

Company Registration No. 6127869

STOW SECURITIES PLC

Report and Financial Statements

31 December 2013

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STOW SECURITIES PLC

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STOW SECURITIES PLC

Officers and professional advisers

Directors

J R Milne
S T Mainee

Secretary

S T Mainee

Registered Office

86 Brook Street
London W1K 5AY

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

STOW SECURITIES PLC

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2013. The directors have taken advantage of the special provisions available to small companies provided by s.415a of the Companies Act 2006.

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 £ 113,936 (2012 – £ 125,378). The company paid a dividend of £ 80,000 during the year (2012 - £ 125,000).

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

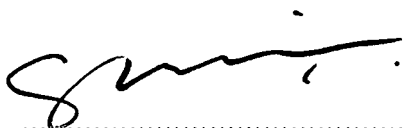
Each of the persons who are a director at the date of approval of this report confirms that:

- 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 **26** June 2014

STOW SECURITIES PLC

Statement of directors' responsibilities

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.

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 2013 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 2013 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 in preparing the directors' report.

Helen George

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

27 June 2014

STOW SECURITIES PLC

Profit and loss account Year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	2	1,731,203	1,995,050
Administrative expenses		(1,573,820)	(1,813,682)
Operating profit	3	<u>157,383</u>	<u>181,368</u>
Profit on ordinary activities before taxation		<u>157,383</u>	<u>181,368</u>
Tax on profit on ordinary activities	5	(43,447)	(55,990)
Profit on ordinary activities after taxation		<u><u>113,936</u></u>	<u><u>125,378</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.

STOW SECURITIES PLC

Balance sheet As at 31 December 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	7		20,521		24,372
Current assets					
Debtors	8	758,471		1,384,895	
Cash at bank		12,915		8,162	
		<u>771,386</u>		<u>1,393,057</u>	
Creditors: amounts falling due within one year	9	<u>(693,403)</u>		<u>(1,352,861)</u>	
Net current assets			<u>77,983</u>		<u>40,196</u>
NET ASSETS			<u>98,504</u>		<u>64,568</u>
Capital and reserves					
Called up share capital	13		50,000		50,000
Profit and loss account	14		48,504		14,568
Shareholders' funds	15		<u>98,504</u>		<u>64,568</u>

These financial statements were approved by the Board of Directors on 26 June 2014

Signed on behalf of the Board of Directors

Company registration number: 6127869



.....
J R Milne
Director



.....
S T Mainee
Director

STOW SECURITIES PLC

Notes to the financial statements Year ended 31 December 2013

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 satisfactory financial resources. 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:

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.

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.

STOW SECURITIES PLC

Notes to the financial statements Year ended 31 December 2013

3. Operating profit

	2013 £	2012 £
Operating profit is after charging		
Depreciation of tangible assets	7,678	6,693
Fees payable for the audit of the Company's annual accounts	3,000	3,000
Staff costs (note 4)	1,220,091	1,481,301
	<u>1,220,091</u>	<u>1,481,301</u>

4. Director and employee remuneration

	2013 £	2012 £
Wages and salaries	1,036,252	1,263,276
Social security costs	124,629	155,148
Other pension costs	59,210	62,877
	<u>1,220,091</u>	<u>1,481,301</u>

The average number of persons employed by the group (including directors) during the year was 11 (2012 – 11).

Directors' emoluments:

Employment costs include the following remuneration in respect of directors:

	2013 £	2012 £
Emoluments (including employer's NI)	621,896	885,373
Pension contributions	42,212	41,658
	<u>664,108</u>	<u>927,030</u>
	2013 £	2012 £
Emoluments of the highest paid director	<u>426,046</u>	<u>691,515</u>

5. Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2013 £	2012 £
Current tax charge – current year	43,429	50,998
Adjustment in respect of prior year	0	4,533
	<u>43,429</u>	<u>55,531</u>
Deferred tax:		
Origination and reversal of timing differences	(181)	239
Effect of decreased tax rate	199	220
	<u>43,447</u>	<u>55,990</u>
Tax on profit on ordinary activities	<u>43,447</u>	<u>55,990</u>

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Notes to the financial statements

Year ended 31 December 2013

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 23.25% (2012 – 24.5%).

	2013 £	2012 £
Profit on ordinary activities before taxation	157,383	181,368
Profit on ordinary activities by rate of tax	36,592	44,435
Effects of:		
Expenses not deductible for tax purposes	6,637	6,817
Capital allowances for period in excess of depreciation	200	(254)
Adjustments to tax charge in respect of previous periods	0	4,533
Total current tax	43,429	55,531

6. Dividends

A dividend was paid on the ordinary shares during the year amounting to £ 80,000 (2012 - £ 125,000) being at the rate of £ 1.60 per share (2012 - £ 2.50 per share).

7. Tangible fixed assets

	Office equipment, fixtures and fittings £
Cost	
At 1 January 2013	72,984
Additions in the year	3,827
At 31 December 2013	76,811
Depreciation	
At 1 January 2013	48,612
Charge for the year	7,678
At 31 December 2013	56,290
Net book value	
At 31 December 2013	20,521
At 31 December 2012	24,372

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Notes to the financial statements

Year ended 31 December 2013

8. Debtors

	2013	2012
	£	£
Trade debtors	26,579	1,425
Deferred tax (see note 10)	2,268	2,286
Other debtors	2,652	8,253
Amounts owed by group undertakings	661,250	1,293,527
Prepayments and accrued income	65,722	79,403
	<u>758,471</u>	<u>1,384,895</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

	2013	2012
	£	£
Trade creditors	88,161	85,234
Amounts due to group companies	0	160,282
Corporation tax payable	33,374	50,998
VAT	180,191	122,205
Other tax and social security	27,065	74,520
Accruals and deferred income	364,612	859,622
	<u>693,403</u>	<u>1,352,861</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:

	2013	2012
	£	£
Balance brought forward	2,286	2,745
Profit and loss account movement arising during the year	181	(239)
Effect of decreased tax rate	(199)	(220)
	<u>2,268</u>	<u>2,286</u>

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

	2013	2012
	recognised	recognised
	£	£
Excess of capital allowances over depreciation on fixed assets	2,210	2,223
Other short term timing differences	58	63
	<u>2,268</u>	<u>2,286</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 (2012 - £ nil).

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Notes to the financial statements

Year ended 31 December 2013

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

	2013	2012
	£	£
Called up, allotted and fully paid		
50,000 ordinary shares of £1 each	50,000	50,000

14. Profit and loss account

	2013	2012
	£	£
Balance brought forward	14,568	14,190
Profit for the financial year	113,936	125,378
Dividend paid	(80,000)	(125,000)
Balance carried forward	48,504	14,568

15. Reconciliation of Movements in Shareholders' Funds

	2013	2012
	£	£
Profit for the financial year	113,936	125,378
Dividend paid	(80,000)	(125,000)
Net addition to shareholder funds	33,936	378
Opening shareholders' funds	64,568	64,190
Closing shareholders' funds	98,504	64,568

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.