

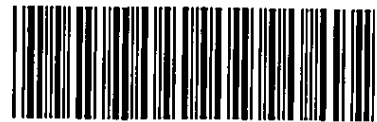
**Company Registration No. 6127869**

**STOW SECURITIES PLC**

**Report and Financial Statements**

**31 December 2008**

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COMPANIES HOUSE

# **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** 53 Mount Street  
London W1K 2SG

**Auditors** Deloitte LLP  
Chartered Accountants  
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 2008. This report had been prepared in accordance with the special provisions relating to small companies under S246 (4) Companies Act 1985.

### Principal activities and business review

The principal activity of the Company during the period 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 for the year amounted to £ 104,262 (period to 31 December 2007 – £ 72,717). The directors do not recommended a dividend.

### Financial risk management objectives and policies

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

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.

### Auditors

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 auditors are unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make him/her aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

During the year Deloitte & Touche LLP changed their legal name to Deloitte LLP and have expressed their willingness to continue in office as auditors 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



Company Secretary

Dated 26th August 2009

# **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). 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 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 auditors' report to the members of Stow Securities plc**

We have audited the financial statements of Stow Securities plc for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Independent auditors' report to the members of Stow Securities plc (continued)**

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- The information given in the Directors' Report is consistent with the financial statements.

*Deloitte LLP*

**Deloitte LLP**  
Chartered Accountants and Registered Auditors  
London  
United Kingdom

*26/8/9*

# STOW SECURITIES PLC

## Profit and loss account Year ended 31 December 2008

		Year to 31 December 2008 £	Period to 31 December 2007 £
	Note		
Turnover	2	1,179,062	1,212,093
Administrative expenses		(1,076,469)	(1,102,946)
<b>Operating profit</b>	<b>3</b>	<u>102,593</u>	<u>109,147</u>
Interest receivable		<u>4,594</u>	<u>1,043</u>
<b>Profit on ordinary activities before taxation</b>		<u>107,187</u>	<u>110,190</u>
Tax on profit on ordinary activities	5	<u>(2,925)</u>	<u>(37,473)</u>
<b>Profit for the financial year/period</b>		<u><u>104,262</u></u>	<u><u>72,717</u></u>

All of the activities of the Company are classed as continuing.

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



# STOW SECURITIES PLC

## Balance sheet As at 31 December 2008

	Note	2008 £ £	2007 £ £
<b>Fixed assets</b>			
Tangible assets	6	19,671	26,526
<b>Current assets</b>			
Debtors	7	2,980,654	1,456,586
Cash at bank		69,774	13,775
		<u>3,050,428</u>	<u>1,470,361</u>
<b>Creditors: amounts falling within one year</b>	8	<u>(2,843,120)</u>	<u>(1,374,170)</u>
<b>Net current assets</b>		<u>207,308</u>	<u>96,191</u>
<b>NET ASSETS</b>		<u>226,979</u>	<u>122,717</u>
<b>Capital and reserves</b>			
Called up share capital	12	50,000	50,000
Profit and loss account	13	176,979	72,717
<b>Shareholders' funds</b>	14	<u>226,979</u>	<u>122,717</u>

These financial statements were approved by the Board of Directors on

26<sup>th</sup> August 2009

Signed on behalf of the Board of Directors



Director



Director

# STOW SECURITIES PLC

## Notes to the financial statements Year ended 31 December 2008

### 1. Accounting policies

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 economic outlook. 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.

#### 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%
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#### 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 in the United Kingdom.

### 3. Operating profit

	Year to 31 December 2008 £	Period to 31 December 2007 £
<b>Operating profit is after charging</b>		
Depreciation of tangible assets	10,471	8,186
Fees payable for the audit of the Company's annual accounts	3,000	3,000
Staff costs (note 4)	696,463	951,431

# STOW SECURITIES PLC

## Notes to the financial statements Year ended 31 December 2008

### 4. Director and employee remuneration

	Year to 31 December 2008 £	Period to 31 December 2007 £
Wages and salaries	594,805	839,078
Social security costs	80,849	101,092
Other pension costs	20,809	11,261
	<u>696,463</u>	<u>951,431</u>

The average number of persons employed by the group (including directors) during the period was 6.

#### Directors' emoluments:

Employment costs include the following remuneration in respect of directors:-

	2008 £	2007 £
Emoluments (including employer's NI)	255,604	543,162
Pension contributions	15,500	7,313
	<u>271,104</u>	<u>550,475</u>
	2008 £	2007 £
Emoluments of the highest paid director	125,000	367,362

### 5. Tax on profit on ordinary activities

#### (a) Analysis of charge in the period

	2008 £	2007 £
Current tax charge – current year	40,825	38,567
Adjustment in respect of prior periods	(36,404)	0
	<u>3,831</u>	<u>38,567</u>

#### Deferred tax:

- Origination and reversal of timing differences

	(906)	(1,094)
Tax on profit on ordinary activities	<u>2,925</u>	<u>37,473</u>

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 28% (2007 - 30%).

# STOW SECURITIES PLC

## Notes to the financial statements Year ended 31 December 2008

	Year to 31 December 2008 £	Period to 31 December 2007 £
Profit on ordinary activities before taxation	107,187	110,190
Profit on ordinary activities by rate of tax	30,012	33,057
Effects of:		
Expenses not deductible for tax purposes	8,664	4,338
Capital allowances for period in excess of depreciation	906	1,172
Change in tax rate 30% to 28%	703	-
Adjustments to tax charge in respect of previous periods	(36,454)	
Total current tax	3,831	38,567

### 6. Tangible fixed assets

	Office equipment, fixtures and fittings £
<b>Cost</b>	
At 1 January 2008	34,712
Additions in the period	3,616
At 31 December 2008	38,328
<b>Depreciation</b>	
At 1 January 2008	8,186
Charge for the year	10,471
At 31 December 2008	18,657
<b>Net book value</b>	
At 31 December 2008	19,671
At 31 December 2007	26,526

# STOW SECURITIES PLC

## Notes to the financial statements Year ended 31 December 2008

### 7. Debtors

	2008	2007
	£	£
Trade debtors	11,052	9,371
Deferred Tax (see note 9)	2,000	1,094
Other debtors	1,225	0
Amounts owed by group undertakings	2,938,076	1,416,225
Prepayments and accrued income	28,301	29,896
	<u>2,980,654</u>	<u>1,456,586</u>

### 8. Creditors: amounts falling due within one year

	2008	2007
	£	£
Trade creditors	74,640	72,500
Amounts due to group companies	2,457,876	652,691
Corporation tax payable	40,285	38,567
VAT	42,845	123,061
PAYE and National Insurance	166,844	0
Accruals and deferred income	60,630	487,351
	<u>2,843,120</u>	<u>1,374,170</u>

### 9. Deferred taxation

The movement in the deferred taxation during the year/period was:

	2008	2007
	£	£
Balance brought forward	1,094	0
Profit and loss account movement arising during the period		
-deferred tax asset recognised	906	1,094
	<u>2,000</u>	<u>1,094</u>
Balance carried forward		

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

	2008 recognised	2007 recognised
	£	£
Excess of depreciation on fixed assets over tax allowances	<u>906</u>	<u>1,094</u>

### 10. Derivatives

The Company has no financial instruments that fall to be disclosed as derivatives.

### 11. 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.

# STOW SECURITIES PLC

## Notes to the financial statements

### Year ended 31 December 2008

#### 12. Called up share capital

	2008 £	2007 £
<b>Authorised:</b>		
50,000 ordinary shares of £1 each	50,000	50,000
<b>Called up, allotted and fully paid</b>		
50,000 ordinary shares of £1 each	50,000	50,000

#### 13. Profit and loss account

	Year to 31 December 2008 £	Period to 31 December 2007 £
Balance brought forward	72,717	0
Profit for the financial year/period	104,262	72,717
Balance carried forward	176,979	72,717

#### 14. Reconciliation of Movements in Shareholders' Funds

	Year to 31 December 2008 £	Period to 31 December 2007 £
Profit for the financial year/period	104,262	72,717
Issue of share capital	0	50,000
Net addition to shareholder funds	104,262	122,717
Opening shareholders' funds	122,717	0
Closing shareholders' funds	226,979	122,717

#### 15. 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 ultimate parent company.

The Board is not aware that the Company has a controlling party.