

FlowStream Commodities UK Ltd

Report and Financial Statements

Year Ended

31 December 2016

Company Number 08723655



FlowStream Commodities UK Ltd

Company Information

Director	B R L Iversen
Company number	08723655
Registered office	55 Baker Street London England W1U 7EU
Independent Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London England WC2N 6RH
Accountants	BDO LLP 55 Baker Street London England W1U 7EU
Legal form	Private company limited by shares
Country of incorporation	United Kingdom
Part of the UK in which the small entity is registered	England & Wales

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Balance sheet as at 31 December 2016

	Note	2016 \$'000	2015 \$'000
Current assets			
Debtors: amounts falling due within one year	2	2,092	5,325
Cash at bank and in hand		166	235
		<u>2,258</u>	<u>5,560</u>
Creditors: amounts falling due within one year	3	(1,849)	(5,291)
		<u>409</u>	<u>269</u>
Net assets		409	269
Equity			
Called up share capital	5	-	-
Retained earnings		409	269
		<u>409</u>	<u>269</u>
Total shareholders' funds		409	269

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The Company has taken advantage of the exemption to not include a profit and loss account in these financial statements and instead file a balance sheet and notes to the balance sheet.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 30 May 2017


B R Iversen
Director

The notes on pages 2 to 7 form part of these financial statements.

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Notes forming part of the financial statements For the year ended 31 December 2016

1. Accounting policies

The individual financial statements of FlowStream Commodities UK Ltd have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") Section 1A Small Entities and the Companies Act 2006.

The full financial statements of the Company were audited by PricewaterhouseCoopers LLP and the audit report was signed on behalf of the firm on 30 May 2017 by Kevin McGhee (Senior Statutory Auditor). The audit report on these financial statements was unqualified.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

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.

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.

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Notes forming part of the financial statements
For the year ended 31 December 2016

4. Accounting policies (continued)

Foreign currency translation (continued)

(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.

Foreign exchange gains and losses are presented separately in the profit & loss.

Financial assets

Basic financial assets, including trade and 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 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 and other payables, and loans from fellow group companies, 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.

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Notes forming part of the financial statements For the year ended 31 December 2016

4. Accounting policies (continued)

Financial liabilities and equity (continued)

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable 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 or options 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.

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.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

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Notes forming part of the financial statements
For the year ended 31 December 2016

2. Debtors

	2016 \$000	2015 \$000
Amounts falling due within one year		
Amounts owed by group undertakings	2,083	5,316
Prepayments and accrued income	8	8
Other receivables	1	1
	<u>2,092</u>	<u>5,325</u>

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

3. Creditors: Amounts falling due within one year

	2016 \$000	2015 \$000
Trade payables	10	18
Amounts owed to group undertakings	1,022	4,045
Corporation tax	17	27
Other taxation and social security	38	112
Accruals and deferred income	762	1,089
	<u>1,849</u>	<u>5,291</u>

The amounts owed to group undertakings are an advance from the ultimate parent company, do not attract interest and are repayable on demand. All other amounts fall due for payment within one year.

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Notes forming part of the financial statements
For the year ended 31 December 2016 (continued)

4. Financial instruments

The Company's financial instruments may be analysed as follows:

	Note	2016 \$000	2015 \$000
Financial assets measured at amortised cost			
Cash and cash equivalents		166	235
Amounts owed by group undertakings	2	2,083	5,316
		<u>2,249</u>	<u>5,551</u>

Financial liabilities measured at amortised cost

Trade payables	3	(10)	(18)
Accruals	3	(762)	(1,089)
Amounts owed to group undertakings	3	(1,022)	(4,045)
		<u>(1,794)</u>	<u>(5,152)</u>

5. Called up share capital

	2016 \$000	2015 \$000
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £0.01	<u>-</u>	<u>-</u>

No share capital was issued during the year (2015 - £nil).

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

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Notes forming part of the financial statements
For the year ended 31 December 2016 *(continued)*

6. Ultimate parent company and controlling party

The Company's immediate parent undertaking is FlowStream Commodities (Luxembourg) Sarl, a company incorporated in Luxembourg. The Company's ultimate parent undertaking is FlowStream Commodities Ltd, a company incorporated in Jersey.

FlowStream Commodities Ltd is both the smallest and largest group of undertakings for which consolidated financial statements including FlowStream Commodities UK Ltd are prepared.

The ultimate controlling party is Kohlberg Kravis Roberts & Co. L.P. ("KKR").