

TENIWOOD SECURITIES LIMITED

FINANCIAL STATEMENTS

31st MARCH 2010

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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 150, Aldersgate Street London EC1A 4AB

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 2010

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 £1,214,425 (2009 £762,932 loss)

The directors do not recommend the payment of a dividend (2009 £Nil)

Review of the business

During the year, market conditions improved well beyond original expectations. Liquidity was reduced in line with the growing confidence in the performance of the markets and this in turn led to an increase in investment income. Income was further bolstered by a dividend received from a subsidiary company. Administration expenses were again constrained after an increase incurred in the previous year associated with the relocation of the office in London.

The opportunity was taken during the year to prune under-performing holdings from the investment portfolios resulting in an overall loss being realised for the year. However, with the rise in the markets, substantial value was added to the portfolios which allowed a reversal of the bulk of the provisions made in the previous year.

At the turn of the calendar year, your directors became increasingly concerned about forecast market conditions for 2010. Liquidity was once again built as opportunities arose and this policy has continued into the early months of the new financial year. The outlook is one of considerable uncertainty with formidable economic problems having to be faced both in the United Kingdom and around the world.

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. 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 have

- selected suitable accounting policies and applied them consistently,
- made judgements and estimates that are reasonable and prudent, 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 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

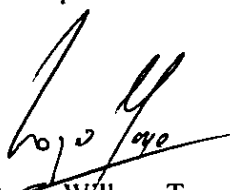
Each of the persons who are directors at the time when this report is approved has confirmed that

- (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 28th July 2010 and signed on its behalf by



Roger William Toye
Secretary

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TENIWOOD SECURITIES LIMITED**

We have audited the financial statements of Teniwood Securities Limited for the year ended 31st March 2010 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 Sections 495 - 496 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 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 Boards (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.

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 2010 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 AUDITORS' 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



Peter Stewart, Senior Statutory Auditor

For and on behalf of Moore Stephens LLP, Statutory Auditor
150, Aldersgate Street
London
EC1A 4AB

Date 30 July 2010

TENIWOOD SECURITIES LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 31st March 2010

	Note	2010 £	2009 £
Income: Continuing operations			
Income from investments	2	427,394	235,058
Investment interest receivable		3,261	27,151
Other operating income		8,900	6,400
Profit on exchange		1,238	105,442
		<hr/>	<hr/>
		440,793	374,051
Administrative expenses		(179,837)	(189,465)
		<hr/>	<hr/>
Operating profit: continuing operations	3	260,956	184,586
Profit/(loss) on fixed asset investments	6	871,176	(855,964)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		1,132,132	(671,378)
Tax on profit/(loss) on ordinary activities	7	82,293	(91,554)
		<hr/>	<hr/>
Profit/(loss) for the year	16	1,214,425	(762,932)
		<hr/>	<hr/>

The company has no recognised gains or losses other than the results disclosed above for the two years ended 31st March 2010

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31st March 2010

	2010 £	2009 £
Profit/(loss) for the financial year	1,214,425	(762,932)
Opening shareholders' funds	854,875	1,617,807
	<hr/>	<hr/>
Closing shareholders' funds	2,069,300	854,875
	<hr/>	<hr/>

TENIWOOD SECURITIES LIMITED**BALANCE SHEET**


Company Registration No.: 1054920

at 31st March 2010

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	8	3,025	5,178
Investments	9	6,110,479	5,480,624
Investment in subsidiary undertakings	10	59,214	59,314
		<u>6,172,718</u>	<u>5,545,116</u>
Current assets			
Debtors due within one year	11	2,293,524	2,047,975
Debtors due after one year	11	120,000	-
Cash at bank and in hand		268,979	129,947
		<u>2,682,503</u>	<u>2,177,922</u>
Creditors: Amounts falling due within one year	12	<u>(38,387)</u>	<u>(120,629)</u>
Net current assets		<u>2,644,116</u>	<u>2,057,293</u>
Total assets less current liabilities		<u>8,816,834</u>	<u>7,602,409</u>
Creditors: Amounts falling due after more than one year	13	<u>(6,747,534)</u>	<u>(6,747,534)</u>
		<u>2,069,300</u>	<u>854,875</u>
Capital and reserves			
Called up share capital	15	8,110	8,110
Profit and loss account	16	2,061,190	846,765
Shareholders' funds		<u>2,069,300</u>	<u>854,875</u>

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 28th July 2010 and signed on its behalf by



Colin Strathearn Ropner Stroyan
Director

NOTES TO THE FINANCIAL STATEMENTS

31st March 2010

1. ACCOUNTING POLICIES

Accounting convention

These financial statements are prepared in accordance with applicable accounting standards 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 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**NOTES TO THE FINANCIAL STATEMENTS****31st March 2010****2. INCOME FROM INVESTMENTS**

	2010	2009
	£	£
Listed investments	202,245	182,300
Unlisted investments	225,149	52,758
	<u>427,394</u>	<u>235,058</u>

Included in the above is a dividend of £225,000 received from Scottish Trust Managers Limited

3. OPERATING PROFIT

	2010	2009
	£	£
Operating profit is arrived at after charging		
Auditors remuneration	12,925	12,081
Depreciation	2,375	2,529
	<u> </u>	<u> </u>
and after crediting		
Interest receivable	3,261	27,151
	<u> </u>	<u> </u>

4. EMPLOYEE AND STAFF COSTS (including directors)

	2010	2009
	£	£
Wages and salaries	89,158	87,940
Social Security costs	7,953	7,877
	<u>97,111</u>	<u>95,817</u>

	2010	2009
	No.	No.
The monthly number of employees (including directors) during the period was as follows		
Office and management	<u>4</u>	<u>4</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2010

5. DIRECTORS

	2010	2009
	£	£
Directors emoluments	43,680	43,260

6. PROFIT/(LOSS) ON FIXED ASSET INVESTMENTS

	2010	2009
	£	£
Net (loss)/profit on sale of listed and unlisted investments	(142,210)	169,785
Amounts written back/(off) against permanent diminution in value of listed and unlisted investments	848,386	(850,749)
	706,176	(680,964)
Decrease/(increase) of provision against inter company debtor	165,000	(175,000)
	871,176	(855,964)

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2010	2009
	£	£
(a) Analysis of tax charge for the year		
UK Corporation tax	(29,368)	92,453
Prior year adjustment	(12,470)	(899)
Foreign tax	17,230	-
	(24,608)	91,554
Current tax (credit)/charge	(24,608)	91,554
Deferred tax (note 14)	(57,685)	-
	(82,293)	91,554

TENIWOOD SECURITIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 2010****7. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)**

	2010 £	2009 £
(b) Factors affecting current tax charge for the year		
Profit/(loss) on ordinary activities before tax at 28% (2009 28%)	316,997	(187,986)
Effect of		
Indexation allowances on capital gains	(17,867)	2,508
Short term timing differences on investments and provisions	(283,748)	320,346
Non taxable investment income	(102,911)	(42,691)
Prior year over provision	(12,470)	(899)
Other	476	276
Overseas tax	17,230	-
Losses carried forward	57,685	-
	<hr/>	<hr/>
Current tax (credit)/charge	(24,608)	91,554
	<hr/>	<hr/>

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Electronic equipment and software £	Total £
Cost			
At 1 st April 2009	4,232	13,226	17,458
Additions	222	-	222
	<hr/>	<hr/>	<hr/>
At 31 st March 2010	4,454	13,226	17,680
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 st April 2009	3,213	9,067	12,280
Charge for the year	151	2,224	2,375
	<hr/>	<hr/>	<hr/>
At 31 st March 2010	3,364	11,291	14,655
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 st March 2010	1,090	1,935	3,025
	<hr/>	<hr/>	<hr/>
At 31 st March 2009	1,019	4,159	5,178
	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
31st March 2010

9. INVESTMENTS

	Listed in United Kingdom £	Listed abroad £	Unlisted £	Total £
Cost				
At 1 st April 2009	2,994,829	2,598,008	865,300	6,458,137
Additions	619,875	803,978	32,771	1,456,624
Disposals	(1,120,686)	(524,350)	(30,119)	(1,675,155)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2010	2,494,018	2,877,636	867,952	6,239,606
	<hr/>	<hr/>	<hr/>	<hr/>
Provisions				
At 1 st April 2009	602,369	250,470	124,674	977,513
Movement in the year	(602,369)	(250,470)	4,453	(848,386)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2010	-	-	129,127	129,127
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 st March 2010	2,494,018	2,877,636	738,825	6,110,479
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2009	2,392,460	2,347,538	740,626	5,480,624
	<hr/>	<hr/>	<hr/>	<hr/>
Market value of investments				
At 31 st March 2010	3,214,260	3,938,082	834,773	7,987,115
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2009	2,396,442	2,349,476	751,575	5,497,493
	<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 £290,000 (2009 £Nil) net of the deferred tax credit of £57,000 (2009 £Nil)

TENIWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2010

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

	2010 £	2009 £
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/>
	59,214	59,314
	<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. These two companies are incorporated in England. Following application to Companies House, Gresham Street Nominees Limited was struck off the register on 22nd December 2009.

Share capital, reserves and results of the above trading companies for the year ended 31st March 2010 were

	Share Capital £	Reserves £	Profit/(Loss) for the year £
London Commercial and Mercantile Company Limited	35,007	(88,683)	156,411
Scottish Trust Managers Limited	8,000	652,596	(13,393)

The company's share of net assets in Scottish Trust Managers Limited is £497,397

TENIWOOD SECURITIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 2010****11. DEBTORS**

	2010	2009
	£	£
Due within one year		
Amounts owed by group undertakings	1,377,529	1,326,832
Corporation Tax - group relief receivable	29,368	-
Other debtors	802,485	702,485
Prepayments and accrued income	26,457	18,658
Deferred tax (Note 14)	57,685	-
	<u>2,293,524</u>	<u>2,047,975</u>
Due after one year		
Amounts owed by a subsidiary undertaking	<u>120,000</u>	<u>-</u>

The above amount is due from Scottish Trust Managers Limited

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Amount owed to group undertakings	-	249
Other taxes and social security costs	5,012	5,508
Other creditors	-	3,000
Corporation tax	-	14,060
Group relief payable	-	69,303
Accruals	33,375	28,509
	<u>38,387</u>	<u>120,629</u>

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

	2010	2009
	£	£
Loan from parent undertaking - Iowa Land Company Limited	<u>6,747,534</u>	<u>6,747,534</u>

TENIWOOD SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2010

14. DEFERRED TAXATION

	2010 £	2009 £
Balance at 1 st April	-	-
Short term timing differences on investments	57,685	-
	<u>57,685</u>	<u>-</u>
Balance at 31 st March (Note 11)	<u>57,685</u>	<u>-</u>

15. CALLED UP SHARE CAPITAL

	2010 £	2009 £
Authorised		
Ordinary shares of £1 each	8,390	8,390
7% Non cumulative non participating preference shares of £1 each	1,610	1,610
	<u>10,000</u>	<u>10,000</u>
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
	<u>8,110</u>	<u>8,110</u>

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

NOTES TO THE FINANCIAL STATEMENTS**31st March 2010****16. PROFIT AND LOSS ACCOUNT**

	2010	2009
	£	£
At 1 st April	846,765	1,609,697
Profit/(loss) retained for the year	1,214,425	(762,932)
	<hr/>	<hr/>
At 31 st March	2,061,190	846,765
	<hr/>	<hr/>

17. LEASE OBLIGATIONS

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

	<u>Land and Buildings</u>	
	2010	2009
	£	£
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 2010, 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.