

**THE LONDON COMMERCIAL AND
MERCANTILE COMPANY LIMITED**

FINANCIAL STATEMENTS

31st MARCH 2013

120030



THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

CONTENTS

	Page
Company information	1
Report of the directors	2 - 3
Auditor's report	4 - 5
Profit and loss account	6
Reconciliation of movements in shareholders' funds	6
Balance sheet	7
Notes to the financial statements	8 - 12

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

COMPANY INFORMATION

Directors

C S R Stroyan
C N Bardswell
J H Houssemayne Du Boulay
E Y Whittingdale

Secretary

R W Toye

Registered office

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

Registered number

120030

Auditor

Scott-Moncrieff
Exchange Place 3
Sempie Street
Edinburgh EH3 8BL

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

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 2013

Principal activity

The company is an investment dealing company

Review of the business

The year ended 31st March 2013 saw the company return to profitability as market values made a significant recovery

A limited, but successful return was made to the traded option market, providing a further boost to profits

Many of the economic uncertainties referred to last year remain unresolved with the continuing potential for high levels of volatility in market values. In these circumstances, it is expected that dealing will continue at a low level for the foreseeable future

Results and dividends

The profit for the year after tax amounted to £80,743 (2012 £99,785 loss). The directors do not recommend the payment of a dividend (2012 Nil)

Directors

The directors who held office during the period were

C S R Stroyan
C N Bardswell
J H Houssemayne Du Boulay
E Y Whittingdale

Statement of Directors' responsibilities

The directors are responsible for preparing 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 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.

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

REPORT OF THE DIRECTORS (Continued)

Statement of Directors' responsibilities (continued)

In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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

Scott-Moncrieff is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Directors' Disclosure of Information to Auditors

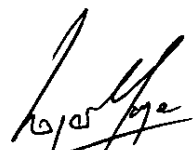
Each of the persons who are directors at the time when this report is approved has confirmed that

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditor is 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 auditor for that purpose, in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

Basis of Preparation

In preparing this report, the directors have taken advantage of the small companies exemptions provided within part 15 of the Companies Act 2006.

The report of the directors was approved by the Board on 31st July 2013 and signed on its behalf by



Roger William Toye
Secretary

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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 2013, which comprise the Profit and loss account, Reconciliation of movement in shareholders' funds, Balance sheet and 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).

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 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 explained more fully in the Directors' Responsibilities Statement set out on pages 2 and 3, 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 Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications in 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 31st March 2013 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.

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED (Continued)

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
- 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report

Donald C Forsyth

Donald C Forsyth, *Senior Statutory Auditor*

For and on behalf of Scott-Moncreiff, Statutory Auditor
Exchange Place 3
Semple Street
Edinburgh EH3 8BL

Date *31 July 2013*

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31st March 2013

	Note	2013 £	2012 £
Income: continuing operations			
Realised dealing profit/(loss)		7,184	(2,848)
Decrease/(increase) in provision to reduce investments to lower of cost or market value		66,112	(111,920)
Investment income		13,361	17,555
Interest receivable		73	1,176
		<hr/>	<hr/>
Administrative expenses		86,730 (5,987)	(96,037) (6,046)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation	2	80,743	(102,083)
Tax on profit/(loss) on ordinary activities	3	-	2,298
		<hr/>	<hr/>
Profit/(loss) for the year	8	80,743	(99,785)
		<hr/> <hr/>	<hr/> <hr/>

The company has no recognised gains or losses other than the results disclosed above for the two years ended 31st March 2013

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31st March 2013

	2013 £	2012 £
Profit/(loss) for the year	80,743	(99,785)
Opening shareholders' deficit	(112,172)	(12,387)
	<hr/>	<hr/>
Closing shareholders' deficit	(31,429)	(112,172)
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 12 form part of these financial statements

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

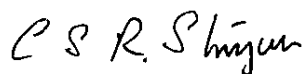
BALANCE SHEET

Company Registration No.: 120030
at 31st March 2013

	Note	2013 £	2012 £
Current assets			
Debtors	4	189,297	29,409
Investments	5	257,500	326,495
Cash at bank		13,615	8,765
		<u>460,412</u>	<u>364,669</u>
Creditors: Amounts falling due within one year	6	(491,841)	(476,841)
		<u>(31,429)</u>	<u>(112,172)</u>
Total assets less current liabilities		<u>(31,429)</u>	<u>(112,172)</u>
Capital and reserves			
Called up share capital	7	35,007	35,007
Profit and loss account	8	(66,436)	(147,179)
		<u>(31,429)</u>	<u>(112,172)</u>
Deficit		<u>(31,429)</u>	<u>(112,172)</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006

The financial statements were approved and authorised for issue by the Board on 31st July 2013 and signed on its behalf by



Colin Strathearn Ropner Stroyan
Director

The notes on pages 8 to 12 form part of these financial statements

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2013

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

These financial statements are prepared under the historical cost convention.

Going concern

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated, but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or the right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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 and expensed as appropriate in the taxation charge 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 or market value. Cost is purchase price including acquisition expenses, but excluding any payment for accrued interest or fixed dividend entitlement.

Cash flow statement

The financial statements do not include a cash flow statement because the company, as a small company, is exempt from the requirement to prepare such a statement under FRS 1.

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31st March 2013**2. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

The profit/(loss) on ordinary activities before taxation is arrived at after charging -

	2013	2012
	£	£
Auditors remuneration	4,560	4,560
	<u> </u>	<u> </u>

Apart from the four (2012 four) directors, none of whom received any emoluments or accrued pension benefits in the year (2012 £nil), there are no other employees of the company

3. TAX ON RESULT ON ORDINARY ACTIVITIES

	2013	2012
	£	£
(a) Analysis of tax charge for the year		
UK Corporation tax charge	-	(2,259)
Prior year over provision	-	(39)
	<u> </u>	<u> </u>
Current tax charge	-	(2,298)
	<u> </u>	<u> </u>
(b) Factors affecting current tax charge for the year		
Profit/(loss) on ordinary activities before tax	80,743	(102,083)
Tax on Profit/(loss) on ordinary activities at 24% (2012 26%)	19,378	(26,542)
Effect of		
Prior year over provision	-	(39)
Small companies relief	-	538
Unrelieved tax losses	-	23,745
Group relief claimed	(18)	-
Utilisation of tax losses	(19,360)	-
	<u> </u>	<u> </u>
Current tax charge	-	(2,298)
	<u> </u>	<u> </u>

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31st March 2013

4. DEBTORS

	2013 £	2012 £
Accrued Income	22	4,198
Corporation Tax repayment	-	2,259
Other Debtors	189,275	22,952
	<u>189,297</u>	<u>29,409</u>

5. INVESTMENTS

Listed Investments

	United Kingdom £	Listed abroad £	Total £
Cost			
At 1 st April 2012	469,932	0	469,942
Additions	58,625	0	58,625
Disposals including premiums received	(193,733)	0	(193,733)
	<u>334,824</u>	<u>0</u>	<u>334,824</u>
At 31 st March 2013	334,824	0	334,824
Provisions			
At 1 st April 2012	143,436	0	144,436
Movement in the year	(66,112)	0	(66,112)
	<u>77,324</u>	<u>0</u>	<u>77,324</u>
At 31 st March 2013	77,324	0	77,324
Net book value			
At 31 st March 2013	257,500	0	257,500
	<u>326,495</u>	<u>0</u>	<u>326,495</u>
At 31 st March 2012	326,495	0	326,495
Market value of investments			
At 31 st March 2013	262,357	475	262,832
	<u>327,396</u>	<u>554</u>	<u>327,950</u>
At 31 st March 2012	327,396	554	327,950

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS**31st March 2013****5. INVESTMENTS (continued)****Derivatives**

	2013 £	2012 £
Open positions at cost at 31 st March	-	-
	<hr/>	<hr/>
Market value of open positions at 31 st March	-	-
	<hr/>	<hr/>

The market value for listed investments and derivatives is based upon published mid or bid prices at the close of business on the balance sheet date as quoted on the relevant exchange

If the investment portfolio was to be disposed at market value, there would be a potential tax liability of approximately £Nil (2012 £Nil)

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Amounts due to immediate parent company	486,076	471,076
Accruals	5,765	5,765
	<hr/>	<hr/>
	491,841	476,841
	<hr/>	<hr/>

7. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Allotted and fully paid		
35,007 ordinary shares of £1 each	35,007	35,007
	<hr/>	<hr/>

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31st March 2013

8. PROFIT AND LOSS ACCOUNT

	2013 £	2012 £
At 1 st April	(147,179)	(47,394)
Profit/(loss) for the year	80,743	(99,785)
	<hr/>	<hr/>
At 31 st March	(66,436)	(147,179)
	<hr/>	<hr/>

9. PARENT COMPANY

The company is a wholly owned subsidiary of Teniwood Securities Limited, a company incorporated in England. The ultimate parent company is Iowa Land Company Limited, a company incorporated in England. Group accounts are available to the public on payment of the appropriate fee from Companies Registration Office, Companies House, Crown Way, Cardiff CF14 3UZ.

The company has taken advantage of the exemption under FRS 8 paragraph 3(c) from the requirement to disclose information of transactions with the entities that are part of the group on the basis that consolidated group financial statements are publically available.