

IOWA LAND COMPANY LIMITED

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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 4DZ

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 7RJ

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 25th October 2001 at 12:30 p.m. for the following purposes:

1. To receive the directors' report and accounts for the year ended 31st March 2001.
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

2nd August 2001

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.

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 2001.

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 £184,315 (2000: £289,857) after taking account of profits from investment and fixed asset disposals net of provisions of £274,810 (2000: £411,291). The profit after taxation and minority interest of £159,691 (2000: £235,577) is accounted for through the profit and loss account.

The directors do not propose a dividend.

Review of the business

The consolidated profit for the year ended 31st March 2001 was satisfactory in the circumstances.

The investment company continued to be the major contributor to group profits despite falling stockmarkets throughout the year. The dealing company achieved a substantial increase in profitability. However, there was little scope for new investment in residential property due to London house prices remaining high.

Farming in the UK has endured one of its most depressing years in living memory. After bad harvest conditions the extraordinarily wet weather hampered autumn sowing, which was followed by an exceptionally cold winter. The price of livestock remained disappointing and the outbreak of Foot-and-mouth Disease compounded the difficulties.

The directors believe that new farming and estate management initiatives taken over the past year will help to offset the adverse conditions recently experienced.

The directors' cautious attitude to investment last year, particularly in the technology sector, proved to be the right course to adopt and they intend to continue to tread warily. A close watch will be kept on the markets and opportunities taken to invest when they occur.

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 2001	31 st March 2000

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 9.

The group's Scottish estates are included at a professional valuation of £9,000,000 as at 31st March 2000. The group's English freehold properties are included on the basis of the directors' estimate of the current market value at 31st March 2001.

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 2nd August 2001 and signed on its behalf by:



Roger William Toye
Secretary

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
IOWA LAND COMPANY LIMITED**

We have audited the financial statements of Iowa Land Company Limited for the year ended 31st March 2001 set out on pages 6 to 25. These financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements with in it.

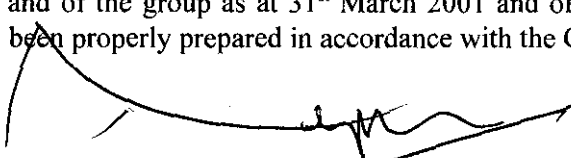
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 of the group as at 31st March 2001 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Moore Stephens
Chartered Accountants and Registered Auditor
London, EC4P 4BN
2nd August 2001

IOWA LAND COMPANY LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31st March 2001

	Note	2001 £	2000 £
Income: continuing operations			
Turnover: Farming activities		1,278,850	1,173,881
Rental income		129,885	128,526
Investment dealing activities		44,358	(11,748)
Investment income		183,324	181,373
Investment interest receivable		33,814	45,559
		<hr/>	<hr/>
Total income		1,670,231	1,517,591
Operating costs	2	(1,740,964)	(1,626,056)
		<hr/>	<hr/>
Operating loss: continuing operations		(70,733)	(108,465)
		<hr/>	<hr/>
(Loss)/Profit on disposal of tangible fixed assets		(1,789)	48,251
Profit on disposal of fixed asset investments	6	276,599	363,040
		<hr/>	<hr/>
		274,810	411,291
		<hr/>	<hr/>
Profit before interest		204,077	302,826
Interest payable	4	(27,996)	(18,774)
Exchange gains		8,234	5,805
		<hr/>	<hr/>
Profit on ordinary activities before taxation		184,315	289,857
Tax on profit on ordinary activities	7	(35,804)	(52,220)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		148,511	237,637
Minority Interest		11,180	(2,060)
		<hr/>	<hr/>
Retained profit for the financial year	23	159,691	235,577
		<hr/>	<hr/>

Movements in reserves are shown in notes 22 and 23 on page 24.

IOWA LAND COMPANY LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31st March 2001**

	2001	2000
	£	£
Profit for the financial year	159,691	235,577
Unrealised surplus on property revaluation	124,416	2,856,423
Deferred taxation on revaluation	(32,000)	(29,653)
Less: Share of minority interest	(22,354)	(20,972)
Over provision of deferred tax on property disposal	-	3,242
	<hr/>	<hr/>
Total recognised gains	229,753	3,044,617
	<hr/>	<hr/>

**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
for the year ended 31st March 2001**

	2001	2000
	£	£
Total recognised gains	229,753	3,044,617
Opening shareholders' funds	15,954,042	12,909,425
	<hr/>	<hr/>
Closing shareholders' funds	16,183,795	15,954,042
	<hr/>	<hr/>

**NOTE ON HISTORICAL COST PROFITS AND LOSSES
for the year ended 31st March 2001**

	2001	2000
	£	£
Reported profit on ordinary activities before taxation	184,315	289,857
Realisation of property revaluation gains of previous years	3,000	56,656
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	187,315	346,513
	<hr/>	<hr/>
Historical cost profit for the year retained after taxation and minority interest	162,691	292,233
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

CONSOLIDATED BALANCE SHEET at 31st March 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible fixed assets	9	10,344,524	10,175,543
Investments	10	4,464,263	4,386,865
		<hr/>	<hr/>
		14,808,787	14,562,408
		<hr/>	<hr/>
Current assets			
Stocks	11	557,908	557,395
Debtors	12	464,230	477,312
Investments	13	529,003	707,975
Cash at bank and in hand		724,888	542,207
		<hr/>	<hr/>
		2,276,029	2,284,889
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	14	(676,122)	(711,658)
		<hr/>	<hr/>
Net current assets		1,599,907	1,573,231
		<hr/>	<hr/>
Total assets less current liabilities		16,408,694	16,135,639
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	15	(41,925)	(15,997)
Provision for liabilities and charges	17	(103,242)	(97,042)
		<hr/>	<hr/>
Net assets		16,263,527	16,022,600
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	21	104,842	104,842
Share premium account		163,163	163,163
Capital redemption reserve	22	310,843	310,843
Revaluation reserve	22	6,257,799	6,190,737
Other reserves	22	5,068,565	5,068,565
Profit and loss account	23	4,278,583	4,115,892
		<hr/>	<hr/>
Shareholders' funds (including non-equity)	24	16,183,795	15,954,042
Minority interests (equity)		79,732	68,558
		<hr/>	<hr/>
		16,263,527	16,022,600
		<hr/>	<hr/>

Approved by the Board of Directors on 2nd August 2001
and signed on its behalf by:

C. S. R. Stroyan

Colin Strathern Ropner Stroyan, Director

IOWA LAND COMPANY LIMITED

BALANCE SHEET at 31st March 2001

	Note	2001 £	2000 £
Fixed assets			
Investments		1	1
Investments in subsidiary undertakings	8	1,532,973	1,532,973
		<hr/>	<hr/>
		1,532,974	1,532,974
		<hr/>	<hr/>
Current assets			
Debtors due within one year	12	3,030,199	3,030,199
Debtors due after one year	12	1,605,494	1,605,494
Cash at bank and in hand		67,928	66,436
		<hr/>	<hr/>
		4,703,621	4,702,129
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	14	(613,720)	(613,720)
		<hr/>	<hr/>
Net current assets		4,089,901	4,088,409
		<hr/>	<hr/>
Total assets less current liabilities		5,622,875	5,621,383
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	21	104,842	104,842
Share premium account		163,163	163,163
Capital redemption reserve	22	310,843	310,843
Capital reserve	22	4,949,336	4,949,336
Profit and loss account	23	94,691	93,199
		<hr/>	<hr/>
Shareholders' funds (including non-equity)	24	5,622,875	5,621,383
		<hr/>	<hr/>

Approved by the Board of Directors on 2nd August 2001 and signed on its behalf by:

C. S. R. Stroyan

Colin Strathearn Ropner Stroyan
Director

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31st March 2001

	Notes	2001		2000	
		£	£	£	£
Net cash (outflow)/inflow from operating activities	19		(3,094)		507,810
Other returns on investments and servicing of finance	20 A		(19,762)		(12,969)
Taxation	20 B		(38,708)		(161,161)
Capital expenditure and financial investment	20 C		47,652		(159,996)
Cash (outflow)/inflow before management of liquid resources and financing			(13,912)		173,684
Management of liquid resources and financing:					
Management of liquid resources	20 D	223,330		(585,916)	
Financing	20 E	43,947	267,277	(27,401)	(613,317)
Increase/(Decrease) in cash			253,365		(439,633)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
for the year ended 31st March 2001

	Cash	Overdrafts	2001 Total	2000
	£	£	£	£
Cash flow in year	182,681	70,684	253,365	(439,633)
Balance at 1 st April	542,207	(466,034)	76,173	515,806
Balance at 31st March	724,888	(395,350)	329,538	76,173

NOTES TO THE FINANCIAL STATEMENTS

31st March 2001

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. Depreciation is provided to write off fixed assets over their expected useful lives at the following rates:

Farm buildings	2%
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 2000

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.

NOTES TO THE FINANCIAL STATEMENTS

31st March 2001

2. SEGMENTAL INFORMATION

	2001 £	2000 £
Other direct expenses and farming activities		
Cost of livestock	252,826	205,218
Other direct costs	343,000	404,534
Administration costs - all companies	1,145,138	1,016,304
	<u>1,740,964</u>	<u>1,626,056</u>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2001 £	2000 £
Profit on ordinary activities is arrived at after charging:		
Auditors remuneration	18,203	18,112
Depreciation	105,195	112,916
	<u>123,398</u>	<u>131,028</u>
and after crediting:		
Subsidies and grants	302,779	313,370
Bank interest receivable	33,814	45,559
	<u>336,593</u>	<u>358,929</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
Bank loans and overdrafts	24,103	15,587
Hire purchase agreements	3,893	3,187
	<u>27,996</u>	<u>18,774</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2001

5. EMPLOYEES AND STAFF COSTS

	2001 £	2000 £
Costs incurred in respect of employees (including directors) were:-		
Wages and salaries	370,009	364,471
Social security costs	32,308	31,387
Other pension costs	8,685	8,630
Other costs	-	10,000
	<u>411,002</u>	<u>414,488</u>

	No.	No.
The average monthly number of employees including directors during the year was as follows	21	23
	<u>21</u>	<u>23</u>

	2001 £	2000 £
Directors emoluments:-		
Other emoluments	37,088	36,000
	<u>37,088</u>	<u>36,000</u>

No pension costs were incurred in respect of directors of the company.

6. PROFIT ON DISPOSAL OF FIXED ASSET INVESTMENTS

	2001 £	2000 £
Profit on disposal of investments	271,070	346,997
Investment provision decrease	5,529	16,043
	<u>276,599</u>	<u>363,040</u>

NOTES TO THE FINANCIAL STATEMENTS
31st March 2001
7. TAXATION

	2001	2000
	£	£
Taxation charge based on the profit for the year:		
Corporation tax at 30% (2000: 30%)	61,200	31,750
Deferred taxation	(25,800)	8,000
	<hr/>	<hr/>
	35,400	39,750
Prior year adjustments:		
Corporation tax	404	12,470
	<hr/>	<hr/>
	35,804	52,220
	<hr/> <hr/>	<hr/> <hr/>

8. INTERESTS IN SUBSIDIARIES

Principal 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
The London Commercial and Mercantile Company Limited	100%	England and Wales	Investment dealing
Scottish Trust Managers Limited	75%	England and Wales	Property investment
Culfargie Estates Limited	100%	Scotland	Farming and property investment
Tay and Torridon Estates Limited	100%	Scotland	Farming
Cotswold & General Farms Limited	100%	England and Wales	Dormant
Fingask and Kinnaird Properties Limited	100%	Scotland	Dormant
Strathtay and Perthshire Properties Limited	100%	Scotland	Dormant

NOTES TO THE FINANCIAL STATEMENTS
31st March 2001

9. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £	Short leaseholds £	Plant equipment and motor vehicles £	Total £
Cost or valuation				
At 1 st April 2000	9,605,805	11,079	1,441,327	11,058,211
Additions	59,336	-	127,305	186,641
Disposals	(5,000)	-	(77,796)	(82,796)
Revaluation	124,416	-	-	124,416
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2001	9,784,557	11,079	1,490,836	11,286,472
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 st April 2000	-	11,079	871,589	882,668
Charge for the year	-	-	105,195	105,195
Released on disposal	-	-	(45,915)	(45,915)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2001	-	11,079	930,869	941,948
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 st March 2001	9,784,557	-	559,967	10,344,524
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2000	9,605,805	-	569,738	10,175,543
	<hr/>	<hr/>	<hr/>	<hr/>
Historical cost				
At 31 st March 2001	3,707,583	11,079	1,490,836	5,209,498
	<hr/>	<hr/>	<hr/>	<hr/>

Freehold land and buildings includes investment properties revalued by the directors at the balance sheet date at the open market value of £752,500 (2000: £607,500).

The group's Scottish estates were revalued on 31st March 2000 at £9,000,000 on the basis of their open market value, by Bell Ingram, Chartered Surveyors in accordance with the RICS Appraisal and Valuation Manual. This valuation is incorporated in the financial statements.

Financial Reporting Standard (FRS) 15 requires all assets excluding investment properties to be depreciated over their estimated economic life taking account of any residual value of assets. The group's freehold land and buildings are considered to have a high residual value and a useful economic life in excess of fifty years. It is the directors' policy to maintain the buildings in a continual state of sound repair and accordingly the depreciation charge is considered immaterial. Therefore, no charge has been made.

NOTES TO THE FINANCIAL STATEMENTS

31st March 2001

9. TANGIBLE FIXED ASSETS (continued)

Where no charge for depreciation is made and where the useful economic life exceeds fifty years an impairment review should be carried out on an annual basis. Such a review has been performed and in the Directors' opinion the market value and residual value of freehold land and buildings is in excess of the carrying value and there is no impairment.

Included in Plant and Equipment are assets financed under hire purchase agreements with a net book value of £127,113 (2000: £96,969) and a depreciation charge of £26,122 (2000: £26,272).

10. FIXED ASSET INVESTMENTS

Group	Listed in United Kingdom £	Listed abroad £	Unlisted £	Total £
Cost				
At 1 st April 2000	1,817,481	2,239,344	791,425	4,848,250
Additions	465,307	729,632	60,883	1,255,822
Disposals	(289,570)	(883,333)	(11,050)	(1,183,953)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2001	1,993,218	2,085,643	841,258	4,920,119
	<hr/>	<hr/>	<hr/>	<hr/>
Provisions				
At 1 st April 2000	172,728	130,225	158,432	461,385
Movement in the year	(3,302)	(2,227)	-	(5,529)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2001	169,426	127,998	158,432	455,856
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 st March 2001	1,823,792	1,957,645	682,826	4,464,263
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2000	1,644,753	2,109,119	632,993	4,386,865
	<hr/>	<hr/>	<hr/>	<hr/>
Market value				
At 31 st March 2001	2,762,839	2,803,439	724,037	6,290,315
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2000	2,933,970	3,709,274	674,204	7,317,448
	<hr/>	<hr/>	<hr/>	<hr/>

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.

NOTES TO THE FINANCIAL STATEMENTS

31st March 2001

10. 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.

11. STOCKS

	2001 £	2000 £
Group		
Stocks, all of which relate to farming, comprise the following:		
Cattle and sheep	402,455	386,065
Crops	104,517	136,637
Sundry	50,936	34,693
	<hr/>	<hr/>
	557,908	557,395
	<hr/>	<hr/>

12. DEBTORS

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Due within one year				
Trade debtors	341,367	371,733	-	-
Other debtors	31,402	26,664	-	-
Amounts due from subsidiary undertakings	-	-	3,030,199	3,030,199
Prepayments and accrued income	81,520	63,456	-	-
Taxation recoverable	9,941	15,459	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	464,230	477,312	3,030,199	3,030,199
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2001

12. DEBTORS (Continued)

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
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>

13. CURRENT ASSET INVESTMENTS

	2001	2000
	£	£
Group		
Listed, at lower of cost and market value	529,003	707,975
	<u>529,003</u>	<u>707,975</u>
Market value, based on mid-market published prices	562,672	727,978
	<u>562,672</u>	<u>727,978</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Bank loan and overdrafts	395,350	466,034	-	-
Obligations under finance				
Leases	43,671	25,652	-	-
Tax and social security	5,555	5,295	-	-
Trade creditors	81,919	75,627	-	-
Other creditors	45,686	45,686	2,713	2,713
Amounts due to subsidiary undertakings	-	-	610,457	610,457
Accruals and deferred income	76,013	82,814	-	-
Corporation Tax	27,928	10,550	550	550
	<u>676,122</u>	<u>711,658</u>	<u>613,720</u>	<u>613,720</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2001

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

Group	2001 £	2000 £
Obligations under finance leases	41,925	15,997

16. DEBT ANALYSIS

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Repayable within 1 year	439,021	491,686	-	-
Repayable in 1 - 2 years	41,925	15,997	-	-
	<u>480,946</u>	<u>507,683</u>	<u>-</u>	<u>-</u>

17. PROVISION FOR LIABILITIES AND CHARGES

Group	2001 £	2000 £
Deferred taxation		
The provision for deferred taxation comprises:		
Accelerated capital allowances	89,400	90,100
Less: unrelieved trading losses	(49,400)	(50,100)
Revaluation of tangible fixed assets	89,042	57,042
Other short term timing differences	(25,800)	-
	<u>103,242</u>	<u>97,042</u>

There would be a potential tax liability of approximately £344,600 (2000: £671,300) if the group's fixed asset investments were to be disposed at market value. No provision for this liability has been made in these accounts.

NOTES TO THE FINANCIAL STATEMENTS

31st March 2001

18. 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.

**19. RECONCILIATION OF OPERATING LOSS TO NET CASH
(OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2001	2000
	£	£
Operating loss	(70,733)	(108,465)
Depreciation	105,195	112,916
Increase in stocks	(513)	(11,280)
Decrease in debtors	7,564	518,974
Decrease in creditors	(249)	(16,083)
(Profit)/Loss on disposal of current asset investments	(44,358)	11,748
	<hr/>	<hr/>
	(3,094)	507,810
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
31st March 2001

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

A. Other returns on investments and servicing of finance

	2001	2000
	£	£
Exchange gains	8,234	5,805
Bank interest paid	(24,103)	(15,587)
Interest element of finance lease payments	(3,893)	(3,187)
	<hr/>	<hr/>
Net cash outflow from other returns on investments and servicing of finance	(19,762)	(12,969)
	<hr/>	<hr/>

B. Taxation

	2001	2000
	£	£
Net UK corporation tax and overseas tax	(38,708)	(161,161)
	<hr/>	<hr/>

C. Capital expenditure and financial investment

	2001	2000
	£	£
Purchase of tangible fixed assets	(186,641)	(222,158)
Sale of tangible fixed assets	35,092	223,914
Purchase of fixed asset investments	(1,255,822)	(3,023,889)
Sale of fixed asset investments	1,455,023	2,862,137
	<hr/>	<hr/>
Net cash inflow/(outflow) for capital expenditure and financial investment	47,652	(159,996)
	<hr/>	<hr/>

D. Management of liquid resources

	2001	2000
	£	£
Purchase of current asset investments	(13,370)	(842,670)
Sale of current asset investments	236,700	256,754
	<hr/>	<hr/>
Net cash inflow/(outflow)	223,330	(585,916)
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
31st March 2001

20. ANALYSIS OF CASH FLOWS GIVEN IN THE CASH FLOW STATEMENT
(continued)

E. Financing

	2001	2000
	£	£
Increase/(Decrease) in finance leases	43,947	(27,401)
	<hr/>	<hr/>
Cash inflow/(outflow)	43,947	(27,401)
	<hr/> <hr/>	<hr/> <hr/>

21. CALLED UP SHARE CAPITAL

	2001	2000
	£	£
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/>	<hr/> <hr/>

	2001	2000
	£	£
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
	<hr/> <hr/>	<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.

NOTES TO THE FINANCIAL STATEMENTS
31st March 2001

22. OTHER RESERVES

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Capital reserve				
Balance at 1 st April and at 31 st March	5,068,565	5,068,565	4,949,336	4,949,336
Revaluation reserve				
Balance at 1 st April	6,190,737	3,428,353	-	-
Revaluation	94,062	2,828,038	-	-
Transfer to profit and loss account on realisation	(3,000)	(56,656)	-	-
Deferred taxation	(24,000)	(22,240)	-	-
Deferred taxation on Realisation	-	13,242	-	-
Balance at 31 st March	6,257,799	6,190,737	-	-
Capital redemption reserve				
Balance at 1 st April and at 31 st March	310,843	310,843	310,843	310,843

23. PROFIT AND LOSS ACCOUNT

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
At 1 st April	4,115,892	3,833,659	93,199	92,094
Profit for the financial year	159,691	235,577	1,492	1,105
Transfer from revaluation reserve (Note 22)	3,000	56,656	-	-
Corporation tax on realisation	-	(10,000)	-	-
At 31 st March	4,278,583	4,115,892	94,691	93,199

NOTES TO THE FINANCIAL STATEMENTS
31st March 2001

24. SHAREHOLDERS' FUNDS

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Equity shareholders' interests	16,134,311	15,904,558	5,573,391	5,571,899
Non-equity shareholders' interests	49,484	49,484	49,484	49,484
	<hr/>	<hr/>	<hr/>	<hr/>
	16,183,795	15,954,042	5,622,875	5,621,383
	<hr/>	<hr/>	<hr/>	<hr/>

Non-equity interests of £49,484 (2000: £49,484) comprise 49,484 4.55% non-cumulative preference shares of £1 each.