

# FlowStream Commodities UK Ltd

Report and Unaudited Financial Statements

Year Ended

31 December 2018

Company Number 08723655



# FlowStream Commodities UK Ltd

## Company Information

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<b>Director</b>	B R L Iversen
<b>Company number</b>	08723655
<b>Registered office</b>	BDO LLP Level 12, Thames Tower Station Road Reading RG1 1LX
<b>Accountants</b>	BDO LLP Level 12, Thames Tower Station Road Reading RG1 1LX

# FlowStream Commodities UK Ltd

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# FlowStream Commodities UK Ltd

## Director's Report For the Year Ended 31 December 2018

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The director presents his report and the unaudited financial statements of FlowStream Commodities UK Ltd (the "Company") for the year ended 31 December 2018.

### Principal activity

The Company is a wholly owned subsidiary and part of the FlowStream Commodities group (the "Group"). During the year the Group underwent a restructuring such that the Group previously headed by FlowStream Commodities Ltd is now headed by a newly incorporated company, FlowStream Group Ltd, incorporated in Jersey

The principal activity of the Company is that of providing technical and other services to the Group.

### Director

The director of the Company who was in office during the year and up to the date of signing the financial statements was:

B R L Iversen

### Director's responsibilities statement

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. The director is 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.

# FlowStream Commodities UK Ltd

## Director's Report For the Year Ended 31 December 2018 (continued)

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### Qualifying third party indemnity provisions

The Group has put in place qualifying third party indemnity provisions for the director of FlowStream Commodities UK Ltd.

In preparing this Director's Report, the director has taken advantage of the small companies' exemption

### Approval

This Director's Report was approved on behalf of the Board by:



B R L Iversen  
Director

26/09/2019  
Date

# FlowStream Commodities UK Ltd

## Chartered Accountant's Report for FlowStream Commodities UK Ltd For the Year Ended 31 December 2018

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### Chartered accountants' report to the director on the preparation of the unaudited financial statements of FlowStream Commodities UK Ltd for the year ended 31 December 2018

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of FlowStream Commodities UK Ltd for the year ended 31 December 2018 which comprise of the Statement of Comprehensive Income, the Balance Sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

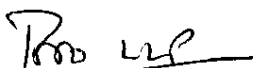
As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

It is your duty to ensure that FlowStream Commodities UK Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of FlowStream Commodities UK Ltd. You consider that FlowStream Commodities UK Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of FlowStream Commodities UK Ltd. 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 statutory accounts.

#### Use of our report

This report is made solely to the director of FlowStream Commodities UK Ltd in accordance with the terms of our engagement letter dated 31 December 2016. Our work has been undertaken solely to prepare for your approval the accounts of FlowStream Commodities UK Ltd and state those matters that we have agreed to state to the director of FlowStream Commodities UK Ltd in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than FlowStream Commodities UK Ltd and its director for our work or for this report.



**BDO LLP**  
Chartered Accountants  
London

Date: 26/09/2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# FlowStream Commodities UK Ltd

## Statement of Comprehensive Income For the Year Ended 31 December 2018

	Note	2018 \$000	2017 \$000
Turnover	4	1,121	2,524
Gross profit		1,121	2,524
Administrative expenses		(1,043)	(2,334)
Profit on ordinary activities before taxation	5	78	190
Taxation on ordinary activities	7	(13)	(38)
Profit on ordinary activities after taxation and total comprehensive income for the year		65	152

All amounts relate to continuing activities.

The notes on pages 6 to 13 form part of these financial statements.

# FlowStream Commodities UK Ltd

## Balance Sheet As at 31 December 2018


<i>Company number: 08723655</i>	Note	2018 \$000	2018 \$000	2017 \$000	2017 \$000
<b>Non-current assets</b>					
Tangible fixed assets	8	2		-	
<b>Current assets</b>					
Debtors: amounts falling within one year	9	1,136		2,532	
Cash at bank and in hand		295		147	
		1,433		2,679	
<b>Creditors: amounts falling due within one year</b>	10	(807)		(2,118)	
<b>Net assets</b>			626		561
<b>Equity</b>					
Called up share capital	11,12		-		-
Retained earnings	12		626		561
<b>Total shareholder's funds</b>			626		561

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved and authorised for issue by the director and were signed on its behalf by:

  
**B R Iversen**  
 Director

Date: 26/09/2019

The notes on pages 6 to 13 form part of these financial statements.



# FlowStream Commodities UK Ltd

## Notes forming part of the financial statements For the year ended 31 December 2018

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### 1 General information

FlowStream Commodities UK Ltd is a private company limited by shares, incorporated and domiciled in England and Wales under the Companies Act 2006. The address of the registered office can be found on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Director's Report on page 1.

### 2 Accounting policies

#### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, Section 1A Small Entities ("FRS 102 Section 1A") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 Section 1A requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

#### Going concern

The director believes that preparing the financial statements of the Company on the going concern basis is appropriate due to the continued financial support provided to the Company by the members of the Group. The director is of the opinion that the Group is expected to have sufficient liquid assets, including cash, to meet its short term obligations. The director has a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The following principal accounting policies have been applied:

#### Turnover

Turnover represents amounts due in respect of services provided to companies within the Group and is recognised on an accruals basis during the year, exclusive of value added tax. Accrued income is unbilled revenue not paid.

#### Foreign currency translation

##### *(a) Functional and presentational currency*

The financial statements are presented in United States dollars. The Company provides services to members of the Group and the primary transactional currency of the Company and the Group is United States dollars and accordingly the Company's director has identified United States dollars as its functional currency.

##### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

# FlowStream Commodities UK Ltd

Notes forming part of the financial statements  
For the year ended 31 December 2018 *(continued)*

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## 2 Accounting policies (continued)

### Foreign currency translation (continued)

#### *(b) Transactions and balances (continued)*

Foreign exchange gains and losses are presented within administrative expenses in profit or loss.

### Current tax

The tax expense for the year comprises current tax only and no deferred tax. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end date. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

### Pension cost

Contributions to third party defined contribution pension schemes are charged to profit or loss in the year in which they become payable.

### Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

#### *Depreciation*

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives using the straight line method. The estimated useful lives range as follows:

Computer equipment - 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in profit or loss.

# FlowStream Commodities UK Ltd

Notes forming part of the financial statements  
For the year ended 31 December 2018 *(continued)*

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## 2 Accounting policies (continued)

### Financial assets

Basic financial assets, including amounts owed by group undertakings, other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

### Financial liabilities and equity

Basic financial liabilities, including trade payables, amounts owed to group undertakings and accruals 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 receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

### Dividends

Dividend distributions to the Company's shareholders are recognised in the Company's financial statements in the period in which the dividends are approved.

# FlowStream Commodities UK Ltd

Notes forming part of the financial statements  
For the year ended 31 December 2018 (continued)

## 3 Judgements in applying accounting policies and key sources of estimation uncertainty

The Group directors make estimates and assumptions concerning the future for both the Group and Company. The resulting accounting estimates will, by definition, seldom equate to actual results.

In preparing these financial statements, the director has made the following judgement:

Management reviews amounts owed by group undertakings to assess for any indicators of impairment. The provision for the impairment of amounts owed by group undertakings requires an estimate for the recoverability of the outstanding balances. Management's estimates include assessment of the fellow group company's standing to ensure that the balance will be collected. Where there are insufficient net assets in group undertakings, management assess the likelihood of future profits, to determine whether an impairment exists.

The Company's director is of the opinion that there are no other judgements or key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying value of assets and liabilities of the Company within the next financial year.

## 4 Turnover

Turnover is wholly attributable to the Company's principal activity of rendering services to the Group and arises entirely outside of the United Kingdom.

## 5 Operating profit

	2018 \$000	2017 \$000
Operating profit is stated after charging/(crediting):		
Foreign exchange (losses)/gains	4	(4)
Defined contribution pension cost (see note 13)	39	36
	<u>          </u>	<u>          </u>

## 6 Employees

	2018 No.	2017 No.
The average monthly number of employees, including the director, during the year was as follows:	2	3
	<u>          </u>	<u>          </u>

# FlowStream Commodities UK Ltd

Notes forming part of the financial statements  
For the year ended 31 December 2018 (continued)

7 Taxation charge on profit	2018 \$000	2017 \$000
<i>UK corporation tax</i>		
Current tax on profits of the year	13	38
	<u>13</u>	<u>38</u>

## Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017 – lower) than the average standard rate of corporation tax in the UK of 19% (2017 – 19.25%). The differences are explained below:

	2018 \$000	2017 \$000
Profit before taxation	78	190
Profit multiplied by the average standard rate of corporation tax in the UK of 19% (2017 – 19.25%)	15	36
<b>Effects of:</b>		
Other	(2)	2
Total tax charge for the year	<u>13</u>	<u>38</u>

The tax rate for the current year is lower than the prior year due to changes in the UK corporation tax rate which decreased from 20% to 19% from 1 April 2017.

The effect of changes to the corporation tax rates substantively enacted as part of the Finance Bill 2016 (on 7 September 2016) includes reduction to the main rate to reduce the rate to 17% from 1 April 2020.

There were no other factors that may affect future tax charges.

# FlowStream Commodities UK Ltd

Notes forming part of the financial statements  
For the year ended 31 December 2018 (continued)

8 Tangible fixed assets	Computer equipment \$000	Total \$000
<b>Cost</b>		
At 1 January 2018	-	-
Additions in the year	3	3
	<hr/>	<hr/>
At 31 December 2018	3	3
	<hr/>	<hr/>
<b>Depreciation</b>		
At 1 January 2018	-	-
Charge for the year	1	1
	<hr/>	<hr/>
At 31 December 2018	1	1
	<hr/>	<hr/>
<b>Net book value</b>		
At 1 January 2018	-	-
	<hr/>	<hr/>
At 31 December 2018	2	2
	<hr/>	<hr/>
<b>9 Debtors: amounts falling due within one year</b>		
	<b>2018</b>	<b>2017</b>
	<b>\$000</b>	<b>\$000</b>
Amounts owed by group undertakings	1,121	2,524
Prepayments	7	6
Other receivables	2	2
Deferred taxes	6	-
	<hr/>	<hr/>
	1,136	2,532
	<hr/>	<hr/>

The amounts owed by group undertakings are from the ultimate parent company, do not attract interest and are payable on demand.

# FlowStream Commodities UK Ltd

Notes forming part of the financial statements  
For the year ended 31 December 2018 (continued)

<b>10 Creditors: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
	<b>\$000</b>	<b>\$000</b>
Trade payables	1	5
Amounts owed to group undertakings	667	1,261
Corporation tax	56	38
Other taxation and social security	37	403
Accruals	46	411
	<hr/>	<hr/>
	<b>807</b>	<b>2,118</b>
	<hr/>	<hr/>

The amounts owed to group undertakings are an advance from the ultimate parent company, do not attract interest and are repayable on demand. There are no amounts included in creditors: amounts falling due within one year in respect of which any security has been given by the Company.

<b>11 Called up share capital</b>	<b>2018</b>	<b>2017</b>
	<b>\$000</b>	<b>\$000</b>
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £0.01	-	-
	<hr/>	<hr/>

Note that the share capital of £0.01 is showing as £nil above due to rounding.

No share capital was issued during the year (2017 - £Nil).

Each ordinary share ranks equally for voting purposes, for any dividend declaration and for any distribution on winding up.

## 12 Reserves

### *Called up share capital*

Called up share capital represents the nominal value of the shares issued.

### *Retained earnings*

Retained earnings represents all net gains and losses made by the Company, including distributions to and contributions from the shareholders.

## 13 Pension scheme

The Company makes contributions into defined contribution pension schemes on behalf of certain employees. The assets of the schemes are held separately from those of the Company. The Company made contributions to personal pension schemes totalling \$38,694 (2017 - \$35,778). No contributions were payable at the balance sheet date in the current or prior year.

# FlowStream Commodities UK Ltd

Notes forming part of the financial statements  
For the year ended 31 December 2018 *(continued)*

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## 14 Ultimate parent company and controlling party

During the year until 11 December 2018 the ultimate parent company was FlowStream Commodities Ltd, a company incorporated in Jersey. Following a group restructuring, effective 11 December 2018, the ultimate parent company is FlowStream Group Ltd, a company incorporated in Jersey, whose registered office is 13-14 Esplanade St Helier Jersey, JE1 1EE, Jersey.

The Company's immediate parent undertaking is FlowStream Commodities (Luxembourg) Sarl, a company incorporated in Luxembourg, whose registered office is 1 Rue Jean Piret Luxembourg.

There are no prepared publicly available consolidated accounts for the FlowStream group.