

Company Registration No. 6127869

STOW SECURITIES PLC

Report and Financial Statements

31 December 2009



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 2009. This report had been prepared in accordance with the special provisions relating to small companies.

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 after taxation for the year amounted to £ 46,778 (2008 – £ 104,262). The directors paid a dividend of £ 200,000 during the year (2008 - £ Nil).

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 section 418(2) of the Companies Act 2006.

Deloitte LLP 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



S. T. MAINEE
Company Secretary

Dated 25th June 2010

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 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 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 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 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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 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

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 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 (APB'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.

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 2009 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
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report, 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



Claire Faulkner (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

28 June 2010

STOW SECURITIES PLC

Profit and loss account Year ended 31 December 2009

	Note	2009 £	2008 £
Turnover	2	1,205,346	1,179,062
Administrative expenses		(1,096,660)	(1,076,469)
Operating profit	3	108,686	102,593
Interest receivable		891	4,594
Profit on ordinary activities before taxation		109,577	107,187
Tax on profit on ordinary activities	5	(62,799)	(2,925)
Profit on ordinary activities after taxation		46,778	104,262

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 as set out above

STOW SECURITIES PLC

Balance sheet

As at 31 December 2009

	Note	£	2009 £	£	2008 £
Fixed assets					
Tangible assets	6		14,080		19,671
Current assets					
Debtors	7	4,297,784		2,980,654	
Cash at bank		26,277		69,774	
		<u>4,324,061</u>		<u>3,050,428</u>	
Creditors: amounts falling within one year	8	<u>(4,264,384)</u>		<u>(2,843,120)</u>	
Net current assets			59,677		207,308
NET ASSETS			<u>73,757</u>		<u>226,979</u>
Capital and reserves					
Called up share capital	12		50,000		50,000
Profit and loss account	13		<u>23,757</u>		<u>176,979</u>
Shareholders' funds	14		<u>73,757</u>		<u>226,979</u>

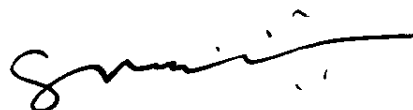
These financial statements were approved by the Board of Directors on 25th Jun 2010

Signed on behalf of the Board of Directors



Director

J. R. MILNE



Director

S. T. MAINBE

STOW SECURITIES PLC

Notes to the financial statements

Year ended 31 December 2009

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%

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

	2009 £	2008 £
Operating profit is after charging		
Depreciation of tangible assets	9,844	10,471
Fees payable for the audit of the Company's annual accounts	3,000	3,000
Staff costs (note 4)	805,356	696,463

STOW SECURITIES PLC

Notes to the financial statements Year ended 31 December 2009

4. Director and employee remuneration

	2009 £	2008 £
Wages and salaries	701,277	594,805
Social security costs	79,409	80,849
Other pension costs	24,670	20,809
	<u>805,356</u>	<u>696,463</u>

The average number of persons employed by the group (including directors) during the year was 11 (2008 – 9)

Directors' emoluments:

Employment costs include the following remuneration in respect of directors -

	2009 £	2008 £
Emoluments (including employer's NI)	363,702	255,604
Pension contributions	15,500	15,500
	<u>379,202</u>	<u>271,104</u>
	2009 £	2008 £
Emoluments of the highest paid director	230,484	125,000

5 Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax charge – current year	39,502	40,285
Adjustment in respect of prior year	24,314	(36,454)
	<u>63,816</u>	<u>3,831</u>
Deferred tax		
- Origination and reversal of timing differences	(1,017)	(906)
Tax on profit on ordinary activities	<u>62,799</u>	<u>2,925</u>

(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 28% (2008 – 28.5%)

STOW SECURITIES PLC

Notes to the financial statements

Year ended 31 December 2009

5 Taxation (continued)

	2009 £	2008 £
Profit on ordinary activities before taxation	109,576	107,187
Profit on ordinary activities by rate of tax	30,681	30,012
Effects of		
Expenses not deductible for tax purposes	6,916	8,664
Capital allowances for period in excess of depreciation	1,017	906
Change in tax rate 30% to 28%	0	703
Utilisation of tax losses and other timing differences	888	0
Adjustments to tax charge in respect of previous periods	24,314	(36,454)
Total current tax	63,816	3,831

6. Tangible fixed assets

	Office equipment, fixtures and fittings £
Cost	
At 1 January 2009	38,328
Additions in the year	4,253
At 31 December 2009	42,581
Depreciation	
At 1 January 2009	18,657
Charge for the year	9,844
At 31 December 2009	28,501
Net book value	
At 31 December 2009	14,080
At 31 December 2008	19,671

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Notes to the financial statements

Year ended 31 December 2009

7. Debtors

	2009	2008
	£	£
Trade debtors	12,086	11,052
Deferred Tax (see note 9)	3,017	2,000
Other debtors	10,950	1,225
Amounts owed by group undertakings	4,237,945	2,938,076
Prepayments and accrued income	33,786	28,301
	<u>4,297,784</u>	<u>2,980,654</u>

8 Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	61,481	74,640
Amounts due to group companies	3,967,876	2,457,876
Corporation tax payable	63,817	40,285
VAT	49,643	42,845
PAYE and National Insurance	26,878	166,844
Accruals and deferred income	94,690	60,630
	<u>4,264,384</u>	<u>2,843,120</u>

9. Deferred taxation

The movement in the deferred taxation during the year was

	2009	2008
	£	£
Balance brought forward	2,000	1,094
Profit and loss account movement arising during the year		
-deferred tax asset recognised	1,017	906
Balance carried forward	<u>3,017</u>	<u>2,000</u>

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

	2009 recognised	2008 recognised
	£	£
Excess of depreciation on fixed assets over tax allowances	<u>1,017</u>	<u>906</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

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Notes to the financial statements

Year ended 31 December 2009

12. Called up share capital

	2009 £	2008 £
Authorised:		
50,000 ordinary shares of £1 each	50,000	50,000
Called up, allotted and fully paid		
50,000 ordinary shares of £1 each	50,000	50,000

13. Profit and loss account

	2009 £	2008 £
Balance brought forward	176,979	72,717
Profit for the financial year	46,778	104,262
Dividend paid	(200,000)	0
Balance carried forward	23,757	176,979

14. Reconciliation of Movements in Shareholders' Funds

	2009 £	2008 £
Profit for the financial year	46,778	104,262
Dividend paid	(200,000)	0
Net (reduction)/addition to shareholder funds	(153,222)	104,262
Opening shareholders' funds	226,979	122,717
Closing shareholders' funds	73,757	226,979

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.