>

Notes to reconciliations on adoption of FRS 102

a) Revaluation of investment to market value

During the year ended 31 December 2015, fair value gains on listed investments were recognised as fair value gains in profit or loss. Under previous UK GAAP, these investment were held at cost less impairment.

b) Recognition of deferred tax on fair value gains and losses

During the year ended 31 December 2015, deferred tax on the fair value gain on investments of £1,341,842 was recognised. Under previous UK GAAP, these investments were held at cost less impairment and thus no deferred tax liability was recognised.

FLOWIDEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

17 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Christopher Hurren FCA.

The auditor was RSM UK Audit LLP.

FLOWIDEA LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016

	£	2016 £	£	2015 £
Other operating income				
Rent receivable		117,954		116,242
Administrative expenses				
Operating charge	(28,558)		(41,507)	
Legal and professional fees	(58,664)		(28,386)	
Accountancy	(2,320)		(3,040)	
Audit fees	(9,500)		(9,500)	
Bank charges	(542)		(998)	
Loan facility fees	(9,991)		(229,960)	
Sundry expenses	(305,160)		(285,963)	
		(414,735)		(599,354)
Operating loss		(296,781)		(483,112)
Investment revenues				
Bank interest received	1,885		1,228	
Dividends receivable from group companies	25,562,623		2,016,207	
		25,564,508		2,017,435
Interest payable and similar expenses				
Bank interest on loans and overdrafts		(848,251)		(723,260)
Other gains and losses				
Change in fair value of financial assets measured at FVTPL	(8,280,850)		15,265,567	
Profit or Loss on disposal on financial assets measured at FVTPL	-		755	
		(8,280,850)		15,266,322
Profit before taxation		16,138,626		16,077,385