

15399

IOWA LAND COMPANY LIMITED

CONTENTS

	Page
Company information	1
Notice of meeting	2
Report of the directors	3-4
Auditors' Report	5
Consolidated profit and loss account	6
Statement of total recognised gains and losses	7
Reconciliation of movements in shareholders' funds	7
Consolidated balance sheet	8
Company balance sheet	9
Cash flow statement	10-11
Notes to the financial statements	12-25



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

Robson Rhodes
186 City Road
London EC1V 2NU

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 EC1 on 2nd November 1995 at 10:00 am for the following purposes:

1. To receive the directors' report and accounts for the year ended 31st March 1995.
2. To re-appoint Robson Rhodes 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

13th September 1995

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 1995.

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 £187,324 (1994: £291,405) after taking account of profits from investment and fixed asset disposals net of provisions of £265,447 (1994: £399,453). The profit after taxation and minority interest of £156,151 (1994: £267,051) is accounted for through the profit and loss account, but £100,000 is transferred later to the capital reserve (see note 21 on page 25).

The directors do not propose a dividend.

Review of the business

Operating results from continuing operations of the group for the year to 31st March 1995 were, for the second year running, just above break-even point. The contribution from farming activities showed an encouraging improvement with turnover up by 10%. This resulted in farming profits before interest rising from £23,821 to £42,783. The investment activity in London residential property produced a profit in its second year of trading and continues to show potential despite the relative poor performance of the property market. The principal investment company reported a satisfactory result in a year which gave little incentive to commit to further investment. The group has improved the net cash inflow from investing activities which puts it in a good position to take advantage of an upturn in market sentiment. However, the outlook for market conditions remains mixed and the directors will continue to exercise caution during the coming year.

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.

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.

IOWA LAND COMPANY LIMITED

REPORT OF THE DIRECTORS (Continued)

Purchase of own shares

On 30th December 1994, the company repurchased 2,680 of its own ordinary shares from a related company for a consideration of £16,160. This represented 0.5% of the called-up ordinary share capital of the company.

Directors

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

	Ordinary shares of 10p each	
	31 st March 1995	31 st March 1994
C S R Stroyan	1,000	1,000
P H Lawson	1,000	1,000
E Y Whittingdale	-	-
D A Berlis	-	-

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

It is with great regret that the Directors report the death of Mr. D A Berlis on 5th January 1995. Mr. Berlis had served as a Director of Iowa Land Company since October 1978. During the last sixteen years the Board had been very grateful for the wide extent of his advice and the depth of his wisdom. Mr. Berlis' contribution will be greatly missed.

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 1995.

Auditors

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

The report of the directors was approved by the Board on 13th September 1995 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 25 which have been prepared on the basis of the accounting policies set out on pages 12 and 13.

Respective responsibilities of directors and auditors

As described on page 3 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 1995 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants and Registered Auditor

London
13th September 1995

IOWA LAND COMPANY LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT**
for the year ended 31st March 1995

	Note	1995 £	1994 £
Income: continuing operations			
Turnover: Farming activities		1,359,214	1,239,590
Rental income		42,368	19,831
Investment dealing activities		37,754	48,484
Investment income		165,071	174,426
Investment interest receivable		32,479	66,639
		<hr/>	<hr/>
Total income		1,636,886	1,548,970
Operating costs	2	(1,624,667)	(1,545,258)
		<hr/>	<hr/>
Operating profit: continuing operations		12,219	3,712
Profit on disposal of tangible fixed assets		161,316	28,718
Profit on disposal of fixed asset investments	7	104,131	370,735
		<hr/>	<hr/>
		265,447	399,453
		<hr/>	<hr/>
Profit before interest	2	277,666	403,165
Interest payable	4	(92,812)	(104,044)
Exchange gains/(losses)		2,470	(7,716)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		187,324	291,405
Tax on profit on ordinary activities	8	(29,100)	(26,581)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		158,224	264,824
Minority Interest		(2,073)	2,227
		<hr/>	<hr/>
Profit for the financial year	21	156,151	267,051
		<hr/> <hr/>	<hr/> <hr/>

Movements in reserves are shown in notes 20 and 21 on pages 24 and 25.

IOWA LAND COMPANY LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31st March 1995

	1995 £	1994 £
Profit for the financial year	156,151	267,051
Unrealised surplus on property revaluation	36,841	-
	<hr/>	<hr/>
Total recognised gains	192,992	267,051
	<hr/>	<hr/>

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
for the year ended 31st March 1995

	1995 £	1994 £
Total recognised gains	192,992	267,051
Purchase of own shares	(16,160)	-
Other adjustment	(767)	-
Opening shareholders' funds	11,806,041	11,538,990
	<hr/>	<hr/>
Closing shareholders' funds	11,982,106	11,806,401
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

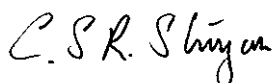
CONSOLIDATED BALANCE SHEET at 31st March 1995

	Note	1995 £	1994 £
Fixed assets			
Tangible fixed assets	10	6,753,198	6,711,009
Investments	11	4,305,214	4,484,779
		<hr/>	<hr/>
		11,058,412	11,195,788
		<hr/>	<hr/>
Current assets			
Stocks	12	598,803	573,580
Debtors	13	811,555	518,143
Investments	14	97,728	132,362
Cash at bank and in hand		501,425	818,622
		<hr/>	<hr/>
		2,009,511	2,042,707
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	15	(451,569)	(799,640)
		<hr/>	<hr/>
Net current assets		1,557,942	1,243,067
		<hr/>	<hr/>
Total assets less current liabilities		12,616,354	12,438,855
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	16	(620,273)	(628,392)
Provisions for liabilities and charges	18	-	(4,800)
		<hr/>	<hr/>
Net assets		11,996,081	11,805,663
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	19	104,842	105,110
Share premium account		163,163	163,163
Capital redemption reserve	20	310,843	310,575
Revaluation reserve	20	3,369,717	3,332,876
Other reserves	20	7,571,245	7,472,012
Profit and loss account	21	462,296	422,305
		<hr/>	<hr/>
Shareholders' funds (including non-equity)	22	11,982,106	11,806,041
Minority interests' (equity)		13,975	(378)
		<hr/>	<hr/>
		11,996,081	11,805,663
		<hr/>	<hr/>

IOWA LAND COMPANY LIMITED**BALANCE SHEET**
at 31st March 1995

	Note	1995 £	1994 £
Fixed assets			
Investments	11	1	1
Investments in subsidiary undertakings	9	1,524,773	1,524,773
		<hr/>	<hr/>
		1,524,774	1,524,774
		<hr/>	<hr/>
Current assets			
Debtors due within one year	13	3,075,704	3,091,914
Debtors due after one year	13	1,605,494	1,605,494
Cash at bank and in hand		13,697	4,469
		<hr/>	<hr/>
		4,694,895	4,701,877
Creditors: Amounts falling due within one year	15	(613,170)	(597,351)
		<hr/>	<hr/>
Net current assets		4,081,725	4,104,526
		<hr/>	<hr/>
Total assets less current liabilities		5,606,499	5,629,300
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	19	104,842	105,110
Share premium account		163,163	163,163
Capital redemption reserve	20	310,843	310,575
Capital reserve	20	4,949,336	4,949,336
Profit and loss account		78,315	101,116
		<hr/>	<hr/>
Shareholders' funds (including non-equity)	22	5,606,499	5,629,300
		<hr/>	<hr/>

The financial statements were approved by the Board on 13th September 1995 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 1995**

	1995	1994
	£	£
Net cash (outflow)/inflow from operating activities	(306,622)	467,048
Returns and servicing		
Exchange gains/(losses)	2,470	(7,716)
Bank interest paid	(86,458)	(97,576)
Interest element of finance lease payments	(6,354)	(6,468)
Net cash outflow from returns on investment and servicing of finance	(90,342)	(111,760)
Taxation		
Net UK corporation tax and overseas tax	(59,590)	(60,772)
Investing activities		
Payments to acquire tangible fixed assets	(211,368)	(558,145)
Payments to acquire fixed asset investments	(771,026)	(1,533,160)
Payments to acquire current asset investments	(160,438)	(162,328)
Receipts from sale of tangible fixed assets	348,383	227,874
Receipts from sale of fixed asset investments	1,054,722	1,510,328
Receipts from sale of current asset investments	232,826	209,305
Net cash inflow/(outflow) from investing activities	493,099	(306,126)
Net cash inflow/(outflow) before financing	36,545	(11,610)
Capital element of finance lease payments	(78,667)	(14,749)
Purchase of own shares	(16,160)	-
	(94,827)	(14,749)
Decrease in cash and cash equivalents	(58,282)	(26,359)

IOWA LAND COMPANY LIMITED

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

	1995	1994
	£	£
Operating profit	12,219	3,712
Depreciation	104,874	103,630
Increase in stocks	(25,223)	(10,285)
(Increase)/decrease in debtors	(296,515)	276,968
(Decrease)/increase in creditors	(90,961)	113,616
Tax credits on franked investment income	26,738	26,042
Increase in current asset investment provision	(32,475)	(10,309)
Profit on disposal of current asset investments	(5,279)	(38,175)
Minority interest - prior year	-	1,849
	<u>(306,622)</u>	<u>467,048</u>

ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Bank loan		Finance lease obligation	
	1995	1994	1995	1994
	£	£	£	£
At 1 st April	600,000	600,000	73,968	88,717
Net Inception of finance leases	-	-	73,640	-
Net cash flow from financing	-	-	(78,667)	(14,749)
	<u>600,000</u>	<u>600,000</u>	<u>68,941</u>	<u>73,968</u>

ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENT

	Cash at bank	Overdraft	Total
	£	£	£
At 1 st April 1994	818,622	(476,344)	342,278
Cash (outflow)/inflow	(317,197)	258,915	(58,282)
	<u>501,425</u>	<u>(217,429)</u>	<u>283,996</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 1995

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

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.

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 is included when received.

NOTES TO THE FINANCIAL STATEMENTS

31st March 1995

1. ACCOUNTING POLICIES (Continued)

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 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 1995**2. SEGMENTAL INFORMATION**

	1995 £	1994 £
Other direct expenses and farming activities		
Cost of livestock	281,945	284,027
Other direct costs	369,205	335,403
Administration costs - all companies	973,517	925,828
	<u>1,624,667</u>	<u>1,545,258</u>
 Profit before interest payable		
Farming	42,783	23,821
Investment and property	234,883	379,344
	<u>277,666</u>	<u>403,165</u>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1995 £	1994 £
Profit on ordinary activities is arrived at after charging:		
Auditors remuneration	23,565	28,475
Depreciation	104,874	103,630
	<u></u>	<u></u>
and after crediting:		
Subsidies and grants	195,784	224,684
Bank interest receivable	32,479	66,639
	<u></u>	<u></u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £	1994 £
Bank overdrafts repayable wholly within five years not by instalments	86,458	97,576
Finance leases	6,354	6,468
	<u>92,812</u>	<u>104,044</u>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 1995

5. EMPLOYEES AND STAFF COSTS

Directors interest in transactions:

Mr P H Lawson was a consultant to a firm of solicitors which provided legal and other services to the Group. Payments in respect of his services as a director were £Nil.

	1995 £	1994 £
Costs incurred in respect of employees (including remuneration as per note 6) were:-		
Wages and salaries	325,514	303,748
Social security costs	28,056	26,578
Other pension costs	13,982	10,245
	<hr/>	<hr/>
	367,552	340,571
	<hr/>	<hr/>
	No.	No.
The average weekly number of employees (including directors) during the year was as follows	27	29
	<hr/>	<hr/>

6. DIRECTORS

Group emoluments of the company's directors.

	1995 £	1994 £
As directors	22,000	19,000
	<hr/>	<hr/>

The emoluments of the Chairman, who is also the highest paid director were £14,500 (1994: £13,000).

The emoluments of the other directors, exclusive of pension contributions, were in the following ranges:

	1995 No.	1994 No.
Nil	1	2
£1 - £ 5,000	-	1
£5,001 - £10,000	1	-
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 1995

7. PROFIT ON DISPOSAL OF FIXED ASSET INVESTMENTS

	1995 £	1994 £
(Loss)/profit on disposal of investments	(34,278)	370,735
Amounts written back on investment provisions	138,409	-
	<u>104,131</u>	<u>370,735</u>

8. TAXATION

	1995 £	1994 £
Taxation charge based on the profit for the year:		
Corporation tax at 33% (1994: 33%)	500	2,967
Tax credits on franked investment income	25,738	23,857
Transfer (to)/from deferred tax	(4,800)	900
Overseas Tax	3,546	-
Irrecoverable ACT	3,973	-
	<u>28,957</u>	<u>27,724</u>
Prior year adjustments:		
Corporation tax	143	(43)
Deferred tax	-	(1,100)
	<u>29,100</u>	<u>26,581</u>

There is no taxation charge on the disposal of both tangible fixed assets and fixed asset investments (1994: £49,000) due to the availability of losses on ordinary activities.

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31st March 1995

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 Toridon Estates Limited	100%	Scotland	Farming

IOWA LAND COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 1995****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 1994	6,194,722	-	4,862	1,095,580	7,295,164
Additions	33,234	93,774	-	158,000	285,008
Disposals	(143,942)	-	-	(115,412)	(259,354)
Revaluation	32,896	16,226	-	-	49,122
At 31 st March 1995	6,116,910	110,000	4,862	1,138,168	7,369,940
Depreciation					
At 1 st April 1994	-	-	4,862	579,293	584,155
Charge for the year	-	-	-	104,874	104,874
Released on disposal	-	-	-	(72,287)	(72,287)
At 31 st March 1995	-	-	4,862	611,880	616,742
Net book value					
At 31 st March 1995	6,116,910	110,000	-	526,288	6,753,198
At 31 st March 1994	6,194,722	-	-	516,287	6,711,009

Freehold land and buildings includes investment properties revalued by the directors at the balance sheet date at the open market value of £102,500 (1994: £203,121).

The group's Scottish estates were revalued on 9th August 1993 of £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 £2,747,193 (1994: £2,610,232).

Long leaseholds were revalued by the directors at the balance sheet date at the open market value of £110,000 (1994: £Nil).

There were no capital commitments at 31st March 1995 or 1994.

IOWA LAND COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 1995****11. FIXED ASSET INVESTMENTS**

Group	Listed in	Listed	Unlisted	Total
Cost	United Kingdom	abroad	£	£
	£	£		
At 1 st April 1994	2,111,092	1,598,207	1,076,241	4,785,540
Additions	361,484	256,863	152,679	771,026
Disposals	(412,168)	(360,548)	(302,821)	(1,075,537)
At 31 st March 1995	2,060,408	1,494,522	926,099	4,481,029
Provisions				
At 1 st April 1994	27,798	96,254	176,709	300,761
Movement in the year	65,755	(56,924)	(133,777)	(124,946)
	93,553	39,330	42,932	175,815
Net book value				
At 31 st March 1995	1,966,855	1,455,192	883,167	4,305,214
At 31 st March 1994	2,083,294	1,501,953	899,532	4,484,779
Market value				
At 31 st March 1995	3,058,610	1,537,438	884,384	5,480,432
At 31 st March 1994	3,324,896	1,723,251	1,102,389	6,150,536

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 1995

11. FIXED ASSET INVESTMENTS (Continued)

Companies in which the group holds over 10% 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.

Company

Included in the group investments listed above are unlisted investments held by the Company at 31st March 1994 and 1995 at cost of £1 (directors estimated market value of no less than £70,000).

12. STOCKS

	1995 £	1994 £
Group		
Stocks, all of which related to farming, comprised the following:		
Cattle and sheep	434,714	411,382
Crops	99,908	109,000
Sundry	64,181	53,198
	<hr/>	<hr/>
	598,803	573,580
	<hr/>	<hr/>

13. DEBTORS

	Group		Company	
	1995 £	1994 £	1995 £	1994 £
Due within one year				
Trade debtors	62,357	64,096	-	-
Other debtors	697,547	384,030	-	-
Corporation tax and income tax recoverable	13,610	14,158	-	-
Amounts due from subsidiary undertakings	-	-	3,075,704	3,091,914
Prepayments and accrued income	38,041	55,859	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	811,555	518,143	3,075,704	3,091,914
	<hr/>	<hr/>	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 1995

13. DEBTORS (Continued)

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
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>
	-	-	1,605,494	1,605,494
	<u>-</u>	<u>-</u>	<u>1,605,494</u>	<u>1,605,494</u>

14. CURRENT ASSET INVESTMENTS

	1995	1994
Group	£	£
Listed, at lower of cost and market value	97,728	132,362
	<u>97,728</u>	<u>132,362</u>
Market value, based on mid-market published prices	97,728	132,362
	<u>97,728</u>	<u>132,362</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
Bank loan and overdrafts	217,429	476,344	-	-
Obligations under finance leases	48,668	45,575	-	-
Tax and social security	4,648	2,671	-	-
Trade creditors	63,995	48,179	-	-
Other creditors	48,552	138,133	2,713	2,737
Amounts due to subsidiary undertakings	-	-	610,457	594,614
Accruals and deferred income	67,777	88,738	-	-
Corporation Tax	500	-	-	-
	<u>451,569</u>	<u>799,640</u>	<u>613,170</u>	<u>597,351</u>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 1995

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

Group	1995 £	1994 £
Bank loans	600,000	600,000
Obligations under finance leases	20,273	28,392
	<u>620,273</u>	<u>628,392</u>

The bank loan bears interest at a fixed rate of 9.3% per annum and is repayable in full not later than July 1997.

A subsidiary company has guaranteed the bank loan of £600,000 granted to a fellow subsidiary supported by a Memorandum of Deposit over marketable securities.

17. DEBT ANALYSIS

	Group		Company	
	1995 £	1994 £	1995 £	1994 £
Repayable within 1 year	266,097	521,919	-	-
Repayable in 1 - 2 years	20,273	28,392	-	-
Repayable in 2 - 5 years	600,000	600,000	-	-
	<u>886,370</u>	<u>1,150,311</u>	<u>-</u>	<u>-</u>

18. PROVISION FOR LIABILITIES AND CHARGES

Group	1995 £	1994 £
Deferred taxation		
The provision for deferred taxation which comprises the full potential liability is:		
Accelerated capital allowances	75,900	72,305
Other short term timing differences	-	3,800
Less: unrelieved trading losses	(75,900)	(71,305)
	<u>-</u>	<u>4,800</u>

No liability to corporation tax would arise if the freehold land and buildings were to be sold at the revalued amounts incorporated in the accounts.

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENT

31st March 1995

19. CALLED UP SHARE CAPITAL

	1995 £	1994 £
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/>
	1995 £	1994 £
Allotted and fully paid:		
49,484 (1994: 49,484) 4.55% Non-cumulative preference shares of £1 each	49,484	49,484
553,583 (1994: 556,263) ordinary shares of 10p each	55,358	55,626
	<hr/>	<hr/>
	104,842	105,110
	<hr/>	<hr/>

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.

On 30th December 1994, the company repurchased 2,680 of its own ordinary shares from a related company for a consideration of £16,160. This represented 0.5% of the called-up ordinary share capital of the company.

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 1995

20. OTHER RESERVES

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
Capital reserve				
Balance at 1 st April	7,298,247	7,098,247	4,949,336	4,949,336
Transfer from profit and loss account	100,000	200,000	-	-
Other adjustment	(767)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	7,397,480	7,298,247	4,949,336	4,949,336
Reserve arising on consolidation	173,765	173,765	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 st March	7,571,245	7,472,012	4,949,336	4,949,336
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Revaluation reserve				
Balance at 1 st April	3,332,876	3,332,876	-	-
Revaluation	36,841	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 st March	3,369,717	3,332,876	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Capital redemption reserve				
Balance at 1 st April	310,575	310,575	310,575	310,575
Nominal value of shares repurchased	268	-	268	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 st March	310,843	310,575	310,843	310,575
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENT

31st March 1995

21. PROFIT AND LOSS ACCOUNT

	1995	1994
	£	£
Group		
At 1 st April	422,305	355,254
Profit for the financial year	156,151	267,051
Transfer to capital reserve (note 20)	(100,000)	(200,000)
Repurchase of own shares	(16,160)	-
	<hr/>	<hr/>
At 31 st March	462,296	422,305
	<hr/>	<hr/>

22. SHAREHOLDERS' FUNDS

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
Equity shareholders' interests	11,932,622	11,756,557	5,557,015	5,579,816
Non-equity shareholders' interests	49,484	49,484	49,484	49,484
	<hr/>	<hr/>	<hr/>	<hr/>
	11,982,106	11,806,041	5,606,499	5,629,300
	<hr/>	<hr/>	<hr/>	<hr/>

Non-equity interests of £49,484 (1994: £49,484) comprise 49,484 4.55% non-cumulative preference shares of £1 each.