

Company Registration No. 02342904

STOW HEATHROW LIMITED

Report and Unaudited Financial Statements

31 December 2019



STOW HEATHROW LIMITED

Report and Unaudited Financial Statements Contents

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STOW HEATHROW LIMITED

Report and Unaudited 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

STOW HEATHROW LIMITED

Strategic report

The directors' present the Strategic Report on the company for the year ended 31 December 2019.

Our strategic priorities

The group has one objective to deliver long-term capital appreciation while maintaining annual surplus income generation;

Review of the business

The results for the year are set out in the profit and loss account on page 4.

Key performance indicators

The company's main objective is to achieve capital appreciation for its ultimate shareholders over the medium to long term time horizons with particular importance given to maximising revenue generation with a proportional exposure to financing costs and overheads, where appropriate. As such the company does not attach significant importance to other "key performance indicators" having regard to its objectives, size and sector focus.

Principal risks and uncertainties

Financial risk

The company's exposure to price risks, credit risks, liquidity risks and cash flow risks is not considered to be material for the assessment of the assets, liabilities, financial position and profit or loss.

Market risk

The company has exposure to variations in the value of its investment however the company tries to mitigate this by keeping aware of market trends for both rental and capital values in the locality of its investment.

Property risk

The company is exposed to the potential loss of income arising from tenancy leases. It seeks to minimise this exposure by actively liaising with its tenants on a regular basis, performing detailed covenant checks on prospective tenants and the use of tenant rent deposits/parent company guarantees where appropriate. The company also seeks to achieve a continuous revenue stream from potential tenant lease expiries and/or vacancies by maintaining, repairing and renovating its properties from time to time.

By order of the board



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S T Mainee

Director

Dated 26th November 2020

Registered office

86 Brook Street
London W1K 5AY
England

STOW HEATHROW LIMITED

Directors' report

The directors present the annual report and the unaudited financial statements for the year ended 31 December 2019.

In line with the requirements of the Companies Act 2006, the directors have prepared a separate Strategic Report to be read in conjunction with the Directors' Report.

Financial risk management policies and objectives

The financial risks facing the company have been discussed in further detail in the Strategic Report.

Future developments

The principal activity of the Company during the year was that of property investment and the directors believe that it will continue to be so.

Dividends

No dividend was paid during the year to the company's shareholders (2018 - £ 1,670,000).

Directors and their interests

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

J R Milne
S T Mainee

The Company is a wholly owned subsidiary and interests of the group directors are disclosed in the financial statements of the parent company.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report and the directors' 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) including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" and applicable law.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit and 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;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business.

The directors are responsible for keeping proper accounting records that 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.

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



S T Mainee
Director

Dated 26th November 2020

STOW HEATHROW LIMITED

Profit and loss account

Year ended 31 December 2019

	Note	Year to 31 December 2019 £	Year to 31 December 2018 £
Fair value movement on investment in Limited Partnership	10	0	0
Administration expenses		(0)	(0)
Interest payable	7	(0)	(0)
Profit on ordinary activities before taxation		<u>0</u>	<u>0</u>
Tax credit on profit on ordinary activities	8	0	0
Profit for the financial year		<u><u>0</u></u>	<u><u>0</u></u>

STOW HEATHROW LIMITED

Statement of comprehensive income Year ended 31 December 2019

	Year to 31 December 2019 £	Year to 31 December 2018 £
Profit for the financial year	0	0
Share of other comprehensive income of associates	<u>0</u>	<u>0</u>
Total comprehensive income for the financial year	<u><u>0</u></u>	<u><u>0</u></u>
 Total comprehensive income for the financial year attributable to:		
Owners of the parent	<u><u>0</u></u>	<u><u>0</u></u>
Non-controlling interests	<u><u>0</u></u>	<u><u>0</u></u>

STOW HEATHROW LIMITED

Balance sheet

As at 31 December 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Investments	10		0		0
Current assets					
Debtors	11	1,004,775		1,004,775	
		<u>1,004,775</u>		<u>1,004,775</u>	
Creditors: amounts falling due within one year	12	<u>0</u>		<u>0</u>	
Net current assets			<u>1,004,775</u>		<u>1,004,775</u>
Total assets less current liabilities			<u>1,004,775</u>		<u>1,004,775</u>
Creditors: amounts falling due after more than one year	13		0		0
Provision for liabilities	14		<u>0</u>		<u>0</u>
NET ASSETS			<u><u>1,004,775</u></u>		<u><u>1,004,775</u></u>
Capital and reserves					
Called up share capital	15		1,000,000		1,000,000
Profit and loss account			<u>4,775</u>		<u>4,775</u>
Shareholders' funds			<u><u>1,004,775</u></u>		<u><u>1,004,775</u></u>

For the year ending 31 December 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Director responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect of accounting records and the preparation of accounts.

These financial statements were approved by the Board of Directors on 26th November 2020

Signed on behalf of the Board of Directors, registered number 02342904



J R Milne
Director



S T Mainee
Director

STOW HEATHROW LIMITED

Statement of changes in equity As at 31 December 2019

	Called-up Share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2018	1,000,000	0	1,674,775	2,674,775
Profit for the financial year	0	0	0	0
Dividend for the financial year	0	0	(1,670,000)	(1,670,000)
At 31 December 2018	1,000,000	0	4,775	1,004,775
Profit for the financial year	0	0	0	0
Dividend for the financial year	0	0	(0)	(0)
At 31 December 2019	1,000,000	0	4,775	1,004,775

STOW HEATHROW LIMITED

Notes to the financial statements Year ended 31 December 2019

1. Company information

The company is a private company limited by shares and is incorporated and domiciled in England and Wales under the Companies Act 2006. The address of the registered office is 86 Brook Street, London W1K 5AY.

2. Basis of preparation

These financial statements are prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland’ (‘FRS 102’) and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for its investment property as specified in the accounting policies below.

The financial statements are presented in Sterling (£), being the functional currency of the Company being the currency of the primary economic environment in which the Company operates.

Stow Heathrow Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Stow Heathrow Limited is consolidated in the financial statements of its parent Stow Real Estate plc. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going concern

The company has net assets as at 31 December 2019.

After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

3. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Tangible assets – the reported carrying value of the investment as at the balance sheet date.

4. Principal accounting policies

Investments

Investments for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

Borrowing costs

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. Capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

All other borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

Taxation

Current tax, including UK income 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 provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

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Notes to the financial statements Year ended 31 December 2019

5. Operating profit

	2019 £	2018 £
Operating profit is stated after charging		
Auditor's remuneration	0	0

6. Particulars of Employees

No salaries or wages have been paid to employees, including the directors, during the year. The average number of persons employed by the group (including directors) during the year was 2 (2018 – 2).

7. Interest payable and similar charges

	2019 £	2018 £
Interest payable	0	0

8. Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2019 £	2018 £
Current Tax charge – current year	0	0
	0	0
Origination and reversal of timing differences (see note 14)	(0)	(0)
Effect of decreased tax rate	(0)	0
Tax credit on profit on ordinary activities	(0)	(0)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19.00% (2018 – 19.25%)

	2019 £	2018 £
Profit on ordinary activities before taxation	0	0
Profit on ordinary activities by rate of tax	0	0
Effects of:		
Expenses not deductible for tax purposes	0	0
Fair value movement not taxable	(0)	(0)
Other permanent differences	(0)	(0)
Effect of change in tax rate	0	0
Group relief not paid for	(0)	(0)
Tax credit for the year	(0)	(0)

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Notes to the financial statements Year ended 31 December 2019

8. Tax on profit on ordinary activities (continued)

Under UK GAAP, deferred tax, where applicable, is calculated at the tax rate that has been enacted or substantively enacted at the balance sheet date.

9. Dividends

	2019 £	2018 £
Paid during the year:		
Equity dividends on ordinary shares at £ 0.00 per share (2018 - £ 1.67 per share)	0	1,670,000

10. Investments

Investment in Limited Partnership

	2019 £	2018 £
At 1 January	0	0
Gain on fair value adjustment	0	0
Disposal	(0)	(0)
At 31 December	0	0

The investment property contributed to Stow Heathrow Limited Partnership by the company in 2008 was sold during the previous year. The Limited Partnership was dissolved following the sale of the property.

11. Debtors

	2019 £	2018 £
Amounts due from group companies	1,004,775	1,004,775
Corporation tax	0	0
	<u>1,004,775</u>	<u>1,004,775</u>

12. Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts due to group companies	0	0
Accruals and deferred income	0	0
	<u>0</u>	<u>0</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.

STOW HEATHROW LIMITED

Notes to the financial statements Year ended 31 December 2019

13. Creditors: amounts falling after more than one year

	2019	2018
	£	£
Amounts due to group companies	0	0
	<u>0</u>	<u>0</u>

Included in the amounts due to group companies above is a loan of £ 0 (2018 - £ 0). Interest is charged at six month LIBOR plus an agreed margin.

14. Provision for liabilities

	Deferred Tax £
At 1 January 2019	0
Profit and loss account movement arising during the year	0
At 31 December 2019	<u>0</u>

The provision for deferred tax consist of the following deferred tax liabilities:

	2019	2018
	£	£
Accelerated capital allowances	0	0
At 31 December	<u>0</u>	<u>0</u>

15. Called up share capital

	2019	2018
	£	£
Authorised:		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Called up, allotted and fully paid		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

16. Immediate and ultimate parent company

The Company is a wholly owned subsidiary of Stow Real Estate plc, a company registered in England and Wales. The group, of which Stow Real Estate plc is the parent organisation, forms the smallest group preparing consolidated accounts which include Stow Heathrow Limited. Copies of the consolidated financial statements of Stow Real Estate plc can be obtained from the Company Secretary, 86 Brook Street, London, W1K 5AY.

The company's ultimate parent company and the largest group to consolidate these financial statements is Stow Capital Partners Limited, a company incorporated in Bermuda (registered office: Victoria Place, 5th Floor, 31 Victoria Street, P O Box HM 1624, City of Hamilton, HM 10, Bermuda.)