

Company Registration No. 02463564 (England and Wales)

FLOWIDEA LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

TUESDAY



ACCU0I3K

A14

26/09/2023

#125

COMPANIES HOUSE

FLOWIDEA LIMITED

COMPANY INFORMATION

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

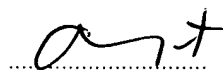
FLOWIDEA LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investment properties	6	1,340,000		1,134,000	
Investments	7	59,364,372		58,325,697	
		<u>60,704,372</u>		<u>59,459,697</u>	
Current assets					
Debtors	8	12,741,711	12,948,111		
Cash at bank and in hand		3,603,146	3,158,378		
		<u>16,344,857</u>	<u>16,106,489</u>		
Creditors: amounts falling due within one year	9	(96,092)	(86,808)		
Net current assets		<u>16,248,765</u>		<u>16,019,681</u>	
Total assets less current liabilities		<u>76,953,137</u>		<u>75,479,378</u>	
Creditors: amounts falling due after more than one year					
Borrowings	10	(3,000,000)	(3,000,000)		
Net assets		<u>73,953,137</u>		<u>72,479,378</u>	
Capital and reserves					
Called up share capital		100	100		
Revaluation reserve	11	39,218,032	38,384,358		
Profit and loss reserves	11	34,735,005	34,094,920		
Total equity		<u>73,953,137</u>		<u>72,479,378</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 21 September 2023 and are signed on its behalf by:



Sir Henry Angest
Director

FLOWIDEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 Arbutnot House, 7 Wilson Street, London EC2M 2SN.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard 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 £1.

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 company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated financial statements, 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

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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 period end date. The surplus or deficit on revaluation is recognised in the profit or loss.

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled 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 profit or loss.

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.

FLOWIDEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

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 amounts owed by group undertakings 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 other creditors and bank loans, 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.

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 period end date.

FLOWIDEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting period end 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 reporting period end 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 reporting period end 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.

2 Employees

The average monthly number of persons, including directors, employed by the company during the year was 2 (2021: 2).

3 Directors' remuneration and dividends

	2022 £	2021 £
Remuneration payable to directors	120,000	120,000
Dividends paid to directors	20,000	2,000

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

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 2021 and 31 December 2022. While there is no immediate plan to dispose of the investments, management expect that in the future, any disposals 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

	2022 £	2021 £
Interim paid	1,000,000	100,000

FLOWIDEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Investment properties

	2022 £
Fair value	
At 1 January 2022	1,134,000
Revaluations	206,000
At 31 December 2022	<u>1,340,000</u>

Investment properties comprises Romadie House and South Persie House. The fair value of the company's investment properties at 31 December 2022 have been arrived at by way of the directors' valuation by reference to market information for the area in which the properties are located. If the investment properties was stated on a historical cost basis rather than a fair value basis, the net book value would have been £1,081,208 (2021: £1,081,208).

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

7 Fixed asset investments

	Shares in group undertakings £	Share in listed associated undertakings £	Total £
Cost or valuation			
At 1 January 2022	4,763,807	53,561,890	58,325,697
Additions	-	205,001	205,001
Valuation changes	-	833,674	833,674
At 31 December 2022	<u>4,763,807</u>	<u>54,600,565</u>	<u>59,364,372</u>
Carrying amount			
At 31 December 2022	<u>4,763,807</u>	<u>54,600,565</u>	<u>59,364,372</u>
At 31 December 2021	<u>4,763,807</u>	<u>53,561,890</u>	<u>58,325,697</u>

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 £15,435,325 (2021: £15,230,324).

8 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Amounts owed by group undertakings	4,856,712	5,054,421
Other debtors	7,884,999	7,893,690
	<u>12,741,711</u>	<u>12,948,111</u>

The amounts owed by group undertakings are unsecured and have no formal terms. The amounts are interest free and 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 2022

9 Creditors: amounts falling due within one year

	2022 £	2021 £
Other creditors	96,092	86,808

10 Borrowings

	2022 £	2021 £
Bank loans	3,000,000	3,000,000
Payable in two to five years	3,000,000	3,000,000

The bank loan above is secured on the company's investment property and further secured on the investment properties of certain related parties. The loan incurs interest at 3.5% over base rate and is repayable in full in April 2025.

11 Reserves

Revaluation reserve

The directors have elected to retain the unrealised gains and losses on the revaluation of its listed investments in a fair value reserve.

Profit and loss reserves

This reserve represents the cumulative distributable profit and loss net of distributions to owners.

12 Related party transactions

The company has taken advantage of the exemptions provided by paragraph 1AC.35 of FRS 102 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 the group.

Included within administration expenses is £4,500 (2021: £4,500) charged by a director, Sir Henry Angest, for personal guarantees given on bank loans in the company. At the reporting period end date, £4,500 (2021: £4,500) was accrued in respect of these guarantees and is included in other creditors.

Included within other debtors is a loan of £7,775,000 (2021: £7,775,000) owed by a company related via common directors. The loan is charged at a rate of interest of 0.25% per annum. Interest of £18,688 was charged on the loan in the year (2021: £18,688). The loan has no specified repayment date but is terminable at any time by either party on a six months' notice.

Dividends of £20,000 (2021: £2,000) were paid to a director, Sir Henry Angest, in the year. Dividends of £490,000 (2021: £49,000) 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 £490,000 was used by parties related by virtue of common control, at a cost of £Nil (2021: £Nil).

13 Controlling party

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

FLOWIDEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

14 Post balance sheet events

On 8 March 2023, the Company granted fixed and floating charges over all assets to HSBC UK Bank plc, as security for lending facilities including the existing loan facility of £3m and any future borrowings or interest accrued on the borrowings. Further security was also provided by a company related by common directors.

On 5 May 2023, the Company acquired 729,843 new ordinary voting shares in Arbutnot Banking Group plc for a cash consideration of £6,751,048.

15 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.