

**THE LONDON COMMERCIAL AND
MERCANTILE COMPANY LIMITED**

120030

FINANCIAL STATEMENTS

31st MARCH 2010

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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
150, Aldersgate Street
London EC1A 4AB

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 2010

Principal activity

The company is an investment dealing company

Review of the business

The growth in market values over the year provided the opportunity to recover the substantial investment write-downs sustained at the end of the previous year. However, trading was conducted on a very cautious basis and largely outside the option market.

The outlook continues to be one of great uncertainty, with severe private and public structural debt problems facing many of the world's leading economies. The directors will continue to act with caution, but will endeavour to take advantage of opportunities falling within the policy as they arise.

Results and dividends

The profit for the year after tax amounted to £156,411 (2009 £166,965 loss). The directors do not recommend the payment of a dividend (2009 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. 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 have

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

REPORT OF THE DIRECTORS

(Continued)

Directors' responsibilities for financial statements (continued)

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.

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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The report of the directors was approved by the Board on 28th July 2010 and signed on its behalf by



Roger William Toye
Secretary

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

INDEPENDENT AUDITORS' 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 2010 which are set out on pages 6 to 11. 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 Sections 495 - 496 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 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 Boards (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 31st March 2010 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

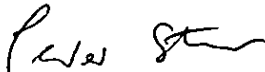
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' 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



Peter Stewart, Senior Statutory Auditor

For and on behalf of Moore Stephens LLP, Statutory Auditor
150, Aldersgate Street
London
EC1A 4AB

Date 30 July 2010

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31st March 2010

	Note	2010 £	2009 £
Income: continuing operations			
Realised dealing loss		(11,512)	(30,634)
Decrease/(increase) in provision to reduce investments to market value		232,862	(222,637)
Investment income		11,060	14,634
Interest receivable		704	7,888
		<hr/>	<hr/>
		233,114	(230,749)
Administrative expenses		(5,772)	(5,519)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation	2	227,342	(236,268)
Tax on profit/(loss) on ordinary activities	3	(70,931)	69,303
		<hr/>	<hr/>
Profit/(loss) for the year	8	156,411	(166,965)
		<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 2010

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31st March 2010

	2010 £	2009 £
Profit/(loss) for the year	156,411	(166,965)
Opening shareholders' deficit	(210,087)	(43,122)
	<hr/>	<hr/>
Closing shareholders' deficit	(53,676)	(210,087)
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THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

BALANCE SHEET

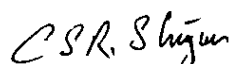
Company Registration No.: 120030

at 31st March 2010

	Note	2010 £	2009 £
Current assets			
Debtors	4	196,884	76,405
Investments	5	353,880	320,383
Cash at bank		2,876	43,716
		<hr/>	<hr/>
		553,640	440,504
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	6	(607,316)	(650,591)
		<hr/>	<hr/>
Total assets less current liabilities		(53,676)	(210,087)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	35,007	35,007
Profit and loss account	8	(88,683)	(245,094)
		<hr/>	<hr/>
Shareholders' Deficit		(53,676)	(210,087)
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies regime

The financial statements were approved and authorised for issue by the Board on 28th July 2010 and signed on its behalf by



Cohn Strathearn Ropner Stroyan
Director

NOTES TO THE FINANCIAL STATEMENTS

31st March 2010

1. ACCOUNTING POLICIES

Accounting convention

These financial statements are prepared in accordance with applicable accounting standards 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

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 market value

Cash flow statement

The company is exempt from preparing a cash flow statement

2. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2010 £	2009 £
Auditors remuneration	5,288	5,175
	<hr/>	<hr/>

Apart from the three (2009 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 2010****3. TAX ON RESULT ON ORDINARY ACTIVITIES**

	2010	2009
	£	£
(a) Analysis of tax charge for the year		
UK Corporation tax charge/(credit)	63,656	(69,303)
Prior year under provision	7,275	-
	<hr/>	<hr/>
Current tax charge/(credit)	<u>70,931</u>	<u>(69,303)</u>
(b) Factors affecting current tax charge/(credit) for the year		
Profit/(loss) on ordinary activities before tax at 28% (2009 28%)	63,656	(66,155)
Effect of		
Non taxable investment income	-	(3,148)
Prior year under provision	7,275	-
	<hr/>	<hr/>
Current tax charge/(credit)	<u>70,931</u>	<u>(69,303)</u>

4. DEBTORS

	2010	2009
	£	£
Taxation recoverable (group relief)	-	69,303
Accrued Income	562	6,243
Other Debtors	196,322	859
	<hr/>	<hr/>
	<u>196,884</u>	<u>76,405</u>

5. INVESTMENTS

	2010	2009
	£	£
Listed		
At lower of cost and market value	353,880	320,383
	<hr/>	<hr/>

Total market value of listed investments at 31st March 2010 was £359,238 (2009 £334,147)
Total historical cost of listed investments at 31st March 2010 was £419,206 (2009 £611,246)

THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2010

5. INVESTMENTS (continued)

Of the investments held the following listed investments are quoted on stock exchanges outside Great Britain

	2010	2009
	£	£
Cost	-	-
Market value	1,130	-

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Amounts due to group undertakings	531,076	645,380
Corporation Tax	70,931	-
Accruals	5,309	5,211
	<u>607,316</u>	<u>650,591</u>

7. CALLED UP SHARE CAPITAL

	2010	2009
	£	£
Authorised 200,000 ordinary shares of £1 each	200,000	200,000
Allotted and fully paid 35,007 ordinary shares of £1 each	35,007	35,007

8. PROFIT AND LOSS ACCOUNT

	2010	2009
	£	£
At 1 st April	(245,094)	(78,129)
Profit/(loss) for the year	156,411	(166,965)
At 31 st March	<u>(88,683)</u>	<u>(245,094)</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2010

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 CF4 3UZ.