

TENIWOOD SECURITIES LIMITED

FINANCIAL STATEMENTS

31st MARCH 2012

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TENIWOOD SECURITIES LIMITED

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TENIWOOD SECURITIES 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	1054920
Auditors	Scott-Moncrieff Exchange Place 3 Semple Street Edinburgh EH3 8BL

TENIWOOD SECURITIES 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 2012

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 £6,873,280 (2011 £615,515)

The directors do not recommend the payment of a dividend (2011 £Nil)

Review of the business

The markets continued the positive trend that originated in the previous year, despite the considerable economic and political uncertainties remaining largely unresolved. Against this backdrop relatively few changes were made to the investment portfolio. Strong corporate results contributed to a further substantial increase in dividends received, particularly those from foreign quoted companies. However, the sale of the former subsidiary company, Scottish Trust Managers Limited, in the previous year has led to an overall fall in income from investments. Capital profits were taken when opportunities arose to increase the overall return.

The sharp increase in administrative expenses was disappointing, although not unexpected. The total included a number of non-recurring items together with costs associated with investment in new systems. Action has been taken to curtail the growth of expenses in future years.

During the year the parent company took the decision to waive substantial loans that underpinned the operation of the company. This has released the company from the threat of notice to repay and placed it on a secure long term footing.

The outlook for the markets remains uncertain and the directors will continue to adopt a cautious approach seeking to take advantage of opportunities as they arise.

Directors

The directors who held office during the period were

C S R Stroyan

C N Bardswell

J H Houssemayne Du Boulay (appointed 1st June 2011)

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.

Auditors

Scott-Moncrieff were appointed auditors in place of Moore Stephens LLP and are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Directors' Disclosure of Information to Auditors

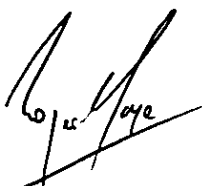
Each of the persons who are directors at the time when this report is approved has confirmed that

- (a) so far as each director is aware, there is no relevant audit information of which the company's 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 within part 15 of the Companies Act 2006.

The report of the directors was approved by the Board on 12th September 2012 and signed on its behalf by



Roger William Toye
Secretary

**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 31st March 2012, 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 2012 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.

TENIWOOD SECURITIES LIMITED

**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, 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-Moncrieff, Statutory Auditor
Exchange Place 3
Semple Street
Edinburgh EH3 8BL

Date *12 September 2012*

TENIWOOD SECURITIES LIMITED**PROFIT AND LOSS ACCOUNT
for the year ended 31st March 2012**

	Note	2012 £	2011 £
Income: continuing operations			
Income from investments	2	276,661	450,781
Investment interest receivable		2,897	8,295
Other operating income		7,250	8,314
Loss on exchange		(3,695)	(8,099)
		<hr/>	<hr/>
		283,113	459,291
Administrative expenses		(208,145)	(189,494)
		<hr/>	<hr/>
Operating profit: continuing operations	3	74,968	269,797
Profit on fixed asset investments	6	57,141	414,304
Loan waived by parent company	13	6,747,534	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		6,879,643	684,101
Tax on profit on ordinary activities	7	(6,363)	(68,586)
		<hr/>	<hr/>
Profit for the year	16	6,873,280	615,515
		<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 2012

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31st March 2012**

	Note	2012 £	2011 £
Profit for the year		6,873,280	615,515
Opening shareholders' funds		2,684,815	2,069,300
		<hr/>	<hr/>
Closing shareholders' funds		9,558,095	2,684,815
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 16 form part of these financial statements

TENIWOOD SECURITIES LIMITED**BALANCE SHEET****Company Registration No.: 1054920****at 31st March 2012**

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	8	6,917	940
Investments	9	6,905,188	6,477,948
Investment in subsidiary undertaking	10	51,264	51,264
		<hr/>	<hr/>
		6,963,369	6,530,152
		<hr/>	<hr/>
Current assets			
Debtors due within one year	11	2,472,458	2,333,608
Cash at bank and in hand		153,053	612,616
		<hr/>	<hr/>
		2,625,511	2,946,224
Creditors: Amounts falling due within one year	12	(30,785)	(44,027)
		<hr/>	<hr/>
Net current assets		2,594,726	2,902,197
		<hr/>	<hr/>
Total assets less current liabilities		9,558,095	9,432,349
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	13	-	(6,747,534)
		<hr/>	<hr/>
		9,558,095	2,684,815
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	15	8,110	8,110
Profit and loss account	16	9,549,985	2,676,705
		<hr/>	<hr/>
Shareholders' funds		9,558,095	2,684,815
		<hr/>	<hr/>

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 12th September 2012 and signed on its behalf by

C. S. R. Stroyan

Colin Strathearn Ropner Stroyan
Director

The notes on pages 8 to 16 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

31st March 2012

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 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

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

NOTES TO THE FINANCIAL STATEMENTS**31st March 2012****1. ACCOUNTING POLICIES (continued)****Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the close of 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 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.

Going concern

The directors consider the company is a going concern given the significant value of fixed asset investments which can be liquidated at short notice.

Group accounts

The company has taken advantage of the exemption from preparing group financial statements afforded by Section 400 of the Companies Act 2006.

2. INCOME FROM INVESTMENTS

	2012	2011
	£	£
Listed investments	275,259	225,781
Unlisted investments	1,402	225,000
	<hr/>	<hr/>
	276,661	450,781
	<hr/>	<hr/>

3. OPERATING PROFIT

	2012	2011
	£	£
Operating profit is arrived at after charging		
Auditor's remuneration	9,900	15,875
Depreciation	3,214	2,085
	<hr/>	<hr/>
and after crediting		
Interest receivable	2,897	8,295
	<hr/>	<hr/>

TENIWOOD SECURITIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 2012****4. EMPLOYEE AND STAFF COSTS (including directors)**

	2012 £	2011 £
Wages and salaries	102,897	92,060
Social Security costs	9,119	8,335
	<u>112,016</u>	<u>100,395</u>

	2012 No.	2011 No.
The monthly number of employees (including directors) during the period was as follows		
Office and management	<u>6</u>	<u>4</u>

5. DIRECTORS

	2012 £	2011 £
Directors emoluments	<u>51,063</u>	<u>45,318</u>

During the year there were no pension benefits accruing to the directors (2011 £nil)

6. PROFIT ON FIXED ASSET INVESTMENTS

	2012 £	2011 £
Net profit on sale of listed and unlisted investments	153,866	206,227
Amounts written off against permanent diminution in value of listed and unlisted investments	(725)	(17,973)
Net profit on sale of subsidiary company	-	192,050
	<u>153,141</u>	<u>380,304</u>
Provision against inter-company debt (increase)/decrease	<u>(96,000)</u>	<u>34,000</u>
	<u>57,141</u>	<u>414,304</u>

TENIWOOD SECURITIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
31st March 2012**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2012	2011
	£	£
(a) Analysis of tax charge for the year		
UK Corporation tax	-	-
Prior year adjustment	(8,805)	(4,460)
Foreign tax	28,269	19,732
	<hr/>	<hr/>
Current tax charge	19,464	15,272
Deferred tax (note 14)	(13,101)	53,314
	<hr/>	<hr/>
	6,363	68,586
	<hr/>	<hr/>
(b) Factors affecting current tax charge for the year		
Profit on ordinary activities before tax at 26% (2011 28%)	1,788,707	191,548
Effect of		
Indexation allowances on capital gains	(11,625)	(12,698)
Short term timing differences on investments and provisions	25,149	5,032
Non taxable investment income	(1,824,090)	(131,397)
Prior year over provision	(8,805)	(4,460)
Other	338	829
Overseas tax	28,269	19,732
Losses utilised	-	(53,314)
Losses carried forward	21,521	-
	<hr/>	<hr/>
Current tax charge	19,464	15,272
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
31st March 2012

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Electronic equipment and software £	Total £
Cost			
At 1 st April 2011	4,454	13,226	17,680
Additions	-	9,191	9,191
Disposals	-	(3,289)	(3,289)
	<hr/>	<hr/>	<hr/>
At 31 st March 2012	4,454	19,128	23,582
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 st April 2011	3,514	13,226	16,740
Charge for the year	150	3,064	3,214
Depreciation on disposals	-	(3,289)	(3,289)
	<hr/>	<hr/>	<hr/>
At 31 st March 2012	3,664	13,001	16,665
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 st March 2012	790	6,127	6,917
	<hr/>	<hr/>	<hr/>
At 31 st March 2011	940	-	940
	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
31st March 2012

9. INVESTMENTS

	Listed in United Kingdom £	Listed abroad £	Unlisted £	Total £
Cost				
At 1 st April 2011	2,382,410	3,329,018	913,620	6,625,048
Additions	345,402	549,629	-	895,031
Disposals	(274,424)	(192,642)	-	(467,066)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2012	2,453,388	3,686,005	913,620	7,053,013
	<hr/>	<hr/>	<hr/>	<hr/>
Provisions				
At 1 st April 2011	-	-	147,100	147,100
Movement in the year	-	-	725	725
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2012	-	-	147,825	147,825
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 st March 2012	2,453,388	3,686,005	765,795	6,905,188
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2011	2,382,410	3,329,018	766,520	6,477,948
	<hr/>	<hr/>	<hr/>	<hr/>
Market value of investments				
At 31 st March 2012	3,220,000	4,555,584	636,985	8,412,569
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2011	3,329,677	4,468,487	660,270	8,458,434
	<hr/>	<hr/>	<hr/>	<hr/>

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

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 £326,293 (2011 £510,555) net of the deferred tax credit of £17,492 (2011 £4,371)

TENIWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2012

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

	2012 £	2011 £
London Commercial and Mercantile Company Limited 35,007 £1 ordinary shares at cost	51,264	51,264

London Commercial and Mercantile Company Limited is a wholly-owned investment dealing subsidiary and is incorporated in England

Share capital, reserves and results of the above trading company for the year ended 31st March 2012 were

	Share Capital £	Reserves £	Loss for the year £
London Commercial and Mercantile Company Limited	35,007	(147,179)	(99,785)

11. DEBTORS

	2012 £	2011 £
Due within one year		
Amount owed by parent company	1,392,452	1,197,453
Amount owed by subsidiary & fellow subsidiary companies	609,076	495,076
Other debtors	421,870	611,306
Prepayments and accrued income	31,588	25,402
Deferred tax (Note 14)	17,472	4,371
	2,472,458	2,333,608

TENIWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS**31st March 2012****12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012	2011
	£	£
Other taxes and social security costs	5,523	7,633
Accruals	25,262	36,394
	<hr/>	<hr/>
	30,785	44,027
	<hr/>	<hr/>

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

	2012	2011
	£	£
Loan from parent undertaking - Iowa Land Company Limited	-	6,747,534
	<hr/>	<hr/>

The parent company formally waived the loan by deed dated 9th February 2012

14. DEFERRED TAXATION

	2012	2011
	£	£
Balance at 1 st April	4,371	57,685
Short term timing differences on investments	13,101	(53,314)
	<hr/>	<hr/>
	17,472	4,371
	<hr/>	<hr/>

15. CALLED UP SHARE CAPITAL

	2012	2011
	£	£
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/>

TENIWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2012

15. CALLED UP SHARE CAPITAL (continued)

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

16. PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
At 1 st April	2,676,705	2,061,190
Profit retained for the year	6,873,280	615,515
	<hr/>	<hr/>
At 31 st March	9,549,985	2,676,705
	<hr/>	<hr/>

17. LEASE OBLIGATIONS

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

	<u>Land and Buildings</u>	
	2012 £	2011 £
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 31st March 2012, 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, 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.