

Company Registration No. 06127869

STOW SECURITIES PLC

Annual Report and Financial Statements

31 December 2014

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STOW SECURITIES PLC

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STOW SECURITIES PLC

Annual Report and Financial Statements Officers and professional advisers

Directors

J R Milne
S T Mainee

Company Secretary

S T Mainee

Registered Office

86 Brook Street
London W1K 5AY
England

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

STOW SECURITIES PLC

Directors' report

The directors present the annual report and the audited financial statements for the year ended 31 December 2014. The directors have taken advantage of the special provisions available to small companies provided by s.415a of the Companies Act 2006 and the exemption from preparing a Strategic Report.

Principal activities and business review

The principal activity of the Company during the year was that of a management and administration company and expects to continue this activity for the foreseeable future. See note 1 for further details and other considerations of the company's ability to continue as a going concern.

Results and dividends

The profit after taxation for the year amounted to £ 369,453 (2013 – £ 113,936). The company paid a dividend of £ 200,000 during the year (2013 - £ 80,000).

Financial risk management objectives and policies

The Company makes no use of financial instruments and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the Company.

Directors and their interests

The directors who served the Company during the year were as follows:

J R Milne

S T Mainee

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Auditor

Each of the persons who are a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006.

Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



.....
S T Mainee
Company Secretary

Date 19th June 2015

STOW SECURITIES PLC

Directors' responsibilities statement

The directors are responsible for preparing the annual 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; and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Stow Securities plc

We have audited the financial statements of Stow Securities plc for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.



Helen George (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

23 June 2015

STOW SECURITIES PLC

Profit and loss account Year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	3,274,250	1,731,203
Administrative expenses		(2,976,591)	(1,573,820)
Operating profit	3	<u>297,659</u>	<u>157,383</u>
Profit on ordinary activities before taxation		297,659	157,383
Tax (credit)/charge on profit on ordinary activities	5	(71,794)	43,447
Profit on ordinary activities after taxation		<u><u>369,453</u></u>	<u><u>113,936</u></u>

All of the activities of the Company in both years are classed as continuing.

The Company has no recognised gains or losses other than the results for each year as set out above.

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Balance sheet

As at 31 December 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	7		405,336		20,521
Current assets					
Debtors	8	3,377,119		758,471	
Cash at bank		47,223		12,915	
			<u>3,424,342</u>	<u>771,386</u>	
Creditors: amounts falling due within one year					
	9	(3,561,721)		(693,403)	
Net current (liabilities)/assets			<u>(137,379)</u>		<u>77,983</u>
NET ASSETS			<u>267,957</u>		<u>98,504</u>
Capital and reserves					
Called up share capital	13		50,000		50,000
Profit and loss account	14		217,957		48,504
Shareholders' funds	15		<u>267,957</u>		<u>98,504</u>

These financial statements were approved by the Board of Directors on 19th June 2015

Signed on behalf of the Board of Directors

Company registration number: 06127869



J R Milne
Director



S T Mainee
Director

STOW SECURITIES PLC

Notes to the financial statements Year ended 31 December 2014

1. Accounting policies

The principal accounting policies are summarised below:

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report. The financial position of the Company is set out in the Balance Sheet and the accompanying notes to the financial statements.

The company has net current liabilities as at 31 December 2014 and is reliant on the support of its parent company, Stow Capital Partners Limited, to be able to meet its current liabilities as they fall due. However the company has a strong net asset position as at the balance sheet date. In their assessment, the directors of the Company made inquiries of the directors of Stow Capital Partners Limited and considered the ability of Stow Capital Partners Limited to provide the necessary financial support.

As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain outlook with respect to interest rates in the UK and their impact on the UK economic environment. After making enquiries, 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.

Accounting convention

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles and applicable United Kingdom standards.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No. 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the Company is wholly owned and its parent, Stow Capital Partners Limited, publishes a consolidated cash flow statement which is publicly available.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost amount of the assets over their expected useful lives on the straight line basis at the following rates per annum:

Leasehold improvements	- over the life of the lease
Office equipment, fixtures and fittings	- 20%

Taxation

Current tax, including UK corporation 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 balance sheet 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 or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions

Pension costs relate to contributions to defined contribution pension schemes on behalf of employees. The company has no obligation for employee pensions beyond the costs charged in the profit and loss account.

Turnover

The turnover shown in the profit and loss account represents management and administration fees invoiced during the year, exclusive of Value Added Tax.

STOW SECURITIES PLC

Notes to the financial statements Year ended 31 December 2014

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the Company. All turnover is generated from the parent company and in the United Kingdom.

3. Operating profit

	2014 £	2013 £
Operating profit is after charging		
Depreciation of tangible assets	36,938	7,678
Fees payable for the audit of the Company's annual accounts	3,000	3,000
Staff costs (note 4)	2,604,011	1,220,091

4. Director and employee remuneration

	2014 £	2013 £
Wages and salaries	2,253,624	1,036,252
Social security costs	292,991	124,629
Other pension costs	57,396	59,210
	<u>2,604,011</u>	<u>1,220,091</u>

The average number of persons employed by the group (including directors) during the year was 10 (2013 – 11).

Directors' emoluments:

Employment costs include the following remuneration in respect of directors:

	2014 £	2013 £
Emoluments (including employer's NI)	1,959,094	621,896
Pension contributions	37,487	42,212
	<u>1,996,581</u>	<u>664,108</u>
	2014 £	2013 £
Emoluments of the highest paid director	<u>1,494,105</u>	<u>426,046</u>

5. Tax (credit)/charge on profit on ordinary activities

(a) Analysis of tax (credit)/charge in the year

	2014 £	2013 £
Current tax charge – current year	166,918	43,429
Adjustment in respect of prior year	(43,429)	0
	<u>123,489</u>	<u>43,429</u>
Deferred tax:		
Origination and reversal of timing differences	(195,283)	(181)
Effect of decreased tax rate	0	199
	<u>(71,794)</u>	<u>43,447</u>
Tax (credit)/charge on profit on ordinary activities	<u>(71,794)</u>	<u>43,447</u>

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Notes to the financial statements

Year ended 31 December 2014

5. Tax on profit on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21.50% (2013 – 23.25%).

	2014 £	2013 £
Profit on ordinary activities before taxation	297,659	157,383
Profit on ordinary activities by rate of tax	63,997	36,592
Effects of:		
Income not taxable	(55,255)	0
Expenses not deductible for tax purposes	5,959	6,637
Capital allowances for period in excess of depreciation	5,460	200
Group relief not paid for	(47,715)	0
Utilisation of tax losses and other timing differences	194,472	0
Adjustment to tax charge in respect of previous periods	(43,429)	0
Total current tax	123,489	43,429

6. Dividends

A dividend was paid on the ordinary shares during the year amounting to £ 200,000 (2013 - £ 80,000) being at the rate of £ 4.00 per share (2013 - £ 1.60 per share).

7. Tangible fixed assets

	Leasehold improve- ments £	Office equipment, fixtures and fittings £	Total £
Cost			
At 1 January 2014	0	76,811	76,811
Additions in the year	388,670	33,083	421,753
Disposal in the year	0	(38,397)	(38,397)
At 31 December 2014	388,670	71,497	460,167
Depreciation			
At 1 January 2014	0	56,290	56,290
Charge for the year	25,910	11,028	36,938
Disposal for the year	0	(38,397)	(38,397)
At 31 December 2014	25,910	28,921	54,831
Net book value			
At 31 December 2014	362,760	42,576	405,336
At 31 December 2013	0	20,521	20,521

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Notes to the financial statements Year ended 31 December 2014

8. Debtors

	2014	2013
	£	£
Trade debtors	15,000	26,579
Deferred tax (see note 10)	197,551	2,268
Corporation tax	0	0
Other debtors	5,014	2,652
Amounts owed by group undertakings	3,074,250	661,250
Prepayments and accrued income	85,304	65,722
	<u>3,377,119</u>	<u>758,471</u>

The intercompany balances included within “Amounts owed by group undertakings” above do not attract any interest on the balances outstanding at the year end and are repayable on demand.

9. Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	55,908	88,161
Amounts due to group companies	1,604,297	0
Corporation tax payable	157,496	33,374
VAT	51,537	180,191
Other tax and social security	24,984	27,065
Accruals and deferred income	1,667,499	364,612
	<u>3,561,721</u>	<u>693,403</u>

The intercompany balances included within “Amounts due to group companies” above do not attract any interest on the balances outstanding at the year end and are repayable on demand.

10. Deferred taxation

The movement in the deferred taxation during the year was:

	2014	2013
	£	£
Balance brought forward	2,268	2,286
Profit and loss account movement arising during the year	195,283	181
Effect of decreased tax rate	0	(199)
	<u>197,551</u>	<u>2,268</u>

The deferred tax asset consists of the tax effect of timing differences in respect of:

	2014 recognised	2013 recognised
	£	£
Excess of capital allowances over depreciation on fixed assets	7,543	2,210
Other short term timing differences	190,008	58
	<u>197,551</u>	<u>2,268</u>

There are no unprovided deferred tax balances available to the Company.

11. Derivatives

The Company has no financial instruments that are required to be disclosed as derivatives (2013 - £ nil).

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Notes to the financial statements Year ended 31 December 2014

12. Related Party Transactions

The Company has taken advantage of the exemption in Financial Reporting Standard 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the parent company.

13. Called up share capital

	2014	2013
	£	£
Called up, allotted and fully paid		
50,000 ordinary shares of £1 each	50,000	50,000

14. Profit and loss account

	2014	2013
	£	£
Balance brought forward	48,504	14,568
Profit for the financial year	369,453	113,936
Dividend paid	(200,000)	(80,000)
Balance carried forward	217,957	48,504

15. Reconciliation of Movements in Shareholders' Funds

	2014	2013
	£	£
Profit for the financial year	369,453	113,936
Dividend paid	(200,000)	(80,000)
Net addition to shareholder funds	169,453	33,936
Opening shareholders' funds	98,504	64,568
Closing shareholders' funds	267,957	98,504

16. Ultimate parent company

The Company is a wholly owned subsidiary of Stow Capital Partners Limited. The directors regard Stow Capital Partners Limited, a company registered in Bermuda, as the immediate and the ultimate parent company.

Stow Capital Partners Limited is the smallest and largest group Company's accounts are consolidated into.