

**THE LONDON COMMERCIAL AND  
MERCANTILE COMPANY LIMITED**

**FINANCIAL STATEMENTS**

**31<sup>st</sup> March 2014**

WEDNESDAY



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# THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

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## CONTENTS

	<b>Page</b>
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

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# THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

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## 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

## **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 31<sup>st</sup> March 2014.

### **Principal activity**

The company is an investment dealing company.

### **Review of the business**

The year ended 31<sup>st</sup> March 2014 saw the company struggle to maintain profitability. Profits were realised from both trading in the investment portfolio and the limited activity conducted in the traded options market. However, the requirement to increase provisions at the year-end in the investment portfolio undermined the profits generated in the first half of the year.

Although there are welcome signs of a recovery in the UK economy, in the wider world there remain potential areas of difficulty of sufficient magnitude to produce a high degree of uncertainty leading to significant volatility in the markets. Therefore, once again, 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 £8,649 (2013: £80,743). The directors do not recommend the payment of a dividend (2013: 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.

**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 30<sup>th</sup> July 2014 and signed on its behalf by:

  
Roger William Toye  
Secretary

# **THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED**

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## **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 31<sup>st</sup> March 2014, 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 Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in Note 10 to the financial statements.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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<sup>st</sup> March 2014 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

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## 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; or
- the directors were not exempt from the requirements to prepare a strategic report.

*Donald C Forsyth*

**Donald C Forsyth, Senior Statutory Auditor**

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

Date: *30 July 2014*

# THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT for the year ended 31<sup>st</sup> March 2014

	Note	2014 £	2013 £
<b>Income: continuing operations</b>			
Realised dealing profit		14,052	7,184
(Increase)/Decrease in provision to reduce investments to lower of cost or market value		(12,840)	66,112
Investment income		13,583	13,361
Interest receivable		111	73
		<hr/>	<hr/>
		14,906	86,730
Administrative expenses		(6,227)	(5,987)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	2	8,679	80,743
Tax on profit on ordinary activities	3	(30)	-
		<hr/>	<hr/>
<b>Profit for the year</b>	8	8,649	80,743
		<hr/> <hr/>	<hr/> <hr/>

The company has no recognised gains or losses other than the results disclosed above for the two years ended 31<sup>st</sup> March 2014.

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS for the year ended 31<sup>st</sup> March 2014

	2014 £	2013 £
Profit for the year	8,649	80,743
Opening shareholders' deficit	(31,429)	(112,172)
	<hr/>	<hr/>
Closing shareholders' deficit	(22,780)	(31,429)
	<hr/> <hr/>	<hr/> <hr/>

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



# THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED

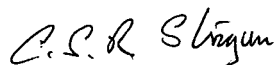
## BALANCE SHEET

Company Registration No.: 120030  
at 31<sup>st</sup> March 2014

	Note	2014 £	2013 £
<b>Current assets</b>			
Debtors	4	19,864	189,297
Investments	5	335,204	257,500
Cash at bank		8,098	13,615
		<u>363,166</u>	<u>460,412</u>
<b>Creditors: Amounts falling due within one year</b>	6	(385,946)	(491,841)
		<u>(22,780)</u>	<u>(31,429)</u>
<b>Total assets less current liabilities</b>		<u>(22,780)</u>	<u>(31,429)</u>
<b>Capital and reserves</b>			
Called up share capital	7	35,007	35,007
Profit and loss account	8	(57,787)	(66,436)
		<u>(22,780)</u>	<u>(31,429)</u>
<b>Deficit</b>		<u>(22,780)</u>	<u>(31,429)</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 30<sup>th</sup> July 2014 and signed on its behalf by:



Colin Strathearn Ropner Stroyan  
Director

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

**NOTES TO THE FINANCIAL STATEMENTS**

**31<sup>st</sup> March 2014**

**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.

**NOTES TO THE FINANCIAL STATEMENTS**

**31<sup>st</sup> March 2014**

**1. ACCOUNTING POLICIES (continued)**

**VAT**

The company is not registered for VAT, as a result VAT is accounted for in the financial statements with the related expense.

**2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Auditors remuneration	4,710	4,560
	<u>          </u>	<u>          </u>

Apart from the four (2013: four) directors, none of whom received any emoluments or accrued pension benefits in the year (2013: £nil), there are no other employees of the company.

**3. TAX ON RESULT ON ORDINARY ACTIVITIES**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
(a) Analysis of tax charge for the year:		
UK Corporation tax charge	-	-
Prior year under provision	18	-
Foreign tax	12	-
	<u>          </u>	<u>          </u>
Current tax charge	30	-
	<u>          </u>	<u>          </u>
(b) Factors affecting current tax charge for the year:		
Profit/(loss) on ordinary activities before tax	8,679	80,743
Tax on Profit/(loss) on ordinary activities at 23% (2013: 24%)	1,996	19,378
Effect of:		
Prior year under provision	18	-
Overseas tax	12	-
Group relief claimed	(25)	(18)
Utilisation of tax losses	(1,971)	(19,360)
	<u>          </u>	<u>          </u>
Current tax charge	30	-
	<u>          </u>	<u>          </u>

**THE LONDON COMMERCIAL AND MERCANTILE COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31<sup>st</sup> March 2014**

**4. DEBTORS**

	<b>2014 £</b>	<b>2013 £</b>
Accrued Income	457	22
Other Debtors	19,407	189,275
	<u>19,864</u>	<u>189,297</u>

**5. INVESTMENTS**

**Listed Investments**

	<b>United Kingdom £</b>	<b>Listed abroad £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 <sup>st</sup> April 2013	334,824	0	334,824
Additions	197,318	19,568	216,886
Disposals including premiums received	(106,774)	(19,568)	(126,342)
	<u>425,368</u>	<u>0</u>	<u>425,368</u>
<b>At 31<sup>st</sup> March 2014</b>	<b>425,368</b>	<b>0</b>	<b>425,368</b>
<b>Provisions</b>			
At 1 <sup>st</sup> April 2013	77,324	0	77,324
Movement in the year	12,840	0	12,840
	<u>90,164</u>	<u>0</u>	<u>90,164</u>
<b>At 31<sup>st</sup> March 2014</b>	<b>90,164</b>	<b>0</b>	<b>90,164</b>
<b>Net book value</b>			
At 31 <sup>st</sup> March 2014	335,204	0	335,204
	<u>257,500</u>	<u>0</u>	<u>257,500</u>
<b>At 31<sup>st</sup> March 2013</b>	<b>257,500</b>	<b>0</b>	<b>257,500</b>
<b>Market value of investments</b>			
At 31 <sup>st</sup> March 2014	360,512	339	360,851
	<u>262,357</u>	<u>475</u>	<u>262,832</u>
<b>At 31<sup>st</sup> March 2013</b>	<b>262,357</b>	<b>475</b>	<b>262,832</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**31<sup>st</sup> March 2014**

**5. INVESTMENTS (continued)**

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 (2013: £Nil).

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Amounts due to immediate parent company	380,000	486,076
Accruals	5,946	5,765
	<hr/>	<hr/>
	385,946	491,841
	<hr/>	<hr/>

**7. CALLED UP SHARE CAPITAL**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Allotted and fully paid</b>		
35,007 ordinary shares of £1 each	35,007	35,007
	<hr/>	<hr/>

**8. PROFIT AND LOSS ACCOUNT**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
At 1 <sup>st</sup> April	(66,436)	(147,179)
Profit for the year	8,649	80,743
	<hr/>	<hr/>
At 31 <sup>st</sup> March	(57,787)	(66,436)
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**

**31<sup>st</sup> March 2014**

**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.

**10. OTHER PROFESSIONAL SERVICES PROVIDED BY THE AUDITOR**

In common with many other businesses of our size and nature, the company uses its auditor to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.