

TENIWOOD SECURITIES LIMITED

FINANCIAL STATEMENTS

31st MARCH 2009

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COMPANY NO: 1054920

TENIWOOD SECURITIES LIMITED

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TENIWOOD SECURITIES 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	1054920
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 activities

The company is an investment holding company and in addition supplies secretarial and administrative services within the group.

Results and dividend

The loss for the year after tax was £762,932 (2008: £247,925 profit).

The directors do not recommend the payment of a dividend (2008: £Nil).

Review of the business

General market conditions deteriorated as the year progressed. First the serious impact of the banking crisis and then secondly the slide into global recession. However, the circumstances provided fortuitous foreign exchange gains, which were realised as Sterling fell against other major currencies. The turnover of investments in securities declined in the face of the deterioration of the market, although realised profits held up well in the conditions.

A very satisfactory increase in operating profit from continuing operations was overwhelmed at year end by the requirement for significant increases in provisions against diminution of value in the investment portfolios.

The general economic outlook at the end of the year was very unsettled. It is expected that markets will remain volatile and largely unpredictable for remainder of 2009. The extent and length of the recession is difficult to judge and the directors will exercise extreme caution during this period of continuing uncertainty. The overriding policy remains one of holding investments in securities for the medium and long term and to seek new investment opportunities both at home and overseas in quality companies with potentially good dividend prospects.

Directors

The directors who held office during the period were:

C S R Stroyan
C N Bardswell
E Y Whittingdale

REPORT OF THE DIRECTORS
(Continued)

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.

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
TENIWOOD SECURITIES LIMITED**

We have audited the financial statements of Teniwood Securities Limited for the year ended 31st March 2009 set out on pages 6 to 16. 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.

TENIWOOD SECURITIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TENIWOOD SECURITIES LIMITED (Continued)

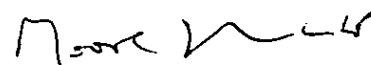
Opinion

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

TENIWOOD SECURITIES LIMITED**PROFIT AND LOSS ACCOUNT
for the year ended 31st March 2009**

	Note	2009 £	2008 £
Income: Continuing operations			
Income from investments	2	235,058	216,377
Investment interest receivable		27,151	28,847
Other operating income		6,400	6,508
Profit on exchange		105,442	11,565
		<hr/>	<hr/>
		374,051	263,297
Administrative expenses		(189,465)	(178,712)
		<hr/>	<hr/>
Operating profit: continuing operations	3	184,586	84,585
(Loss)/profit on fixed asset investments	6	(855,964)	175,074
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(671,378)	259,659
Tax on (loss)/profit on ordinary activities	7	(91,554)	(11,734)
		<hr/>	<hr/>
(Loss)/profit for the year	16	(762,932)	247,925
		<hr/>	<hr/>

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 financial year	(762,932)	247,925
Opening shareholders' funds	1,617,807	1,369,882
	<hr/>	<hr/>
Closing shareholders' funds	854,875	1,617,807
	<hr/>	<hr/>

TENIWOOD SECURITIES LIMITED**BALANCE SHEET**
at 31st March 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	8	5,178	1,010
Investments	9	5,480,624	6,011,029
Investment in subsidiary undertakings	10	59,314	59,214
		<hr/>	<hr/>
		5,545,116	6,071,253
		<hr/>	<hr/>
Current assets			
Debtors due within one year	11	2,047,975	2,375,220
Cash at bank and in hand		129,947	48,601
		<hr/>	<hr/>
		2,177,922	2,423,821
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	12	(120,629)	(129,733)
		<hr/>	<hr/>
Net current assets		2,057,293	2,294,088
		<hr/>	<hr/>
Total assets less current liabilities		7,602,409	8,365,341
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	13	(6,747,534)	(6,747,534)
		<hr/>	<hr/>
		854,875	1,617,807
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	15	8,110	8,110
Profit and loss account	16	846,765	1,609,697
		<hr/>	<hr/>
Shareholders' funds		854,875	1,617,807
		<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

The financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice and under the historical cost convention as modified by the revaluation of certain fixed asset investments.

Depreciation

Depreciation is provided so as to write off the cost of tangible fixed assets over their estimated useful lives by equal annual instalments at the following rates:-

Fixtures and fittings:	10%
Electronic equipment and software:	33%

Investments

Investments are stated at cost less provision for permanent diminution in value. Cost is purchase price including acquisition expenses, but excluding any payment for accrued interest or fixed dividend entitlement.

Deferred taxation

Deferred taxation is provided on timing differences that have originated, but not reversed by the balance sheet date on a non-discounted basis.

Deferred taxation assets are recognised only to the extent that it is more likely than not that there will be suitable trading profits from which future reversals of the underlying timing differences can be deducted. No provision is made where the amounts involved are not material.

Income from investments

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.

Investment interest receivable

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

Foreign exchange

Foreign exchange is dealt with under the closing rate method of accounting.

Cash flow statement

The company is exempt from publishing a cash flow statement.

Group accounts

The company has taken advantage of the exemption from preparing group financial statements afforded by Section 228 of the Companies Act 1985.

TENIWOOD SECURITIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 2009****2. INCOME FROM INVESTMENTS**

	2009	2008
	£	£
Listed investments	182,300	215,744
Unlisted investments	52,758	633
	<u>235,058</u>	<u>216,377</u>

3. OPERATING PROFIT

	2009	2008
	£	£
Operating profit is arrived at after charging:		
Auditors remuneration	12,081	10,575
Depreciation	2,529	1,046
	<u></u>	<u></u>
and after crediting:		
Interest receivable	27,151	28,847
	<u></u>	<u></u>

4. EMPLOYEE AND STAFF COSTS (including directors)

	2009	2008
	£	£
Wages and salaries	87,940	84,754
Social Security costs	7,877	7,594
	<u>95,817</u>	<u>92,348</u>

	2009	2008
	No.	No.
The average monthly number of employees (including directors) during the period was as follows:		
Office and management	4	4
	<u></u>	<u></u>

TENIWOOD SECURITIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 2009****5. DIRECTORS**

	2009	2008
	£	£
Directors emoluments	43,260	41,688

6. (LOSS)/PROFIT ON FIXED ASSET INVESTMENTS

	2009	2008
	£	£
Net profit on sale of listed and unlisted investments	169,785	293,317
Amounts written off against permanent diminution in value of listed and unlisted investments	(850,749)	(118,243)
	(680,964)	175,074
Increase of provision against inter company debtor	(175,000)	-
	(855,964)	175,074

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2009	2008
	£	£
(a) Analysis of tax charge for the year:		
UK Corporation tax	92,453	57,787
Prior year adjustment	(899)	(845)
	91,554	56,942
Current tax charge	91,554	56,942
Deferred tax (note 14)	-	(45,208)
	91,554	11,734

NOTES TO THE FINANCIAL STATEMENTS

31st March 2009

7. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

	2009 £	2008 £
(b) Factors affecting current tax charge for the year:		
(Loss)/profit on ordinary activities before tax at 28% (2008: 30%)	(187,986)	77,898
Effect of:		
Indexation allowances on capital gains	2,508	14,942
Short term timing differences on investments and provisions	320,346	5,601
Non taxable investment income	(42,691)	(40,838)
Prior year over provision	(899)	(845)
Other	276	184
	<hr/>	<hr/>
Current tax charge	91,554	56,942
	<hr/>	<hr/>

In view of the uncertainty prevailing in the stock markets a deferred tax asset of £270,000 has not been recognised in these financial statements.

8. TANGIBLE FIXED ASSETS

	Short leasehold property £	Fixtures and fittings £	Electronic equipment and software £	Total £
Cost				
At 1 st April 2008	9,621	4,825	10,712	25,158
Additions	-	891	5,806	6,697
Disposals	(9,621)	(1,484)	(3,292)	(14,397)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2009	-	4,232	13,226	17,458
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 st April 2008	9,621	4,569	9,958	24,148
Charge for the year	-	128	2,401	2,529
Depreciation on disposals	(9,621)	(1,484)	(3,292)	(14,397)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2009	-	3,213	9,067	12,280
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 st March 2009	-	1,019	4,159	5,178
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2008	-	256	754	1,010
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
31st March 2009

9. INVESTMENTS

	Listed in United Kingdom £	Listed abroad £	Unlisted £	Total £
Cost				
At 1 st April 2008	2,662,217	2,606,535	869,041	6,137,793
Additions	736,059	1,312,537	-	2,048,596
Disposals	(403,447)	(1,321,064)	(3,741)	(1,728,252)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2009	2,994,829	2,598,008	865,300	6,458,137
	<hr/>	<hr/>	<hr/>	<hr/>
Provisions				
At 1 st April 2008	-	118,332	8,432	126,764
Movement in the year	602,369	132,138	116,242	850,749
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2009	602,369	250,470	124,674	977,513
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 st March 2009	2,392,460	2,347,538	740,626	5,480,624
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2008	2,662,217	2,488,203	860,609	6,011,029
	<hr/>	<hr/>	<hr/>	<hr/>
Market value of investments				
At 31 st March 2009	2,396,442	2,349,476	751,575	5,497,493
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2008	3,220,416	2,825,670	844,028	6,890,114
	<hr/>	<hr/>	<hr/>	<hr/>

The market value for listed investments is based upon mid-market published prices.

The market value of unlisted investments has been estimated by the directors on the basis of the most recent financial information.

If the investment portfolio was to be disposed at market value, there would be a potential tax liability of approximately £Nil (2008: £133,834) and a write back of provisions less deferred tax credit of £Nil (2008: £nil).

TENIWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2009

9. INVESTMENTS (continued)

Investments representing more than 20% of the issued equity capital are held in the following companies:

	Country of registration	Description of shares/stock	Percentage held	Principal activity
Quail Estates Inc.	USA	Common Preference	39% 29%	Property

10. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2009 £	2008 £
The London Commercial and Mercantile Company Limited		
35,007 £1 ordinary shares at cost	51,264	51,264
Scottish Trust Managers Limited		
150 "A" ordinary shares of £1 each and 7,800 £1 deferred shares at cost	7,950	7,950
Gresham Street Nominees Limited		
100 £1 Ordinary shares at cost	100	-
	<hr/>	<hr/>
	59,314	59,214
	<hr/>	<hr/>

The London Commercial and Mercantile Company Limited is a wholly-owned investment dealing subsidiary and Scottish Trust Managers Limited is a 75% investment property subsidiary. Gresham Street Nominees Limited is dormant. All three companies are incorporated in England and Wales.

Share capital, reserves and results of the above companies for the year ended 31st March 2009 were:

	Share Capital £	Reserves £	Profit/(Loss) for the year £
London Commercial and Mercantile Company Limited	35,007	(245,094)	(166,965)
Scottish Trust Managers Limited	8,000	875,989	8,805
Gresham Street Nominees Limited	100	150	-

The company's share of net assets in Scottish Trust Managers Limited is £664,942.

TENIWOOD SECURITIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
31st March 2009**11. DEBTORS**

	2009	2008
	£	£
Due within one year		
Amounts owed by group undertakings	1,326,832	1,483,253
Other debtors	702,485	834,572
Prepayments and accrued income	18,658	57,395
	<u>2,047,975</u>	<u>2,375,220</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Amount owed to group undertakings	249	249
Other taxes and social security costs	5,508	5,634
Other creditors	3,000	45,059
Corporation tax	14,060	9,914
Group relief payable	69,303	41,582
Accruals	28,509	27,295
	<u>120,629</u>	<u>129,733</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009	2008
	£	£
Loan from parent undertaking:- Iowa Land Company Limited	<u>6,747,534</u>	<u>6,747,534</u>

NOTES TO THE FINANCIAL STATEMENTS
31st March 2009

14. DEFERRED TAXATION

	2009 £	2008 £
Balance at 1 st April	-	(45,208)
Short term timing differences on investments	-	45,208
	<hr/>	<hr/>
Balance at 31 st March	-	-
	<hr/>	<hr/>

15. CALLED UP SHARE CAPITAL

	2009 £	2008 £
Authorised		
Ordinary shares of £1 each	8,390	8,390
7% Non cumulative non participating preference shares of £1 each	1,610	1,610
	<hr/>	<hr/>
	10,000	10,000
	<hr/>	<hr/>
Allotted and fully paid		
Ordinary shares of £1 each	6,500	6,500
7% Non cumulative non participating preference shares of £1 each	1,610	1,610
	<hr/>	<hr/>
	8,110	8,110
	<hr/>	<hr/>

The preference shareholders are entitled to a fixed preferential dividend at the rate of 7% per annum payable out of the profits which the directors determine to distribute.

On a winding up, the preference shares rank pari passu with the ordinary shares as to the repayment of paid up capital, but do not participate in the distribution of any further surplus of assets.

The preference shares are non-voting shares.

TENIWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31st March 2009

16. PROFIT AND LOSS ACCOUNT

	2009 £	2008 £
At 1 st April	1,609,697	1,361,772
(Loss)/profit retained for the year	(762,932)	247,925
	<hr/>	<hr/>
At 31 st March	846,765	1,609,697
	<hr/>	<hr/>

17. LEASE OBLIGATIONS

The company had the following annual commitments under non-cancellable operating leases which expire:

	<u>Land and Buildings</u>	
	2009 £	2008 £
Within one year	-	6,500
Between two and five years	14,667	-
	<hr/>	<hr/>
	14,667	6,500
	<hr/>	<hr/>

18. PARENT UNDERTAKING

The ultimate parent undertaking is Iowa Land Company Limited, a company incorporated in England and Wales. At 31st March 2009, Iowa Land Company owned all the share capital of the company. Group accounts for Iowa Land Company Limited are available to the public on payment of the appropriate fee, from Companies Registration Office, Companies House, Crown Way, Cardiff, CF4 3UZ.