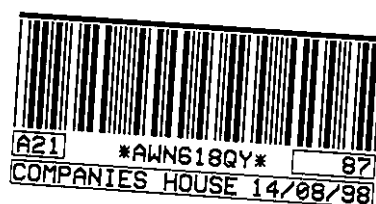


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IOWA LAND COMPANY LIMITED

COMPANY INFORMATION

Directors C S R Stroyan T.D., W.S. (Chairman)
P H Lawson
E Y Whittingdale

Secretary R W Toye

Registered Office Bridge House
181 Queen Victoria Street
London EC4V 4DD

Registered Number 15399

Auditors Moore Stephens
Chartered Accountants
St. Paul's House
Warwick Lane
London EC4P 4BN

Solicitors Wilsons
Steynings House
Chapel Place
Fisherton Street
Salisbury
Wiltshire SP2 7R3

Bankers The Royal Bank of Scotland plc
62-63 Threadneedle Street
London EC2R 8LA

IOWA LAND COMPANY LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of this company will be held at Mitre House, 160 Aldersgate Street, London EC1A 4DD on 3rd November 1998 at 10:00 am for the following purposes:

1. To receive the directors' report and accounts for the year ended 31st March 1998.
2. To re-appoint Moore Stephens as the auditors of the company.
3. To authorise the directors to fix the remuneration of the auditors.

By order of the Board



Roger W Toye
Secretary

30th July 1998

NOTE: Any person entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote (on a poll) in his place and such proxy need not be a member.

IOWA LAND COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report together with the audited consolidated financial statements of the company and its subsidiaries for the year ended 31st March 1998.

Principal activities

The principal activities of the company and its subsidiaries are investment in shares, property and land, and farming in Scotland.

Results and dividend

The Group profit for the year before taxation was £251,995 (1997: £132,468) after taking account of profits from investment and fixed asset disposals net of provisions of £235,590 (1997: £73,207). The profit after taxation and minority interest of £188,155 (1997: £67,960) is accounted for through the profit and loss account.

The directors do not propose a dividend.

Review of the business

The farming side of the business suffered a serious downturn in the year to 31st March 1998. Grain prices collapsed owing to a world wide oversupply, beef prices continued to suffer from the B.S.E. export ban and sheep prices fell sharply during the second half of the year. The farming loss was however offset by profitable results from the investment company, the dealing company and residential property business, resulting in a small after tax profit of £10,440 from ongoing activities.

Operating costs in the investment side of the business were again satisfactorily reduced.

During the course of the year an actuarial review of the group pension scheme was carried out. After topping up as far as possible all pensions currently being paid and after allocating the maximum permissible amounts to the pension funds of those remaining in the new scheme there was a taxable surplus due to the company of £296,193. The net figure is £177,715 and is shown as an exceptional item in the profit and loss account.

The directors anticipate an improvement in the farming position although not a return to profitability and intend so far as the investment business is concerned to continue to pursue a cautious policy particularly keeping in view the financial problems in the Far East.

Directors' responsibilities for financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period. In preparing these financial statements, the directors have:

- * selected suitable accounting policies and applied them consistently;
- * made judgements and estimates that are reasonable and prudent;
- * followed applicable accounting standards; and
- * prepared the financial statements on the going concern basis.

IOWA LAND COMPANY LIMITED

REPORT OF THE DIRECTORS (Continued)

Directors' responsibilities for financial statements (continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who held office during the year together with their share holdings in the company, all non-beneficial, were as follows:

	Ordinary shares of 10p each	
	31 st March 1998	31 st March 1997

C S R Stroyan	1,000	1,000
P H Lawson	1,000	1,000
E Y Whittingdale	-	-

None of the directors held any of the 4.55% preference shares.

Fixed assets

Movements in tangible fixed assets are disclosed in Note 10.

The group's Scottish estates are included at professional valuation of £5,952,000 as at 9th August 1993. The group's English freehold and long leasehold properties are included on the basis of the directors' estimate of the current market value at 31st March 1998.

Year 2000

The directors are continuing to review the risks associated with the Year 2000 problem, both with regard to internal use of computer systems and embedded chips and in connection with relationships with third parties. They are satisfied that these steps will be completed in sufficient time to eliminate any potential problems. The total costs of ensuring Year 2000 compliance have not been quantified, but are not expected to be significant.

Auditors

A resolution for the re-appointment of Moore Stephens as auditors will be proposed at the Annual General Meeting.

The report of the directors was approved by the Board on 30th July 1998 and signed on its behalf by:



Roger William Toye
Secretary

IOWA LAND COMPANY LIMITED

AUDITORS REPORT TO THE SHAREHOLDERS OF IOWA LAND COMPANY LIMITED

We have audited the financial statements on pages 6 to 26 which have been prepared on the basis of the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on pages 3 and 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

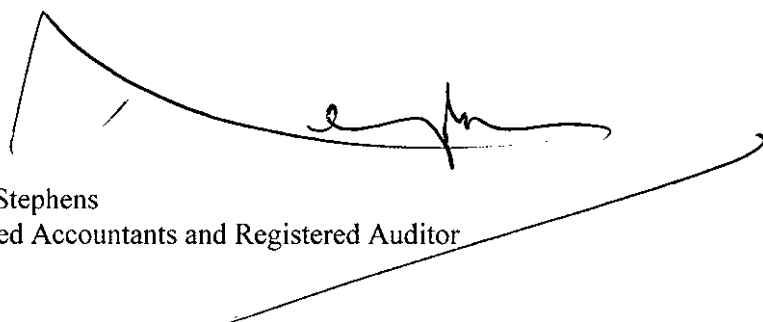
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31st March 1998 and of the profit, total recognised gains and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Moore Stephens', is written over a horizontal line. A long, sweeping diagonal line extends from the bottom right of the signature area towards the bottom left of the page.

Moore Stephens
Chartered Accountants and Registered Auditor

London
30th July 1998

IOWA LAND COMPANY LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31st March 1998**

	Note	1998 £	1997 £
Income: continuing operations			
Turnover: Farming activities		1,309,599	1,582,333
Rental income		110,374	76,464
Investment dealing activities		6,504	16,027
Investment income		175,214	207,247
Investment interest receivable		53,950	47,713
		<hr/>	<hr/>
Total income		1,655,641	1,929,784
Operating costs	2	(1,776,245)	(1,766,685)
		<hr/>	<hr/>
Operating (loss)/profit: continuing operations		(120,604)	163,099
		<hr/>	<hr/>
Profit on disposal of tangible fixed assets		23,824	42,049
Profit on disposal of fixed asset investments	7	211,766	31,158
		<hr/>	<hr/>
		235,590	73,207
		<hr/>	<hr/>
Profit before interest		114,986	236,306
Interest payable	4	(45,724)	(81,920)
Exchange gains/(losses)		5,018	(21,918)
Exceptional profit	6	177,715	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		251,995	132,468
Tax on profit on ordinary activities	8	(62,045)	(61,598)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		189,950	70,870
Minority Interest		(1,795)	(2,910)
		<hr/>	<hr/>
Profit for the financial year	24	188,155	67,960
		<hr/>	<hr/>

Movements in reserves are shown in notes 23 and 24 on page 25.

IOWA LAND COMPANY LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31st March 1998

	1998	1997
	£	£
Profit for the financial year	188,155	67,960
Unrealised surplus on property revaluation	39,289	44,931
Deferred taxation on revaluation	(29,300)	-
Less: Share of minority interest	(2,497)	(11,233)
	<hr/>	<hr/>
Total recognised gains	195,647	101,658
	<hr/>	<hr/>

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
for the year ended 31st March 1998

	1998	1997
	£	£
Total recognised gains	195,647	101,658
Opening shareholders' funds	12,445,355	12,343,694
	<hr/>	<hr/>
Closing shareholders' funds	12,641,002	12,445,352
	<hr/>	<hr/>

NOTE ON HISTORICAL COST PROFITS AND LOSSES
for the year ended 31st March 1998

	1998	1997
	£	£
Reported profit on ordinary activities before taxation	251,995	132,468
Realisation of property revaluation gains of previous years	18,879	-
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	270,874	132,468
	<hr/>	<hr/>
Historical cost profit for the year retained after taxation	207,034	67,960
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED**CONSOLIDATED BALANCE SHEET
at 31st March 1998**

	Note	1998 £	1997 £
Fixed assets			
Tangible fixed assets	10	7,271,982	7,271,339
Investments	11	3,857,074	4,436,240
		<hr/>	<hr/>
		11,129,056	11,707,579
		<hr/>	<hr/>
Current assets			
Stocks	12	572,380	594,572
Debtors	13	722,272	583,954
Investments	14	116,542	155,330
Cash at bank and in hand		1,029,412	602,126
		<hr/>	<hr/>
		2,440,606	1,935,982
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	15	(809,051)	(1,078,290)
		<hr/>	<hr/>
Net current assets		1,631,555	857,692
		<hr/>	<hr/>
Total assets less current liabilities		12,760,611	12,565,271
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	16	(53,910)	(87,809)
Provision for liabilities and charges	18	(29,300)	-
		<hr/>	<hr/>
Net assets		12,677,401	12,477,462
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	22	104,842	104,842
Share premium account		163,163	163,163
Capital redemption reserve	23	310,843	310,843
Revaluation reserve	23	3,399,048	3,410,435
Other reserves	23	5,068,565	5,068,565
Profit and loss account	24	3,594,538	3,387,504
		<hr/>	<hr/>
Shareholders' funds (including non-equity)	25	12,640,999	12,445,352
Minority interests' (equity)		36,402	32,110
		<hr/>	<hr/>
		12,677,401	12,477,462
		<hr/>	<hr/>

Approved by the Board of Directors on 30th July 1998
and signed on its behalf by:

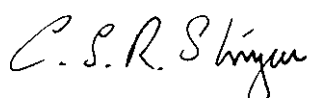
C. S. R. Stroyan

Colin Strathern Ropner Stroyan, Director

IOWA LAND COMPANY LIMITED**BALANCE SHEET**
at 31st March 1998

	Note	1998 £	1997 £
Fixed assets			
Investments		1	1
Investments in subsidiary undertakings	9	1,532,973	1,532,973
		<hr/>	<hr/>
		1,532,974	1,532,974
		<hr/>	<hr/>
Current assets			
Debtors due within one year	13	3,030,199	3,079,685
Debtors due after one year	13	1,605,494	1,605,494
Cash at bank and in hand		63,510	12,302
		<hr/>	<hr/>
		4,699,203	4,697,481
Creditors: Amounts falling due within one year	15	(613,170)	(613,170)
		<hr/>	<hr/>
Net current assets		4,086,033	4,084,311
		<hr/>	<hr/>
Total assets less current liabilities		5,619,007	5,617,285
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	22	104,842	104,842
Share premium account		163,163	163,163
Capital redemption reserve	23	310,843	310,843
Capital reserve	23	4,949,336	4,949,336
Profit and loss account	24	90,823	89,101
		<hr/>	<hr/>
Shareholders' funds (including non-equity)	25	5,619,007	5,617,285
		<hr/>	<hr/>

Approved by the Board of Directors on 30th July 1998 and signed on its behalf by:



Colin Strathearn Ropner Stroyan
Director

IOWA LAND COMPANY LIMITED**CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31st March 1998**

	Notes	1998		1997	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	20		81,408		(56,120)
Other returns on investments and servicing of finance	21 A		(40,706)		(103,838)
Taxation	21 B		(36,777)		(54,191)
Capital expenditure and financial investment	21 C		722,158		(802,330)
Acquisition and disposals	21 D		-		(200)
Cash inflow/(outflow) before management of liquid resources and financing			726,083		(1,016,679)
Management of liquid resources and financing:					
Management of liquid resources	21 E	45,292		19,922	
Financing	21 F	(24,649)	20,643	70,319	90,241
Increase/(decrease) in cash			746,726		(926,438)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
for the year ended 31st March 1998**

	Cash £	Overdrafts £	1998 Total £	1997 £
Cash flow in year	427,286	319,440	746,726	(926,438)
Balance at 1 st April	602,126	(784,031)	(181,905)	744,533
Balance at 31st March	1,029,412	(464,591)	564,821	(181,905)

NOTES TO THE FINANCIAL STATEMENTS

31st March 1998

1. ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared in accordance with applicable accounting standards under the historical cost basis of accounting as modified by the revaluation of land and buildings.

Basis of consolidation

The consolidated financial statements incorporate those of Iowa Land Company Limited and its subsidiary companies.

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent company has not been separately presented in the financial statements.

Fixed assets and depreciation

No division is made of the cost or valuation of freehold land and buildings into the proportion relating to land and the proportion relating to buildings. In the opinion of the directors it would not be meaningful to do so given the nature of the buildings which are, for the most part, farm buildings. No depreciation is provided for farm buildings, but all costs of maintaining the buildings to a high standard are written off as incurred. Depreciation is provided to write off other fixed assets over their expected useful lives at the following rates:

Short leaseholds	Over the period of lease
Implements, plant and machinery	10% - 15% pa
Office equipment, furniture, fixtures and fittings	4% - 33% pa
Motor vehicles	25% pa

Investment properties

Investment properties are revalued annually at open market value and any temporary surplus or deficit is transferred to investment property revaluation reserve. Permanent deficits on individual properties are charged in the profit and loss account which is also credited with subsequent reversals.

As these properties are held for investment purposes not consumption, depreciation is not considered to be relevant. In accordance with SSAP 19 no depreciation or amortisation is provided in respect of freehold and long leasehold investment properties. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount, which might otherwise be shown, cannot be separately identified or quantified.

Leased assets

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the group's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding.

Farming stocks

Farming stocks have been valued at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

31st March 1998

1. ACCOUNTING POLICIES (Continued)

Investments

Investments held as fixed assets are included at cost. Provision is made where in the opinion of the directors any diminution in value is permanent.

Investments held as trading stock are shown as current assets and are included at the lower of cost or market value.

Income from investments

Income from investment in equities is included when received. Interest income from fixed interest and index linked stock is accrued to the end of the financial year.

Investment interest receivable

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

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is material and probable that the liability will become payable in the foreseeable future.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currency are translated into sterling at the rate of exchange ruling at the year end.

Turnover

Turnover represents invoiced sales of farming produce, exclusive of VAT.

Government Grants

Grants of a revenue nature are credited to the profit and loss account in the year in which they accrue.

Grants of a capital nature received for land and buildings (which are not depreciated) have been deducted from the original cost of the relevant asset. This is not in accordance with schedule 4 to the Companies Act 1985, which requires fixed assets to be shown at their purchase price or production cost and hence grants and contributions would be presented as deferred income. This departure from the requirements of the Act is, in the opinion of the directors, necessary since complying with the Act would not give a true and fair view as no provision is made for depreciation and any grants and contributions relating to such assets would not be taken to the profit and loss account.

Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are invested and managed independently of the finances of the group. The pension cost charge represents contributions payable in the year.

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 1998

2. SEGMENTAL INFORMATION

	1998	1997
	£	£
Other direct expenses and farming activities		
Cost of livestock	361,577	341,237
Other direct costs	397,728	455,390
Administration costs - all companies	1,016,940	970,058
	<hr/>	<hr/>
	1,776,245	1,766,685
	<hr/>	<hr/>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1998	1997
	£	£
Profit on ordinary activities is arrived at after charging:		
Auditors remuneration	17,163	15,492
Depreciation	131,244	134,279
	<hr/>	<hr/>
and after crediting:		
Subsidies and grants	277,913	356,558
Bank interest receivable	53,950	47,713
	<hr/>	<hr/>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1998	1997
	£	£
Bank loans and overdrafts	38,669	75,055
Other loans	7,055	6,865
	<hr/>	<hr/>
	45,724	81,920
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS**31st March 1998****5. EMPLOYEES AND STAFF COSTS**

	1998	1997
	£	£
Costs incurred in respect of employees (including directors) were:-		
Wages and salaries	361,095	340,424
Social security costs	32,726	30,725
Other pension costs	9,869	9,043
	<hr/>	<hr/>
	403,690	380,192
	<hr/>	<hr/>

	No.	No.
The average weekly number of employees (including directors) during the year was as follows	21	29
	<hr/>	<hr/>

	1998	1997
	£	£
Directors emoluments:-		
Other emoluments	33,250	30,875
	<hr/>	<hr/>

6. EXCEPTIONAL PROFIT

	1998	1997
	£	£
Refund of pension scheme surplus	296,193	-
Less: tax paid	(118,478)	-
	<hr/>	<hr/>
	177,715	-
	<hr/>	<hr/>

7. PROFIT ON DISPOSAL OF FIXED ASSET INVESTMENTS

	1997	1998
	£	£
Profit on disposal of investments	390,542	155,181
Investment provisions	(178,776)	(124,023)
	<hr/>	<hr/>
	211,766	31,158
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 1998

8. TAXATION

	1998	1997
	£	£
Taxation charge based on the profit for the year:		
Corporation tax at 31% (1997: 33%)	53,719	39,800
Tax suffered on investment income	21,230	22,596
	<hr/>	<hr/>
	74,949	62,396
Prior year adjustments:		
Corporation tax	(12,904)	(798)
	<hr/>	<hr/>
	62,045	61,598
	<hr/>	<hr/>

9. INTERESTS IN SUBSIDIARIES

Principal trading subsidiaries	Parent and group interest in ordinary shares and voting rights	Country of incorporation and registration	Principal activity
Teniwood Securities Ltd	100%	England and Wales	Investment holding
London Commercial and Mercantile Company Limited	100%	England and Wales	Investment dealing
Cotswold & General Farms Limited	100%	England and Wales	Investment holding
Scottish Trust Managers Limited	75%	England and Wales	Property investment
Culfargie Estates Limited	100%	Scotland	Farming and property investment
Fingask and Kinnaird Properties Limited	100%	Scotland	Farming
Strathtay and Perthshire Properties Limited	100%	Scotland	Farming
Tay and Torridon Estates Limited	100%	Scotland	Farming

IOWA LAND COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 1998****10. TANGIBLE FIXED ASSETS**

Group	Freehold land and buildings £	Long leaseholds £	Short leaseholds £	Plant equipment and motor vehicles £	Total £
Cost or valuation					
At 1 st April 1997	6,496,130	120,000	11,079	1,350,951	7,978,160
Additions	59,322	-	-	191,886	251,208
Disposals	(99,200)	-	-	(144,148)	(243,348)
Revaluation	29,289	10,000	-	-	39,289
At 31 st March 1998	6,485,541	130,000	11,079	1,398,689	8,025,309
Depreciation					
At 1 st April 1997	-	-	11,079	695,742	706,821
Charge for the year	-	-	-	131,244	131,244
Released on disposal	-	-	-	(84,738)	(84,738)
At 31 st March 1998	-	-	11,079	742,248	753,327
Net book value					
At 31 st March 1998	6,485,541	130,000	-	656,441	7,271,982
At 31 st March 1997	6,496,130	120,000	-	655,209	7,271,339

Freehold land and buildings includes investment properties revalued by the directors at the balance sheet date at the open market value of £372,300 (1997: £441,250).

The group's Scottish estates were revalued on 9th August 1993 at £5,952,000 on the basis of their open market value, by a firm of Chartered Surveyors. This valuation is incorporated in the financial statements. The valuation has been reviewed by the directors and in their opinion is no less than the current market value.

The historical cost of freehold property is £3,242,984 (1997: £3,084,462).

Long leaseholds were revalued by the directors at the balance sheet date at the open market value of £130,000 (1997: £120,000).

There were no capital commitments at 31st March 1998 or 1997.

IOWA LAND COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 1998****11. FIXED ASSET INVESTMENTS**

Group	Listed in	Listed	Unlisted	Total
Cost	United Kingdom	abroad		
	£	£	£	£
At 1 st April 1997	1,993,684	1,895,438	846,219	4,735,341
Additions	353,481	602,037	100	955,618
Disposals	(937,458)	(370,184)	(48,366)	(1,356,008)
At 31 st March 1998	1,409,707	2,127,291	797,953	4,334,951
Provisions				
At 1 st April 1997	79,795	105,458	113,848	299,101
Movement in the year	49,693	120,399	8,684	178,776
At 31 st March 1998	129,488	225,857	122,532	477,877
Net book value				
At 31 st March 1998	1,280,219	1,901,434	675,421	3,857,074
At 31 st March 1997	1,913,889	1,789,980	732,371	4,436,240
Market value				
At 31 st March 1998	2,796,580	2,489,327	717,849	6,003,756
At 31 st March 1997	3,101,703	2,181,117	768,920	6,051,740

The market value of listed investments is based on 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.

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 1998

11. FIXED ASSET INVESTMENTS (Continued)

Companies in which the group holds over 20% of the issued equity capital are as follows:

	Country of registration	Description of shares/stock	Percentage held
Murray Campbell & Co Ltd	England	Ordinary	50%
		Deferred	50%
Pelican Estates Inc	U S A	Common	40%
Quail Estates Inc	U S A	Common	29%

The directors are of the opinion that as they do not exert significant influence over the day-to-day management of these companies it is not appropriate to consolidate their results.

12. STOCKS

Group	1998 £	1997 £
Stocks, all of which related to farming, comprised the following:		
Cattle and sheep	393,373	399,118
Crops	119,370	120,209
Sundry	59,637	75,245
	<hr/>	<hr/>
	572,380	594,572
	<hr/>	<hr/>

13. DEBTORS

	Group		Company	
	1998 £	1997 £	1998 £	1997 £
Due within one year				
Trade debtors	626,628	380,931	-	-
Other debtors	39,677	140,592	-	-
Corporation tax and income tax recoverable	-	7,120	-	-
Amounts due from subsidiary undertakings	-	-	3,030,199	3,079,677
Prepayments and accrued income	55,967	55,311	-	8
	<hr/>	<hr/>	<hr/>	<hr/>
	722,272	583,954	3,030,199	3,079,685
	<hr/>	<hr/>	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 1998****13. DEBTORS (Continued)**

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Due after one year				
Amounts owed by subsidiary undertaking	-	-	1,605,494	1,605,494
	<u>-</u>	<u>-</u>	<u>1,605,494</u>	<u>1,605,494</u>
	<u>-</u>	<u>-</u>	<u>1,605,494</u>	<u>1,605,494</u>

14. CURRENT ASSET INVESTMENTS

	1998	1997
Group	£	£
Listed, at lower of cost and market value	116,542	155,330
	<u>116,542</u>	<u>155,330</u>
Market value, based on mid-market published prices	121,831	155,330
	<u>121,831</u>	<u>155,330</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Bank loan and overdrafts	464,591	784,031	-	-
Obligations under finance leases	89,939	80,689	-	-
Tax and social security	5,507	5,874	-	-
Trade creditors	91,209	66,382	-	-
Other creditors	45,686	45,686	2,713	2,713
Amounts due to subsidiary undertakings	-	-	-	610,457
Accruals and deferred income	72,338	73,995	-	-
Corporation Tax	39,781	21,633	-	-
	<u>809,051</u>	<u>1,078,290</u>	<u>2,713</u>	<u>613,170</u>

IOWA LAND COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 1998****16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

Group	1998 £	1997 £
Obligations under finance leases	53,910	87,809

17. DEBT ANALYSIS

	Group		Company	
	1998 £	1997 £	1998 £	1997 £
Repayable within 1 year	554,530	864,720	-	-
Repayable in 1 - 2 years	-	-	-	-
Repayable in 2 - 5 years	53,910	87,809	-	-
	<u>608,440</u>	<u>952,529</u>	<u>-</u>	<u>-</u>

18. PROVISION FOR LIABILITIES AND CHARGES

Group	1998 £	1997 £
Deferred taxation		
The provision for deferred taxation which comprises the full potential liability is:		
Accelerated capital allowances	91,784	73,733
Less: unrelieved trading losses	(91,784)	(73,733)
Revaluation of tangible fixed assets	29,300	-
	<u>29,300</u>	<u>-</u>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 1998

19. CASH FLOW INFORMATION

In accordance with the revised FRS 1 the following definitions have been applied:

- (i) Cash: cash in hand , overnight deposits and overnight borrowings.
- (ii) Liquid resources: all monetary assets (excluding cash at (i) above) which are convertible into cash at, or close to, the carrying value in the balance sheet.
- (iii) Debt financing: all borrowings other than overnight.

20. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	1998	1997
	£	£
Operating (loss)/profit	(120,604)	163,099
Depreciation	131,244	134,279
Decrease in stocks	22,192	75,589
(Increase) in debtors	(145,438)	(329,456)
Increase/(decrease) in creditors	22,803	(83,604)
(Profit) on disposal of current asset investments	(6,504)	(16,027)
Refund of pension scheme surplus	177,715	-
	<hr/>	<hr/>
	81,408	(56,120)
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

31st March 1998

21. ANALYSIS OF CASH FLOWS GIVEN IN THE CASH FLOW STATEMENT

A. Other returns on investments and servicing of finance

	1998	1997
£	£	
Exchange gains/(losses)	5,018	(21,918)
Bank interest paid	(38,669)	(75,055)
Interest element of finance lease payments	(7,055)	(6,865)
	<hr/>	<hr/>
Net cash outflow from other returns on investments and servicing of finance	(40,706)	(103,838)
	<hr/>	<hr/>

B. Taxation

	1998	1997
	£	£
Net UK corporation tax and overseas tax	15,547	31,595
Tax suffered on UK investment income	21,230	22,596
	<hr/>	<hr/>
Net cash outflow for taxation	36,777	54,191
	<hr/>	<hr/>

C. Capital expenditure and financial investment

	1998	1997
	£	£
Purchase of tangible fixed assets	(251,208)	(632,501)
Sale of tangible fixed assets	182,434	214,503
Purchase of fixed asset investments	(955,618)	(1,177,787)
Sale of fixed asset investments	1,746,550	793,455
	<hr/>	<hr/>
Net cash inflow/(outflow) for capital expenditure and financial investment	722,158	(802,330)
	<hr/>	<hr/>

D. Acquisitions and disposals

	1998	1997
	£	£
Decrease in investment in subsidiary by minority	-	(200)
	<hr/>	<hr/>
Net cash outflow from acquisitions and disposals	-	(200)
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS**31st March 1998****21. ANALYSIS OF CASH FLOWS GIVEN IN THE CASH FLOW STATEMENT**
(continued)**E. Management of liquid resources**

	1998	1997
	£	£
Purchase of current asset investments	(281,430)	(280,694)
Sale of current assest investments	326,722	300,616
	<hr/>	<hr/>
Net cash inflow	45,292	19,922
	<hr/>	<hr/>

F. Financing

	1998	1997
	£	£
(Decrease)/increase in finance leases	(24,649)	70,319
	<hr/>	<hr/>
Net cash (outflow)/inflow	(24,649)	70,319
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 1998

22. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised		
450,000 4.55% Non-cumulative preference shares of £ 1 each	450,000	450,000
565,000 ordinary shares of 10p each	56,500	56,500
	<hr/>	<hr/>
	506,500	506,500
	<hr/>	<hr/>
	1998 £	1997 £
Allotted and fully paid:		
49,484 4.55% Non-cumulative preference shares of £1 each	49,484	49,484
553,583 ordinary shares of 10p each	55,358	55,358
	<hr/>	<hr/>
	104,842	104,842
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The preference shareholders are entitled to a fixed preferential dividend at the rate of 4.55% per annum payable out of the profits which the directors determine to distribute.

On a winding up, the preference shares carry priority over other classes of share as to the repayment of capital, but not as to arrears of dividend as they are non-cumulative.

The preference shares are non-voting shares.

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 1998

23. OTHER RESERVES

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Capital reserve				
Balance at 1 st April	5,068,565	7,563,245	4,949,336	4,949,336
Transfer to profit and loss account	-	(2,494,680)	-	-
Balance at 31 st March	5,068,565	5,068,565	4,949,336	4,949,336
Revaluation reserve				
Balance at 1 st April	3,410,435	3,376,737	-	-
Revaluation	29,467	33,698	-	-
Transfer to profit and loss account on realisation	(18,879)	-	-	-
Deferred taxation	(21,975)	-	-	-
Balance at 31 st March	3,399,048	3,410,435	-	-
Capital redemption reserve				
Balance at 1 st April and at 31 st March	310,843	310,843	310,843	310,843

24. PROFIT AND LOSS ACCOUNT

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
At 1 st April	3,387,504	824,864	89,101	89,230
Profit/(loss) for the financial year	188,155	67,960	1,722	(129)
Transfer from capital reserve (Note 23)	-	2,494,680	-	-
Transfer from revaluation reserve (Note 23)	18,879	-	-	-
At 31 st March	3,594,538	3,387,504	90,823	89,101

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 1998

25. SHAREHOLDERS' FUNDS

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Equity shareholders' interests	12,591,515	12,395,868	5,569,523	5,567,801
Non-equity shareholders' interests	49,484	49,484	49,484	49,484
	<hr/>	<hr/>	<hr/>	<hr/>
	12,640,999	12,445,352	5,619,007	5,617,285
	<hr/>	<hr/>	<hr/>	<hr/>

Non-equity interests of £49,484 (1997: £49,484) comprise 49,484 4.55% non-cumulative preference shares of £1 each.