

TENIWOOD SECURITIES LIMITED

FINANCIAL STATEMENTS

31st MARCH 2013



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

Auditor

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 2013

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 £195,425 (2012 £6,873,280)

The directors do not recommend the payment of a dividend (2012 £Nil)

Review of the business

The year ended 31st March 2013 was largely uneventful as markets continued to strengthen and the directors took the opportunity to consolidate the position of the company. Income from investments declined marginally as a result of the timing of certain switches in security holdings, but this shortfall was made good by a profit on foreign exchange as the US Dollar strengthened against Sterling. Expenses were tightly controlled and down on the previous year. As a result, operating profit from continuing operations showed an increase of 23% over last year.

A divestment of underperforming investments during the year resulted in a decreased realised capital gain from the portfolios in comparison with 2012. However, there was a substantial growth in the market value of the portfolios by the end of the year.

The markets continue to remain nervous, particularly in relation to events concerning the substantial economic problems remaining unresolved in many of the major economies around the world. Whilst these conditions produce the potential for high market volatility they also provide investment opportunities, which the directors will endeavour to exploit as they occur.

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.

TENIWOOD SECURITIES LIMITED

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 31st July 2013 and signed on its behalf by



Roger William Toye
Secretary

TENIWOOD SECURITIES LIMITED

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 2013, 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 2013 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 *31 July* 2013

TENIWOOD SECURITIES LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31st March 2013

	Note	2013 £	2012 £
Income: continuing operations			
Income from investments	2	269,271	276,661
Investment interest receivable		1,126	2,897
Other operating income		7,625	7,250
Profit/(loss) on exchange		10,230	(3,695)
		<hr/>	<hr/>
Administrative expenses		288,252 (196,052)	283,113 (208,145)
		<hr/>	<hr/>
Operating profit: continuing operations	3	92,200	74,968
Profit on fixed asset investments	6	124,356	57,141
Loan waived by parent company		-	6,747,534
		<hr/>	<hr/>
Profit on ordinary activities before taxation		216,556	6,879,643
Tax on profit on ordinary activities	7	(21,131)	(6,363)
		<hr/>	<hr/>
Profit for the year	15	195,425	6,873,280
		<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 2013

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS for the year ended 31st March 2013

	Note	2013 £	2012 £
Profit for the year		195,425	6,873,280
Opening shareholders' funds		9,558,095	2,684,815
		<hr/>	<hr/>
Closing shareholders' funds		9,753,520	9,558,095
		<hr/> <hr/>	<hr/> <hr/>

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

TENIWOOD SECURITIES LIMITED

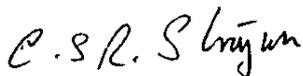
BALANCE SHEET

Company Registration No.: 1054920
at 31st March 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	8	3,864	6,917
Investments	9	7,043,302	6,905,188
Investment in subsidiary undertaking	10	51,264	51,264
		<hr/>	<hr/>
		7,098,430	6,963,369
		<hr/>	<hr/>
Current assets			
Debtors due within one year	11	2,603,663	2,472,458
Cash at bank and in hand		83,355	153,053
		<hr/>	<hr/>
		2,687,018	2,625,511
Creditors: Amounts falling due within one year	12	(31,928)	(30,785)
		<hr/>	<hr/>
Net current assets		2,655,090	2,594,726
		<hr/>	<hr/>
Total assets less current liabilities		9,753,520	9,558,095
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called up share capital	14	8,110	8,110
Profit and loss account	15	9,745,410	9,549,985
		<hr/>	<hr/>
Shareholders' funds		9,753,520	9,558,095
		<hr/> <hr/>	<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 31st July 2013 and signed on its behalf by



Colin Strathearn Ropner Stroyan
Director

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

TENIWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2013

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

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.

TENIWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2013

1. ACCOUNTING POLICIES (continued)

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 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.

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

	2013 £	2012 £
Listed investments	268,077	275,259
Unlisted investments	1,194	1,402
	<hr/>	<hr/>
	269,271	276,661
	<hr/> <hr/>	<hr/> <hr/>

3. OPERATING PROFIT

	2013 £	2012 £
Operating profit is arrived at after charging		
Auditor's remuneration	9,600	9,900
Depreciation	3,295	3,214
	<hr/>	<hr/>
and after crediting		
Interest receivable	1,126	2,897
	<hr/> <hr/>	<hr/> <hr/>

TENIWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS**31st March 2013****4. EMPLOYEE AND STAFF COSTS (including directors)**

	2013	2012
	£	£
Wages and salaries	103,678	102,897
Social Security costs	8,898	9,119
	<hr/>	<hr/>
	112,576	112,016
	<hr/> <hr/>	<hr/> <hr/>
	2013	2012
	No.	No.
The monthly number of employees (including directors) during the period was as follows		
Office and management	6	6
	<hr/> <hr/>	<hr/> <hr/>

5. DIRECTORS

	2013	2012
	£	£
Directors' emoluments	53,575	51,063
	<hr/> <hr/>	<hr/> <hr/>

During the year there were no pension benefits accruing to the directors (2012 £nil)

6. PROFIT ON FIXED ASSET INVESTMENTS

	2013	2012
	£	£
Net profit on sale of listed and unlisted investments	105,360	153,866
Amounts written off against permanent diminution in value of listed and unlisted investments	(65,004)	(725)
	<hr/>	<hr/>
	40,356	153,141
Provision against inter-company debt decrease/(increase)	84,000	(96,000)
	<hr/> <hr/>	<hr/> <hr/>
	124,356	57,141
	<hr/> <hr/>	<hr/> <hr/>

TENIWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31st March 2013**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2013	2012
	£	£
(a) Analysis of tax charge for the year		
UK Corporation tax	-	-
Prior year adjustment	-	(8,805)
Foreign tax	23,977	28,269
	<hr/>	<hr/>
Current tax charge	23,977	19,464
Deferred tax (note 13)	(2,846)	(13,101)
	<hr/>	<hr/>
	21,131	6,363
	<hr/> <hr/>	<hr/> <hr/>
(b) Factors affecting current tax charge for the year		
Profit on ordinary activities before tax	216,556	6,879,643
Tax on profit on ordinary activities at standard CT rate of 24.00% (2012: 26.00%)	51,973	1,788,707
Effect of		
Indexation allowances on capital gains	-	(11,625)
Short term timing differences on investments and provisions	-	25,149
Non taxable investment income	(91,036)	(1,824,090)
Prior year over provision	-	(8,805)
Depreciation in excess of capital allowances	236	338
Overseas tax	23,977	28,269
Losses carried forward	-	21,521
Expenses not deductible for tax purposes	250	-
Group relief surrendered	26,382	-
Chargeable Gains	12,195	-
	<hr/>	<hr/>
Current tax charge	23,977	19,464
	<hr/> <hr/>	<hr/> <hr/>

TENIWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31st March 2013**8. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Electronic equipment and software £	Total £
Cost			
At 1 st April 2012	4,454	19,128	23,582
Additions	-	242	242
Disposals	-	(204)	(204)
	<hr/>	<hr/>	<hr/>
At 31 st March 2013	4,454	19,166	23,620
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 st April 2012	3,664	13,001	16,665
Charge for the year	151	3,144	3,295
Depreciation on disposals	-	(204)	(204)
	<hr/>	<hr/>	<hr/>
At 31 st March 2013	3,815	15,941	19,756
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 st March 2013	639	3,225	3,864
	<hr/>	<hr/>	<hr/>
At 31 st March 2012	790	6,127	6,917
	<hr/>	<hr/>	<hr/>

TENIWOOD SECURITIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
31st March 2013**9. INVESTMENTS**

	Listed in United Kingdom £	Listed abroad £	Unlisted £	Total £
Cost				
At 1 st April 2012	2,453,388	3,686,005	913,620	7,053,013
Additions	426,144	985,509	1	1,411,654
Disposals	(444,302)	(755,801)	(8,433)	(1,208,536)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2013	2,435,230	3,915,713	905,188	7,256,131
	<hr/>	<hr/>	<hr/>	<hr/>
Provisions				
At 1 st April 2012	-	-	147,825	147,825
Movement in the year	-	61,361	3,643	65,004
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2013	-	61,361	151,468	212,829
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 st March 2013	2,435,230	3,854,352	753,720	7,043,302
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2012	2,453,388	3,686,005	765,795	6,905,188
	<hr/>	<hr/>	<hr/>	<hr/>
Market value of investments				
At 31 st March 2013	3,527,444	5,302,989	712,690	9,543,123
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2012	3,220,000	4,555,584	636,985	8,412,569
	<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 £482,682 (2012: £326,293) net of the deferred tax credit of £20,318 (2012 £17,492)

TENIWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2013

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	39%	Property
		Preference	29%	
Mid-Florida Land & Timber Corp	USA	Common	28%	Land
Volusia Land & Timber Corp	USA	Common	28%	Land

10. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2013 £	2012 £
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 2013 were

	Share Capital £	Reserves £	Profit for the year £
London Commercial and Mercantile Company Limited	35,007	(66,436)	80,743

11. DEBTORS

	2013 £	2012 £
Due within one year		
Amount owed by parent company	1,332,452	1,392,452
Amount owed by subsidiary & fellow subsidiary companies	888,076	609,076
Other debtors	331,475	421,870
Prepayments and accrued income	31,342	31,588
Deferred tax (Note 14)	20,318	17,472
	2,603,663	2,472,458

TENIWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31st March 2013**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013	2012
	£	£
Other taxes and social security costs	6,733	5,523
Accruals	25,195	25,262
	<hr/>	<hr/>
	31,928	30,785
	<hr/> <hr/>	<hr/> <hr/>

13. DEFERRED TAXATION

	2013	2012
	£	£
Balance at 1 st April	17,472	4,371
Movement in the year (note 7)	2,846	13,101
	<hr/>	<hr/>
	20,318	17,472
	<hr/> <hr/>	<hr/> <hr/>

14. CALLED UP SHARE CAPITAL

	2013	2012
	£	£
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/>	<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 2013

15. PROFIT AND LOSS ACCOUNT

	2013 £	2012 £
At 1 st April	9,549,985	2,676,705
Profit retained for the year	195,425	6,873,280
	<hr/>	<hr/>
At 31 st March	9,745,410	9,549,985
	<hr/> <hr/>	<hr/> <hr/>

16. LEASE OBLIGATIONS

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

	<u>Land and Buildings</u>	
	2013 £	2012 £
Within one year	7,333	-
Between two and five years	-	14,667
	<hr/>	<hr/>
	7,333	14,667
	<hr/> <hr/>	<hr/> <hr/>

17. PARENT UNDERTAKING

The immediate and ultimate parent undertaking is Iowa Land Company Limited, a company incorporated in England. At 31st March 2013, 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.