

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

FINANCIAL STATEMENTS

31st MARCH 2009



COMPANY NO: 120030

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

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THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

COMPANY INFORMATION

Directors

C S R Stroyan
C N Bardswell
E Y Whittingdale

Secretary

R W Toye

Registered office

Temple Chambers
3 - 7, Temple Avenue
London EC4Y 0HP

Registered number

120030

Auditors

Moore Stephens LLP
Chartered Accountants
St. Paul's House
Warwick Lane
London EC4M 7BP

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report together with the audited financial statements of the company for the year ended 31st March 2009.

Principal activity

The company is an investment dealing company.

Review of the business

The general economic situation continued to deteriorate throughout the year making for very volatile and unpredictable market conditions. There was a switch away from dealing in traded options to building the investment portfolio. However, the subsequent fall in values led to a considerable mark down of positions held at year end.

The outlook continues to be one of uncertainty, but the directors will endeavour to take advantage of opportunities falling within the policy as they arise.

Results and dividends

The loss for the year after tax amounted to £166,965 (2008: £6,184 profit). The directors do not recommend the payment of a dividend (2008: Nil).

Directors

The directors who held office during the period were:

C S R Stroyan
C N Bardswell
E Y Whittingdale

Directors' responsibilities for financial statements

Company law requires the directors to prepare financial statements for each financial year which 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 have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

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.

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

REPORT OF THE DIRECTORS (Continued)

Auditors

The auditors, Moore Stephens LLP are willing to continue in office and are deemed to be reappointed in accordance with the elective resolution dispensing with the requirement to appoint auditors annually.

Directors' Disclosure of Information to Auditors

Each of the persons who are directors at the time when this report is approved has confirmed that:

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) each director has taken all steps that ought to have been taken as a director, including making appropriate enquiries of fellow directors and of the company's auditors for that purpose, in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Basis of Preparation

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The report of the directors was approved by the Board on 29th July 2009 and signed on its behalf by:



Roger William Toye
Secretary

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED**

We have audited the financial statements of The London Commercial and Mercantile Company Limited for the year ended 31st March 2009 set out on pages 6 to 10. These financial statements have been prepared under the accounting policies set out herein.

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 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 auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

Basis of 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 judgements 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.

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED (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 31st March 2009 and of its loss 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.

St Paul's House
Warwick Lane
London, EC4M 7BP

17 August 2009



Moore Stephens LLP
Registered Auditor
Chartered Accountants

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31st March 2009

	Note	2009 £	2008 £
Income: continuing operations			
Realised dealing (loss)/profit		(30,634)	16,736
Increase in provision to reduce investments to market value		(222,637)	(55,766)
Investment income		14,634	21,085
Interest receivable		7,888	18,518
		<hr/>	<hr/>
		(230,749)	573
Administrative expenses		<hr/> (5,519)	<hr/> (2,937)
Loss on ordinary activities before taxation	2	(236,268)	(2,364)
Tax on loss on ordinary activities	3	<hr/> 69,303	<hr/> 8,548
(Loss)/profit for the year	8	<hr/>(166,965)	<hr/>6,184

The company has no recognised gains or losses other than the results disclosed above for the two years ended 31st March 2009.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31st March 2009

	2009 £	2008 £
(Loss)/profit for the year	(166,965)	6,184
Opening shareholders' funds	<hr/> (43,122)	<hr/> (49,306)
Closing shareholders' funds	<hr/>(210,087)	<hr/>(43,122)

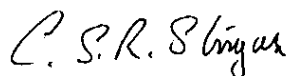
THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

BALANCE SHEET at 31st March 2009

	Note	2009 £	2008 £
Current assets			
Debtors	4	76,405	37,267
Investments	5	320,383	358,366
Cash at bank		43,716	255,539
		<hr/>	<hr/>
		440,504	651,172
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	6	(650,591)	(694,294)
		<hr/>	<hr/>
Total assets less current liabilities		(210,087)	(43,122)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	35,007	35,007
Profit and loss account	8	(245,094)	(78,129)
		<hr/>	<hr/>
Shareholders' Deficit		(210,087)	(43,122)
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved and authorised for issue by the Board on 29th July 2009 and signed on its behalf by:



Colin Strathearn Ropner Stroyan
Director

NOTES TO THE FINANCIAL STATEMENTS

31st March 2009

1. ACCOUNTING POLICIES

Accounting convention

These financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice and under the historical cost convention. The financial statements are prepared on a going concern basis as the ultimate parent undertaking has confirmed that it will continue its support of the company for the foreseeable future.

Dealing

Income includes profits less losses on sale of investments and traded option receipts less payments. Traded options have been recognised on date of receipt or payment of proceeds.

Investment Income

Income from investment in equities is included on a receivable basis. Interest income from fixed interest and index linked stock is accrued to the end of the financial year.

Tax deducted at source, but not UK tax credits, on investment income is shown as part of investment income for the year.

Interest receivable

Interest on cash deposits is accrued to the end of the financial year.

Investments

Investments are held for resale and are valued at the lower of cost and net realisable value.

Cash flow statement

The company is exempt from preparing a cash flow statement.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities before taxation is arrived at after charging:-

	2009	2008
	£	£
Auditors remuneration	5,175	2,573
	<hr/>	<hr/>

Apart from the three (2008: three) directors, none of whom received any emoluments in the year, there are no other employees of the company.

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS**31st March 2009****3. TAX ON RESULT ON ORDINARY ACTIVITIES**

	2009	2008
	£	£
(a) Analysis of tax charge for the year:		
UK Corporation tax credit	(69,303)	(3,894)
Prior year over provision	-	(4,654)
	<hr/>	<hr/>
Current tax credit	(69,303)	(8,548)
	<hr/>	<hr/>
(b) Factors affecting current tax credit for the year:		
Loss on ordinary activities before tax at 28% (2008: 30%)	(66,155)	(709)
Effect of:		
Non taxable investment income	(3,148)	(3,185)
Prior year over provision	-	(4,654)
	<hr/>	<hr/>
Current tax credit	(69,303)	(8,548)
	<hr/>	<hr/>

4. DEBTORS

	2009	2008
	£	£
Taxation recoverable (Group relief)	69,303	3,894
Accrued Income	6,243	7,339
Other Debtors	859	26,034
	<hr/>	<hr/>
	76,405	37,267
	<hr/>	<hr/>

5. INVESTMENTS

	2009	2008
	£	£
Listed		
At lower of cost and market value	320,383	358,366
	<hr/>	<hr/>

Total market value of listed investments at 31st March 2009 was £334,147 (2008: £362,968).
Total historical cost of listed investments at 31st March 2009 was £611,246 (2008: £426,592).

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS**31st March 2009****6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009	2008
	£	£
Amounts due to group undertakings	645,380	691,700
Accruals	5,211	2,594
	<hr/>	<hr/>
	650,591	694,294
	<hr/>	<hr/>

7. CALLED UP SHARE CAPITAL

	2009	2008
	£	£
Authorised		
200,000 ordinary shares of £1 each	200,000	200,000
	<hr/>	<hr/>
Allotted and fully paid		
35,007 ordinary shares of £1 each	35,007	35,007
	<hr/>	<hr/>

8. PROFIT AND LOSS ACCOUNT

	2009	2008
	£	£
At 1 st April	(78,129)	(84,313)
(Loss)/profit for the year	(166,965)	6,184
	<hr/>	<hr/>
At 31 st March	(245,094)	(78,129)
	<hr/>	<hr/>

9. PARENT COMPANY

The company is a wholly owned subsidiary of Teniwood Securities Limited, a company incorporated in England and Wales. The ultimate parent company is Iowa Land Company Limited, a company incorporated in England and Wales. Group accounts are available to the public on payment of the appropriate fee from Companies Registration Office, Companies House, Crown Way, Cardiff CF4 3UZ.