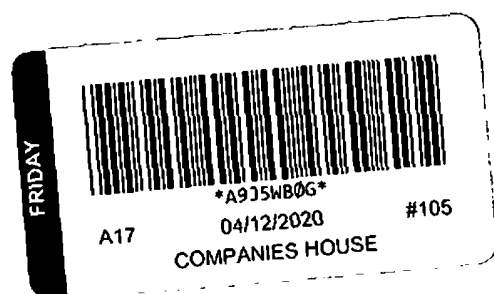


Company Registration No. 02463564 (England and Wales)

**FLOWIDEA LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2019**  
**PAGES FOR FILING WITH REGISTRAR**



# **FLOWIDEA LIMITED**

## **COMPANY INFORMATION**

---

<b>Directors</b>	Sir Henry Angest Lady Angest
<b>Secretary</b>	N D Jennings
<b>Company number</b>	02463564
<b>Registered office</b>	Arbuthnot House 7 Wilson Street London EC2M 2SN
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants One London Square Cross Lanes Guildford Surrey GU1 1UN

---

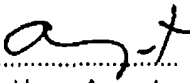
**FLOWIDEA LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Investment properties	6	1,081,208		5,081,208	
Investments	7	104,821,516		82,064,553	
		<u>105,902,724</u>		<u>87,145,761</u>	
<b>Current assets</b>					
Debtors	8	4,965,700	626,150		
Cash at bank and in hand		2,669,306	3,918,637		
		<u>7,635,006</u>	<u>4,544,787</u>		
<b>Creditors: amounts falling due within one year</b>	9	<u>(3,159,867)</u>	<u>(113,859)</u>		
<b>Net current assets</b>		<u>4,475,139</u>		<u>4,430,928</u>	
<b>Total assets less current liabilities</b>		<u>110,377,863</u>		<u>91,576,689</u>	
<b>Creditors: amounts falling due after more than one year</b>					
Borrowings	10	-	3,000,000		
		<u>-</u>	<u>(3,000,000)</u>		
<b>Net assets</b>		<u>110,377,863</u>		<u>88,576,689</u>	
<b>Capital and reserves</b>					
Called up share capital	11	100		100	
Revaluation reserve	12	81,841,071		60,074,057	
Profit and loss reserves	12	28,536,692		28,502,532	
<b>Total equity</b>		<u>110,377,863</u>		<u>88,576,689</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 17 November 2020 and are signed on its behalf by:

  
 .....  
 Sir Henry Angest  
 Director

# FLOWIDEA LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2018</b>		100	85,950,419	27,886,456	113,836,975
<b>Year ended 31 December 2018:</b>					
Loss and total comprehensive income for the year		-	-	(25,210,286)	(25,210,286)
Dividends	5	-	-	(50,000)	(50,000)
Transfer of unrealised gains and losses		-	(25,876,362)	25,876,362	-
<b>Balance at 31 December 2018</b>		100	60,074,057	28,502,532	88,576,689
<b>Year ended 31 December 2019:</b>					
Profit and total comprehensive income for the year		-	-	22,801,174	22,801,174
Dividends	5	-	-	(1,000,000)	(1,000,000)
Transfer of unrealised gains and losses		-	21,767,014	(21,767,014)	-
<b>Balance at 31 December 2019</b>		100	81,841,071	28,536,692	110,377,863

Transfer between reserves relates to the transfer of fair value gains to the revaluation reserve.

# **FLOWIDEA LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

---

### **1 Accounting policies**

#### **Company information**

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

#### **Accounting convention**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 ("FRS102") as applicable in the UK and Republic of Ireland 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.

The financial statements are prepared in Pound 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, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The financial statements have been prepared with application of the FRS 102 Triennial Review 2017 amendments in full.

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**

In light of the COVID-19 outbreak, the Directors are considering appropriate measures to respond to the uncertain outlook and ensure that the Company remains a going concern over the next 12 months. Whilst there can be no certainty due to the conditions across the world at present, the Directors are confident in the future of the business based on action plans and forecasts. The Directors therefore consider it appropriate for the financial statements to be prepared on the going concern basis. The financial statements do not include any adjustments that would result should the going concern basis of preparation not be appropriate. In the event that this basis is not appropriate, provisions may be required and assets may need to be written down to their recoverable amount.

#### **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.

#### **Rental income**

Rental income represents rents and other property related income which is recognised on an accruals basis. Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of the lease commencement to the earliest termination date.

#### **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 2019

---

### 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.

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 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, 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, 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.

#### **Equity instruments**

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

# FLOWIDEA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies (Continued)

#### Taxation

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.

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 date.

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 (2018 - 2).

### 3 Directors' remuneration and dividends

	2019 £	2018 £
Remuneration payable to directors	120,000	120,000
Dividends paid to directors	20,000	1,000

During the current and preceding year, no payments were made in relation to any pension commitments.

# FLOWIDEA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 4 Taxation

A deferred tax liability has not been recognised on the fair value gain of the listed investments on the basis that management consider that they will be eligible for tax relief meaning that tax will not be due on the gain. Management consider that the criteria for the tax relief was met at both 31 December 2018 and 31 December 2019. While there is no immediate plan to dispose of the investments, management expect that in the future, the disposal will be planned in a manner that facilitates utilisation of the maximum tax relief, and that the criteria for the tax relief will continue to be met at the date of disposal. Future changes to tax legislation, or to the status of the investee company could mean that the criteria for the relief may no longer be met and tax may have to be paid on the gain at the point of disposal.

### 5 Dividends

	2019 £	2018 £
Interim paid	<u>1,000,000</u>	<u>50,000</u>

### 6 Investment properties

	2019 £
Fair value	
At 1 January 2019	5,081,208
Disposals	<u>(4,000,000)</u>
At 31 December 2019	<u>1,081,208</u>

Investment properties comprises Romadie House and South Persie House. The historical cost of the investment property is the same as the fair value.

The property Upper Maisonette, 41 Thurloe Square was disposed of during the year at fair value of £4,000,000. The fair value was arrived at on the basis of a valuation carried out at 17 May 2018 by Savills (UK) Limited Chartered Surveyors, who are not connected with the Company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

Romadie House and South Persie House were purchased at market value in 2017. The directors consider the market values to be indicative of the value at 31 December 2019.

The Company's investment properties is subject to a debenture and charge in connection with a guarantee provided by the company in respect of the bank loan.



# FLOWIDEA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 7 Fixed asset investments

	Shares in group undertakings £	Share in listed associated undertakings £	Total £
<b>Cost or valuation</b>			
At 1 January 2019	3,773,858	78,290,695	82,064,553
Additions	989,949	-	989,949
Valuation changes	-	21,767,014	21,767,014
At 31 December 2019	4,763,807	100,057,709	104,821,516
<b>Carrying amount</b>			
At 31 December 2019	4,763,807	100,057,709	104,821,516
At 31 December 2018	3,773,858	78,290,695	82,064,553

#### 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 £16,603,177 (2018: £16,603,177).

#### Acquisitions

On 2 December 2019, Flowidea Limited acquired trade and assets from Roger Aston Limited (now Dalmunzie Castle Hotel Limited). The business acquired operates in the UK and operates a hotel. The cost of the acquisition comprised cash consideration of £989,949 which was paid on acquisition.

### 8 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	4,665,692	326,142
Other debtors	300,008	300,008
	4,965,700	626,150

The amounts owed by group undertakings are unsecured and have no formal terms. The amounts are therefore repayable on demand. The Directors do not expect to recall the balance in the forthcoming 12 months.

# FLOWIDEA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 9 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans	3,000,000	-
Trade creditors	55,165	-
Other creditors	104,702	113,859
	<u>3,159,867</u>	<u>113,859</u>

### 10 Borrowings

	2019 £	2018 £
Bank loans	3,000,000	3,000,000
Payable within one year	3,000,000	-
Payable after one year	-	3,000,000
	<u>3,000,000</u>	<u>3,000,000</u>

The bank loan above is secured on the Company's investment property and further secured on the investment properties of certain related parties.

Post year end, the £3,000,000 loan has not been repaid but is being renewed on a rolling monthly basis.

### 11 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid 1,000 Ordinary shares of 10p each	100	100
	<u>100</u>	<u>100</u>

### 12 Reserves

#### Fair value reserve

The Directors have elected to retain the unrealised gains and losses on the revaluation of its investment portfolio in a fair value reserve.

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

# FLOWIDEA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

---

### 13 Related party transactions

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

Included within administration expenses is £4,500 (2018: £4,500) charged by the Director, Sir Henry Angest, for personal guarantees given on bank loans in the company. At the balance sheet date, £4,500 (2018: £4,500) was accrued in respect of these guarantees and are included in other creditors.

During the prior year, an interest free £300,000 loan was provided to a company related via common control, with no specific repayment terms. At the balance sheet date, £300,000 (2018: £300,000) was due from the company and is included in other debtors.

Dividends of £20,000 (2018: £1,000) were paid to the Director, Sir Henry Angest, in the year. Dividends of £490,000 (2018: £24,500) each were paid to Flowfred Limited and Flowgab Limited, companies with a participating interest in Flowidea Limited.

During the year investment property with a value of £397,078 was used by a related parties by virtue of common control, at £Nil (2018: £Nil) cost.

### 14 Controlling party

The Company is controlled by Sir Henry Angest, a Director.

### 15 Events after the reporting period

In the early months of 2020, the global economic impact of the COVID-19 pandemic started to have some effect upon the operating environment of the company and the potential risks to which it is exposed. The Directors' response to the COVID-19 outbreak is detailed in note 1.

The entity holds listed investments in Arbutnot Banking Group. At 31 December 2019 this had a carrying value of £100,057,709. At 31 December 2019, the value per share was £13.50. This has fallen 56% to £6.00 at 30 October 2020.

On 22 May 2020, the company transferred 1,000,000 ordinary shares of 1p each in Arbutnot Banking Group PLC to Cherrydene UK Limited at the mid-market price per share as at close of business on 21 May 2020 of £7.475. To facilitate the transfer, the company granted a loan of £7,475,000 to Cherrydene UK Limited at a rate of interest of 0.25% per annum. The loan has no specified repayment date but is terminable at any time by either party on a six months' notice.

### 16 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 Caroline Watson ACA.  
The auditor was RSM UK Audit LLP.