

**Company Registration No. 06127869**

**STOW SECURITIES PLC**

**Annual Report and Financial Statements**

**31 December 2016**



# **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** Kingston Smith LLP  
Chartered Accountants and Statutory Auditor  
Charlotte Building  
17 Gresse Street  
London  
W1T 1QL  
United Kingdom

# STOW SECURITIES PLC

## Strategic report

The directors' present the Strategic Report on the company for the year ended 31-December-2016.

### Our strategic priorities

The company has key objectives, to deliver an excellent asset and development management service catering for its group companies strategic aims and to improve the group's long term capital appreciation in an efficient manner.

### Review of the business

The results for the year are set out in the profit and loss account on page 6.

### Key performance indicators

The company's main objective is to assist the group's companies in achieving 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

#### Market risk

The company does not have any exposure to variations in the value of the group's investments however the company advises the group's companies of real and forecast market risks by keeping aware of market trends for both rental and capital values in the locality of its investments.

### By order of the board



S T Mainee

Director

Dated 22<sup>nd</sup> June 2017

### Registered office

86 Brook Street  
London W1K 5AY

# STOW SECURITIES PLC

## Directors' report

The directors present the annual report and the audited financial statements for the year ended 31 December 2016.

### Future developments

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.

### Dividends

The profit after taxation for the year amounted to £ 95,623 (2015 - £ 218,820). No dividend was paid during the year to the company's shareholders (2015 - £ nil).

### 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.

### Directors and their interests

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

J R Milne  
S T Mainee  
C Massaad (appointed 1 January 2017)  
S Farran (appointed 1 January 2017)

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.

### 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 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 auditor are aware of that information.

Kingston Smith LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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



Date 22<sup>nd</sup> June 2017

S T Mainee  
Company Secretary

# **STOW SECURITIES PLC**

## **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 2016 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. 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) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our 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 (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. In addition we read all the financial and non-financial information in the strategic 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 2016 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.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# STOW SECURITIES PLC

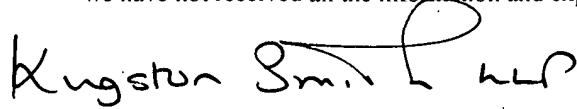
## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOW SECURITIES PLC (CONTINUED)

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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;
- we have not received all the information and explanations we require for our audit.



Heather Powell (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP, Statutory Auditor

23rd June 2017

Charlotte Building  
17 Gresse Street  
London  
W1T 1QL

# STOW SECURITIES PLC

## Profit and loss account

Year ended 31 December 2016

|   | Note | Year to 31<br>December<br>2016<br>£ | Year to 31<br>December<br>2015<br>£ |
|---|------|-------------------------------------|-------------------------------------|
| Turnover                                      | 5    | 1,535,254                           | 2,940,542                           |
| Administrative expenses                       |      | (1,395,685)                         | (2,673,219)                         |
| Operating profit                              | 6    | 139,569                             | 267,323                             |
| Profit on ordinary activities before taxation |      | 139,569                             | 267,323                             |
| Tax (charge) on profit on ordinary activities | 8    | (43,946)                            | (48,503)                            |
| Profit for the financial year                 |      | 95,623                              | 218,820                             |

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



# STOW SECURITIES PLC

## Statement of comprehensive income Year ended 31 December 2016

|  | Year to 31<br>December<br>2016<br>£ | Year to 31<br>December<br>2015<br>£ |
|--|-------------------------------------|-------------------------------------|
| Profit for the financial year  | 95,623                              | 218,820                             |
| Share of other comprehensive income of<br>associates                                       | <u>0</u>                            | <u>0</u>                            |
| Total comprehensive income for the<br>financial year                                       | <u>95,623</u>                       | <u>218,820</u>                      |
| Total comprehensive income for the financial year attributable to:<br>Owners of the parent | <u>95,623</u>                       | <u>218,820</u>                      |
| Non-controlling interests  | <u>0</u>                            | <u>0</u>                            |

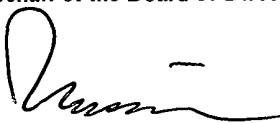
# STOW SECURITIES PLC

## Balance sheet As at 31 December 2016

|   | Note | £                | 2016<br>£      | £                  | 2015<br>£      |
|---|------|------------------|----------------|--------------------|----------------|
| <b>Fixed assets</b>                                   |      |                  |                |                    |                |
| Tangible assets                                       | 10   |                  | 269,212        |                    | 363,860        |
| <b>Current assets</b>                                 |      |                  |                |                    |                |
| Debtors   | 11   | 881,941          |                | 2,123,507          |                |
| Cash at bank  |      | 22,359           |                | 210,894            |                |
|   |      | <u>904,300</u>   |                | <u>2,334,401</u>   |                |
| <b>Creditors: amounts falling due within one year</b> | 12   | <u>(606,839)</u> |                | <u>(2,227,211)</u> |                |
| <b>Net current assets</b>                             |      |                  | <u>297,461</u> |                    | <u>107,190</u> |
| <b>Net Assets</b>                                     |      |                  | <u>566,673</u> |                    | <u>471,050</u> |
| <b>Capital and reserves</b>                           |      |                  |                |                    |                |
| Called up share capital                               | 16   |                  | 50,000         |                    | 50,000         |
| Profit and loss account                               |      |                  | <u>516,673</u> |                    | <u>421,050</u> |
| <b>Shareholders' surplus</b>                          |      |                  | <u>566,673</u> |                    | <u>471,050</u> |

These financial statements were approved by the Board of Directors on *21<sup>st</sup>* June 2017

Signed on behalf of the Board of Directors, registered number 06127869



J R Milne  
Director



S T Mainee  
Director

# STOW SECURITIES PLC

## Statement of changes in equity As at 31 December 2016

|                                    | Called up<br>share capital | Profit and<br>loss account | Total          |
|------------------------------------|----------------------------|----------------------------|----------------|
|                                    | £                          | £                          | £              |
| At 1 January 2015                  | 50,000                     | 202,230                    | 252,230        |
| Profit for the financial year      | 0                          | 218,820                    | 218,820        |
| Dividend for the financial<br>year | 0                          | 0                          | 0              |
| <b>At 31 December 2015</b>         | <b>50,000</b>              | <b>421,050</b>             | <b>471,050</b> |
| Profit for the financial year      | 0                          | 95,623                     | 95,623         |
| <b>At 31 December 2016</b>         | <b>50,000</b>              | <b>516,673</b>             | <b>566,673</b> |

# STOW SECURITIES PLC

## Notes to the financial statements Year ended 31 December 2016

### 1. Company information

Stow Securities plc ("the company") is a management and administration company which manages investment properties in Central London and Heathrow, England, on behalf of the wider group.

The company is a public 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.

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

Stow Securities Plc 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 Securities plc is consolidated in the financial statements of its parent Stow Capital Partners Limited. 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 2016 and is not reliant on the support of its parent company, Stow Capital Partners Limited, to be able to meet its liabilities as they fall due.

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 fixed assets as at the balance sheet date.

Taxation - The group applies judgement in calculating current tax and deferred tax assets and liabilities, including the utilisation of deferred tax assets against future taxable profits.

### 4. Principal accounting policies

#### 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.

#### Turnover

Management fees for the provision of management and administration services, exclusive of Value Added Tax.

#### Tangible fixed assets other than investment properties

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# STOW SECURITIES PLC

## Notes to the financial statements Year ended 31 December 2016

### 4. Principal accounting policies (continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings: Five years straight line.

#### Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Financial assets

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

#### Financial liabilities

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

#### Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

#### Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### Retirement benefits

The company makes contributions to a defined contribution scheme, the assets of the scheme being held separately from the assets of the company. The pension cost charge represents contributions payable to the scheme.

# STOW SECURITIES PLC

## Notes to the financial statements Year ended 31 December 2016

### 5. Turnover

The turnover and profit before tax are attributable to the one principal activity of the Company:

An analysis of turnover is given below:

|                | 2016<br>£ | 2015<br>£ |
|----------------|-----------|-----------|
| United Kingdom | 1,535,254 | 2,940,542 |

### 6. Operating profit

|  | 2016<br>£ | 2015<br>£ |
|--|-----------|-----------|
| <b>Operating profit is after charging</b>                      |           |           |
| Depreciation of tangible assets                                | 96,640    | 53,000    |
| Fees payable for the audit of the<br>Company's annual accounts | 4,000     | 3,550     |
| Staff costs (note 7)   | 899,903   | 2,069,516 |

### 7. Director and employee remuneration

|                       | 2016<br>£ | 2015<br>£ |
|-----------------------|-----------|-----------|
| Wages and salaries    | 724,548   | 1,767,775 |
| Social security costs | 84,692    | 231,088   |
| Other pension costs   | 90,663    | 70,653    |
|                       | 899,903   | 2,069,516 |

The average number of persons employed by the group (including directors) during the year was 9 (2015 – 9).

#### Directors' emoluments:

Employment costs include the following remuneration in respect of directors:

|                                      | 2016<br>£ | 2015<br>£ |
|--------------------------------------|-----------|-----------|
| Emoluments (including employer's NI) | 371,675   | 1,435,371 |
| Pension contributions                | 36,812    | 37,274    |
|                                      | 408,487   | 1,472,645 |

The number of directors who:  
are members of a money purchase pension scheme

| Number | Number |
|--------|--------|
| 1      | 1      |

The above relates to company contribution towards a personal  
money purchase pension scheme

#### Remuneration of the highest paid director

|            | 2016<br>£ | 2015<br>£ |
|------------|-----------|-----------|
| Emoluments | 229,089   | 1,046,412 |

# STOW SECURITIES PLC

## Notes to the financial statements Year ended 31 December 2016

### 8. Tax on profit on ordinary activities

The tax charge comprises:

|   | 2016<br>£       | 2015<br>£       |
|---|-----------------|-----------------|
| Current tax charge – current year                 | 0               | 86,645          |
| Adjustment in respect of prior year               | (86,645)        | (7,415)         |
| <b>Total current tax</b>                          | <b>(86,645)</b> | <b>79,230</b>   |
| <b>Deferred tax:</b>                              |                 |                 |
| Origination and reversal of timing differences    | 96,349          | (40,135)        |
| Effect of decrease in tax rate on opening asset   | 34,242          | 9,408           |
| <b>Total deferred tax (see note 13)</b>           | <b>130,591</b>  | <b>(30,727)</b> |
| <b>Total tax on profit on ordinary activities</b> | <b>43,946</b>   | <b>48,503</b>   |

On 1 April 2015, the UK corporation tax rate was reduced from 21% to 20%. A further reduction to 19% from 1 April 2017 and then to 18% from 1 April 2020 was enacted by Finance (No.2) Act 2015.

A current rate of 20.00% has been applied to the profit for the year ended 31 December 2016 (2015 – 20.25%). A deferred tax rate of 17% has been applied to the opening balance and movements in deferred tax in the year ended 31 December 2016.

#### Reconciliation of the 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 20.00% (2015 – 20.25%).

|   | 2016<br>£     | 2015<br>£     |
|---|---------------|---------------|
| Profit on ordinary activities before taxation           | 139,569       | 267,323       |
| Profit on ordinary activities by rate of tax            | 27,914        | 54,133        |
| Effects of:   |               |               |
| Income not taxable                                      | 0             | 0             |
| Expenses not deductible for tax purposes                | 3,533         | 8,412         |
| Group relief not paid for                               | 0             | (12,850)      |
| Utilization of tax losses and other timing differences  | 64,902        | 0             |
| Accounting adjustment on FRS 102 transition             | 0             | (3,185)       |
| Impact on deferred tax of reduction in tax rate         | 34,242        | 9,408         |
| Adjustment to tax charge in respect of previous periods | (86,645)      | (7,415)       |
| <b>Total tax charge/(credit) for the year</b>           | <b>43,946</b> | <b>48,503</b> |

### 9. Dividends

No dividend was paid on the ordinary shares during the year £ 0 (2015 - £ 0).

# STOW SECURITIES PLC

## Notes to the financial statements Year ended 31 December 2016

### 10. Tangible fixed assets

|                            | Leasehold<br>improvements<br>£ | Office<br>equipment,<br>fixtures and<br>fittings<br>£ | Total<br>£     |
|----------------------------|--------------------------------|---|----------------|
| <b>Cost</b>                |                                |   |                |
| At 1 January 2016          | 398,744                        | 71,098  | 469,842        |
| Additions in the year      | 0                              | 1,992   | 1,992          |
| Disposal in the year       | (61,987)                       | (12,005)  | (73,992)       |
|                            | <u>336,757</u>                 | <u>61,085</u>   | <u>397,842</u> |
| <b>At 31 December 2016</b> |                                |   |                |
| <b>Depreciation</b>        |                                |   |                |
| At 1 January 2016          | 65,784                         | 40,198  | 105,982        |
| Charge for the year        | 85,332                         | 11,308  | 96,640         |
| Disposal for the year      | (61,987)                       | (12,005)  | (73,992)       |
|                            | <u>89,129</u>                  | <u>39,501</u>   | <u>128,630</u> |
| <b>Net book value</b>      |                                |   |                |
| At 31 December 2016        | <u>247,628</u>                 | <u>21,584</u>   | <u>269,212</u> |
| At 31 December 2015        | <u>332,960</u>                 | <u>30,900</u>   | <u>363,860</u> |

### 11. Debtors

|                                    | 2016<br>£      | 2015<br>£        |
|------------------------------------|----------------|------------------|
| Trade debtors                      | 1,665          | 0                |
| Corporation tax                    | 86,378         | 0                |
| Deferred tax (see note 13)         | 97,687         | 228,278          |
| Other debtors                      | 4,436          | 10,952           |
| VAT                                | 12,074         | 21,854           |
| Amounts owed by group undertakings | 589,301        | 1,750,171        |
| Prepayments and accrued income     | 90,400         | 112,252          |
|                                    | <u>881,941</u> | <u>2,123,507</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.



# STOW SECURITIES PLC

## Notes to the financial statements Year ended 31 December 2016

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

|                               | 2016           | 2015             |
|-------------------------------|----------------|------------------|
|                               | £              | £                |
| Trade creditors               | 97             | 161,379          |
| Other creditors               | 950            | 0                |
| Corporation tax payable       | 0              | 19,113           |
| VAT                           | 0              | 0                |
| Other tax and social security | 208,361        | 249,482          |
| Accruals and deferred income  | 397,431        | 1,797,237        |
|                               | <u>606,839</u> | <u>2,227,211</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.

### 13. Deferred taxation

The movement in the deferred taxation during the year was:

|  | 2016          | 2015           |
|--|---------------|----------------|
|  | £             | £              |
| Balance brought forward                                  | 228,278       | 197,551        |
| Profit and loss account movement arising during the year | (130,591)     | 30,727         |
| Balance carried forward                                  | <u>97,687</u> | <u>228,278</u> |

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

|  | 2016<br>recognised | 2015<br>recognised |
|--|--------------------|--------------------|
|  | £                  | £                  |
| Excess of capital allowances over depreciation on fixed assets | 21,181             | 11,223             |
| Other short term timing differences                            | 47,136             | 217,055            |
| Tax losses carried forward                                     | 29,370             | 0                  |
|  | <u>97,687</u>      | <u>228,278</u>     |

During the year beginning 1 January 2017, the net reversal of deferred tax assets is expected to decrease the corporation tax charge for the year by £76,506. This primarily relates to reversal of timing differences on director performance related incentive payments and loss relief.

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

### 14. Retirement benefit schemes

#### Defined contribution schemes

The company contributes to defined contribution pension schemes for all qualifying employees. The assets of the schemes are held separately from those of the company in independently administered funds.

The charge to profit and loss in respect of defined contribution schemes was £90,663 (2015: £70,653).

# STOW SECURITIES PLC

## Notes to the financial statements Year ended 31 December 2016

### 15. Operating lease commitments

At the reporting end date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | 2016    | 2015    |
|----------------------------|---------|---------|
|                            | £       | £       |
| Within one year            | 190,400 | 190,400 |
| Between two and five years | 665,878 | 665,878 |
| In over five years         | 413,141 | 603,541 |

### 16. Called up share capital

|   | 2016   | 2015   |
|---|--------|--------|
|   | £      | £      |
| <b>Called up, allotted and fully paid</b> |        |        |
| 50,000 ordinary shares of £1 each         | 50,000 | 50,000 |

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

### 17. Immediate and 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 that the Company's accounts are consolidated into. Copies of the accounts can be obtained from Canon's Court, 22 Victoria Street, P O Box HM 1179, Hamilton HM EX, Bermuda.

As permitted by FRS 102 Section 33 "related party disclosures" the financial statements do not disclose transactions with the parent company and fellow subsidiaries where 100% of the voting rights are wholly controlled by the group.