

# **TENIWOOD SECURITIES LIMITED**

## **FINANCIAL STATEMENTS**

**31<sup>st</sup> MARCH 2011**



## **TENIWOOD SECURITIES LIMITED**

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# **TENIWOOD SECURITIES 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**

1054920

### **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 31<sup>st</sup> March 2011

**Principal activities**

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

**Results and dividend**

The profit for the year after tax was £615,515 (2010 £1,214,425)

The directors do not recommend the payment of a dividend (2010 £Nil)

**Review of the business**

In the face of significant economic problems on a global scale it was pleasing that the markets performed as well as they did over the year. Strong corporate results boosted dividend yields and this helped to underpin market values. Trading throughout the year was steady rather than spectacular. A substantial increase was recorded in the dividend yield from foreign quoted investments and the contribution from the realisation of investments was positive in comparison with the rather disappointing loss last year.

During the course of the year a decision was taken to dispose of the 75% equity interest held in Scottish Trust Managers Limited. In the opinion of the directors this subsidiary company had been under performing for a number of years and the opportunity was taken to sell the interest to the minority shareholder. Before the sale an interim dividend was received and there was a substantial book profit taken on disposal.

The considerable uncertainties that continue to prevail around the world necessitate a cautious approach to new investment over the coming months. It is to be expected that market values cannot continue to make meaningful progress until at least some of the major issues are resolved. If this is not achieved support for current market values may well decline.

**Directors**

The directors who held office during the period were

C S R Stroyan  
C N Bardswell  
E Y Whittingdale

Post year end Mr J H Houssemayne Du Boulay was appointed a director on 1<sup>st</sup> June 2011

**REPORT OF THE DIRECTORS**  
**(Continued)**

**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.

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,
- 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.

**Directors' Disclosure of Information to Auditors**

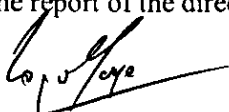
Each of the persons who are directors at the time when this report is approved has confirmed that

- (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 3<sup>rd</sup> August 2011 and signed on its behalf by

  
Roger William Toye  
Secretary

## **TENIWOOD SECURITIES LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TENIWOOD SECURITIES LIMITED**

We have audited the financial statements of Teniwood Securities Limited for the year ended 31<sup>st</sup> March 2011 which are set out on pages 6 to 16. 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 page 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 31<sup>st</sup> March 2011 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 AUDITOR'S REPORT TO THE MEMBERS OF  
TENIWOOD SECURITIES 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



**Timothy West, *Senior Statutory Auditor***

For and on behalf of Moore Stephens LLP, Statutory Auditor

150 Aldersgate Street  
London  
EC1A 4AB

Date *5 August 2011*

**TENIWOOD SECURITIES LIMITED****PROFIT AND LOSS ACCOUNT**  
**for the year ended 31<sup>st</sup> March 2011**

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Income: continuing operations</b>			
Income from investments	2	450,781	427,394
Investment interest receivable		8,295	3,261
Other operating income		8,314	8,900
(Loss)/profit on exchange		(8,099)	1,238
		<hr/>	<hr/>
		459,291	440,793
Administrative expenses		(189,494)	(179,837)
		<hr/>	<hr/>
<b>Operating profit: continuing operations</b>	3	269,797	260,956
Profit on fixed asset investments	6	414,304	871,176
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		684,101	1,132,132
Tax on profit on ordinary activities	7	(68,586)	82,293
		<hr/>	<hr/>
<b>Profit for the year</b>	16	615,515	1,214,425
		<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 2011

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
**for the year ended 31<sup>st</sup> March 2011**

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
Profit for the year		615,515	1,214,425
Opening shareholders' funds		2,069,300	854,875
		<hr/>	<hr/>
Closing shareholders' funds		2,684,815	2,069,300
		<hr/> <hr/>	<hr/> <hr/>



# TENIWOOD SECURITIES LIMITED

## BALANCE SHEET

Company Registration No.: 1054920

at 31<sup>st</sup> March 2011

	Note	2011 £	2010 £
<b>Fixed assets</b>			
Tangible assets	8	940	3,025
Investments	9	6,477,948	6,110,479
Investment in subsidiary undertaking	10	51,264	59,214
		<hr/>	<hr/>
		6,530,152	6,172,718
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors due within one year	11	2,333,608	2,293,524
Debtors due after one year	11	-	120,000
Cash at bank and in hand		612,616	268,979
		<hr/>	<hr/>
		2,946,224	2,682,503
<b>Creditors: Amounts falling due within one year</b>	12	(44,027)	(38,387)
		<hr/>	<hr/>
<b>Net current assets</b>		2,902,197	2,644,116
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		9,432,349	8,816,834
		<hr/>	<hr/>
<b>Creditors: Amounts falling due after more than one year</b>	13	(6,747,534)	(6,747,534)
		<hr/>	<hr/>
		2,684,815	2,069,300
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	15	8,110	8,110
Profit and loss account	16	2,676,705	2,061,190
		<hr/>	<hr/>
<b>Shareholders' funds</b>		2,684,815	2,069,300
		<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 3<sup>rd</sup> August 2011 and signed on its behalf by

*C.S.R. Stroyan*

Colin Strathearn Ropner Stroyan  
Director

**NOTES TO THE FINANCIAL STATEMENTS**

**31<sup>st</sup> March 2011**

**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 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 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 and expensed as appropriate in the taxation charge for the year.

**Investment interest receivable**

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

**Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the profit and loss account.

**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 400 of the Companies Act 2006.

**TENIWOOD SECURITIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS****31<sup>st</sup> March 2011****2. INCOME FROM INVESTMENTS**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Listed investments	225,781	202,245
Unlisted investments	225,000	225,149
	<hr/>	<hr/>
	450,781	427,394
	<hr/>	<hr/>

Included in the above is a dividend of £225,000 (2010 £225,000) received from Scottish Trust Managers Limited, a former subsidiary company

**3. OPERATING PROFIT**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating profit is arrived at after charging		
Auditor's remuneration	15,875	12,925
Depreciation	2,085	2,375
	<hr/>	<hr/>
and after crediting		
Interest receivable	8,295	3,261
	<hr/>	<hr/>

**4. EMPLOYEE AND STAFF COSTS (including directors)**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Wages and salaries	92,060	89,158
Social Security costs	8,335	7,953
	<hr/>	<hr/>
	100,395	97,111
	<hr/>	<hr/>

	<b>2011</b>	<b>2010</b>
	<b>No.</b>	<b>No.</b>
The monthly number of employees (including directors) during the period was as follows		
Office and management	4	4
	<hr/>	<hr/>

**TENIWOOD SECURITIES LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**31<sup>st</sup> March 2011****5. DIRECTORS**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Directors emoluments	45,318	43,680

**6. PROFIT ON FIXED ASSET INVESTMENTS**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Net profit/(loss) on sale of listed and unlisted investments	206,227	(142,210)
Amounts written (off)/back against permanent diminution in value of listed and unlisted investments	(17,973)	848,386
Net profit on sale of subsidiary company	192,050	-
	<u>380,304</u>	<u>706,176</u>
Decrease of provision against inter-company debtor	34,000	165,000
	<u>414,304</u>	<u>871,176</u>

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
(a) Analysis of tax charge for the year		
UK Corporation tax	-	(29,368)
Prior year adjustment	(4,460)	(12,470)
Foreign tax	19,732	17,230
	<u>15,272</u>	<u>(24,608)</u>
Current tax charge/(credit)	15,272	(24,608)
Deferred tax (note 14)	53,314	(57,685)
	<u>68,586</u>	<u>(82,293)</u>

**TENIWOOD SECURITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**31<sup>st</sup> March 2011**

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
(b) Factors affecting current tax charge for the year		
Profit on ordinary activities before tax at 28% (2010 28%)	191,548	316,997
Effect of		
Indexation allowances on capital gains	(12,698)	(17,867)
Short term timing differences on investments and provisions	5,032	(283,748)
Non taxable investment income	(131,397)	(102,911)
Prior year over provision	(4,460)	(12,470)
Other	829	476
Overseas tax	19,732	17,230
Losses (utilised)/carried forward	(53,314)	57,685
	<u>15,272</u>	<u>(24,608)</u>
Current tax charge/(credit)	<u>15,272</u>	<u>(24,608)</u>

**8. TANGIBLE FIXED ASSETS**

	<b>Fixtures and fittings £</b>	<b>Electronic equipment and software £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 <sup>st</sup> April 2010	4,454	13,226	17,680
Additions	-	-	-
	<u>4,454</u>	<u>13,226</u>	<u>17,680</u>
At 31 <sup>st</sup> March 2011	4,454	13,226	17,680
<b>Depreciation</b>			
At 1 <sup>st</sup> April 2010	3,364	11,291	14,655
Charge for the year	150	1,935	2,085
	<u>3,514</u>	<u>13,226</u>	<u>16,740</u>
At 31 <sup>st</sup> March 2011	3,514	13,226	16,740
<b>Net book value</b>			
At 31 <sup>st</sup> March 2011	940	-	940
	<u>940</u>	<u>-</u>	<u>940</u>
At 31 <sup>st</sup> March 2010	1,090	1,935	3,025
	<u>1,090</u>	<u>1,935</u>	<u>3,025</u>

NOTES TO THE FINANCIAL STATEMENTS

31<sup>st</sup> March 2011

9. INVESTMENTS

	Listed in United Kingdom £	Listed abroad £	Unlisted £	Total £
<b>Cost</b>				
At 1 <sup>st</sup> April 2010	2,494,018	2,877,636	867,952	6,239,606
Additions	373,534	838,066	49,668	1,261,268
Disposals	(485,142)	(386,684)	(4,000)	(875,826)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2011	2,382,410	3,329,018	913,620	6,625,048
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Provisions</b>				
At 1 <sup>st</sup> April 2010	-	-	129,127	129,127
Movement in the year	-	-	17,973	17,973
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2011	-	-	147,100	147,100
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 <sup>st</sup> March 2011	2,382,410	3,329,018	766,520	6,477,948
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2010	2,494,018	2,877,636	738,825	6,110,479
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Market value of investments</b>				
At 31 <sup>st</sup> March 2011	3,329,677	4,468,487	660,270	8,458,434
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2010	3,214,260	3,938,082	834,773	7,987,115
	<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 £510,555 (2010 £290,000) net of the deferred tax credit of £4,371 (2010 £57,000)

## TENIWOOD SECURITIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS 31<sup>st</sup> March 2011

#### 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

	2011 £	2010 £
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
	<u>51,264</u>	<u>59,214</u>

The London Commercial and Mercantile Company Limited is a wholly-owned investment dealing subsidiary and is incorporated in England. The interest in Scottish Trust Managers Limited was sold to the minority shareholder on 18<sup>th</sup> March 2011, for £200,000.

Share capital, reserves and results of the above trading company for the year ended 31<sup>st</sup> March 2011 were

	Share Capital £	Reserves £	Profit for the year £
London Commercial and Mercantile Company Limited	35,007	(47,394)	41,289
	<u>35,007</u>	<u>(47,394)</u>	<u>41,289</u>

**TENIWOOD SECURITIES LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31<sup>st</sup> March 2011****11. DEBTORS**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Amount owed by parent company	1,197,453	946,453
Amount owed by subsidiary company	495,076	431,076
Corporation Tax - group relief receivable	-	29,368
Other debtors	611,306	802,485
Prepayments and accrued income	25,402	26,457
Deferred tax (Note 14)	4,371	57,685
	<u>2,333,608</u>	<u>2,293,524</u>
<b>Due after one year</b>		
Amounts owed by a former subsidiary undertaking	-	120,000
	<u>-</u>	<u>120,000</u>

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

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Other taxes and social security costs	7,633	5,012
Accruals	36,394	33,375
	<u>44,027</u>	<u>38,387</u>

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

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Loan from parent undertaking - Iowa Land Company Limited	6,747,534	6,747,534
	<u>6,747,534</u>	<u>6,747,534</u>

The loan is unsecured, interest free and with no fixed maturity date, but with a repayment notice period in excess of one year. Notice of repayment has not been served on the company.



## TENIWOOD SECURITIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

31<sup>st</sup> March 2011

#### 14. DEFERRED TAXATION

	2011 £	2010 £
Balance at 1 <sup>st</sup> April	57,685	-
Short term timing differences on investments	(53,314)	57,685
	<hr/>	<hr/>
	4,371	57,685
	<hr/>	<hr/>

#### 15. CALLED UP SHARE CAPITAL

	2011 £	2010 £
<b>Authorised</b>		
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/>
<b>Allotted and fully paid</b>		
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

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### NOTES TO THE FINANCIAL STATEMENTS

31<sup>st</sup> March 2011

#### 16. PROFIT AND LOSS ACCOUNT

	2011 £	2010 £
At 1 <sup>st</sup> April	2,061,190	846,765
Profit retained for the year	615,515	1,214,425
	<hr/>	<hr/>
At 31 <sup>st</sup> March	2,676,705	2,061,190
	<hr/>	<hr/>

#### 17. LEASE OBLIGATIONS

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

	<u>Land and Buildings</u>	
	2011 £	2010 £
Within one year	-	-
Between two and five years	14,667	14,667
	<hr/>	<hr/>
	14,667	14,667
	<hr/>	<hr/>

#### 18. PARENT UNDERTAKING

The ultimate parent undertaking is Iowa Land Company Limited, a company incorporated in England. At 31<sup>st</sup> March 2011, Iowa Land Company Limited 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.