
IOWA LAND COMPANY LIMITED

FINANCIAL STATEMENTS

31st MARCH 2009



IOWA LAND COMPANY LIMITED

CONTENTS

	Page
Company information	1
Notice of meeting	2
Report of the directors	3 - 5
Auditors' Report	6 - 7
Consolidated profit and loss account	8
Statement of total recognised gains and losses	9
Reconciliation of movements in shareholders' funds	9
Consolidated balance sheet	10 - 11
Company balance sheet	12
Consolidated cash flow statement	13
Reconciliation of net cash flow to movements in net funds	13
Notes to the financial statements	14 - 30

IOWA LAND COMPANY LIMITED

COMPANY INFORMATION

Directors	C S R Stroyan T.D., W.S. (Chairman) C N Bardswell E Y Whittingdale
Secretary	R W Toye
Registered Office	Temple Chambers 3 - 7, Temple Avenue London EC4Y 0HP
Registered Number	15399
Auditors	Moore Stephens LLP Chartered Accountants St. Paul's House Warwick Lane London EC4M 7BP
Solicitors	Wilsons Solicitors LLP Steynings House Summerlock Approach 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 a General Meeting of this company will be held at Temple Chambers, Suite 32, 3 - 7, Temple Avenue, London EC4Y 0HP on 28th October 2009 at 12:30 p.m. for the following purposes:

1. To receive the directors' report and accounts for the year ended 31st March 2009.
2. To re-appoint Moore Stephens LLP 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

29th July 2009

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 2009.

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 loss for the year before taxation was £765,753 (2008: £74,002 profit) after taking account of losses from investment and fixed asset disposals net of provisions of £689,673 (2008: £163,117 profit). The loss after taxation and minority interest of £822,680 (2008: £124,196 profit) is accounted for through the profit and loss account.

The directors do not propose a dividend.

Review of the business

The year ended 31st March 2009 again proved to be most disappointing with an operating loss from continuing operations of £144,393, against a loss for the previous year of £56,241. This result was recorded notwithstanding a significant improvement in the farming enterprise in Scotland.

Not surprisingly the investment company had a very difficult year. With the general collapse of the banking system in October 2008, significant falls in value of the Company's investments followed, although a satisfactory increase in operating profit was realised. Higher dividend income and a substantial profit on foreign exchange both contributed. The profit was however overtaken by the provisions made against the write-down of investment values at the year end.

The dealing Company faced the same volatile and unpredictable conditions in the market. Traded Options were abandoned and replaced by an increase in direct investment. This in turn led to considerable write-downs at the year end contributing to the overall loss.

The property Company again returned a small profit, but even with house values falling no suitable opportunity was found to increase the number of properties owned. Various repairs and improvements to the existing stock were carried out during the year.

Against the general trend the Scottish companies had a much better year. Substantial profits were recorded for both farming enterprises and as estate expenditure was kept at a reasonable level an overall surplus was recorded by Culfargie Estates Ltd. The outlook for farming is difficult to predict, much depends on the price of grain and weather conditions, but it is hoped that the improving trend will continue. A careful watch will be kept on estate expenditure and where any land sales are made the proceeds are reinvested in either improving existing buildings or putting up new houses to increase the rental income.

Since the year end there has been a small improvement in stock market values, but at this time it cannot be said that the economy has come out of recession. However, the group remains in a strong position to take advantage of any upturn and the Directors will look to take up suitable investments as they arise.

REPORT OF THE DIRECTORS

(Continued)

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.

Directors

The directors who held office during the year were:

C S R Stroyan
C N Bardswell
E Y Whittingdale

Fixed assets

Movements in tangible fixed assets are disclosed in Note 9.

The group's Scottish estates are included at a professional valuation of £16,100,000 as at 31st March 2009. The group's English freehold properties are included on the basis of the directors' estimate of the current market value at 31st March 2009.

Auditors

The auditors, Moore Stephens LLP have indicated their willingness to continue in office and a resolution for the re-appointment of Moore Stephens LLP as auditors will be proposed at a General Meeting.

REPORT OF THE DIRECTORS
(Continued)

Directors' Disclosure of Information to Auditors

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

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) each director has taken all steps that ought to have been taken as a director, including making appropriate enquiries of fellow directors and of the company's auditors for that purpose, in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The report of the directors was approved by the Board on 29th July 2009 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 group and parent company financial statements (the "financial statements") of Iowa Land Company Limited for the year ended 31st March 2009 set out on pages 8 to 30. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities..

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 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 other transactions is not disclosed.

We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

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


Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31st March 2009 and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

St Paul's House
Warwick Lane
London, EC4M 7BP

17 August 2009



Moore Stephens LLP
Registered Auditor
Chartered Accountants

IOWA LAND COMPANY LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT**
for the year ended 31st March 2009

	Note	2009 £	2008 £
Income: continuing operations			
Turnover: Farming activities		1,739,305	1,614,690
Rental income		274,605	316,687
Investment dealing activities		(253,271)	(39,030)
Investment income		249,692	237,462
Investment interest receivable		50,166	79,097
		<hr/>	<hr/>
Total income		2,060,497	2,208,906
Operating costs	2	(2,204,890)	(2,265,147)
		<hr/>	<hr/>
Operating loss: continuing operations		(144,393)	(56,241)
		<hr/>	<hr/>
Loss on disposal of tangible fixed assets		(8,709)	(11,957)
(Loss)/profit on fixed asset investments	4	(680,964)	175,074
		<hr/>	<hr/>
		(689,673)	163,117
		<hr/>	<hr/>
(Loss)/profit before interest		(834,066)	106,876
Interest payable	6	(37,129)	(44,439)
Exchange profit		105,442	11,565
		<hr/>	<hr/>
(Loss)/Profit on ordinary activities before taxation		(765,753)	74,002
Tax on (loss)/profit on ordinary activities	7	(54,726)	53,549
		<hr/>	<hr/>
(Loss)/profit on ordinary activities after taxation		(820,479)	127,551
Minority Interest		(2,201)	(3,355)
		<hr/>	<hr/>
Retained (loss)/profit for the financial year	23	(822,680)	124,196
		<hr/> <hr/>	<hr/> <hr/>

Movements in reserves are shown in notes 22 and 23 on page 29.

IOWA LAND COMPANY LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31st March 2009**

	2009 £	2008 £
Result for the financial year	(822,680)	124,196
Unrealised (deficit)/surplus on property revaluation (net of minority interest)	(1,140,757)	1,725,405
	<hr/>	<hr/>
Total recognised (losses)/gains for the year	<u>(1,963,437)</u>	<u>1,849,601</u>

**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
for the year ended 31st March 2009**

	2009 £	2008 £
Opening shareholders' funds at 1 st April	26,329,750	24,480,149
Total recognised (losses)/gains for the year	(1,963,437)	1,849,601
	<hr/>	<hr/>
Closing shareholders' funds at 31 st March	<u>24,366,313</u>	<u>26,329,750</u>

IOWA LAND COMPANY LIMITED**CONSOLIDATED BALANCE SHEET**
at 31st March 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible fixed assets	9	17,677,290	18,506,961
Investments	10	5,485,579	6,021,752
		<hr/>	<hr/>
		23,162,869	24,528,713
		<hr/>	<hr/>
Current assets			
Stocks	11	703,873	689,813
Debtors	12	875,944	1,335,558
Investments	13	320,383	358,366
Cash at bank and in hand		746,666	978,255
		<hr/>	<hr/>
		2,646,866	3,361,992
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	14	(1,028,580)	(1,160,778)
		<hr/>	<hr/>
Net current assets		1,618,286	2,201,214
		<hr/>	<hr/>
Total assets less current liabilities		24,781,155	26,729,927
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	15	(53,746)	(34,470)
Provisions for liabilities	17	(140,000)	(147,000)
		<hr/>	<hr/>
Net assets		24,587,409	26,548,457
		<hr/>	<hr/>

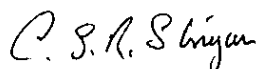
IOWA LAND COMPANY LIMITED

CONSOLIDATED BALANCE SHEET at 31st March 2009 (Continued)

	Note	2009 £	2008 £
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	13,021,962	14,162,719
Other reserves	22	119,229	119,229
Profit and loss account	23	10,646,274	11,468,954
		<hr/>	<hr/>
Shareholders' funds		24,366,313	26,329,750
Minority interests		221,096	218,707
		<hr/>	<hr/>
		24,587,409	26,548,457
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved and authorised for issue by the Board on 29th July 2009 and signed on its behalf by:



Colin Strathearn Ropner Stroyan
Director

IOWA LAND COMPANY LIMITED

BALANCE SHEET at 31st March 2009

	Note	2009 £	2008 £
Fixed assets			
Investments		1	1
Investments in subsidiary undertakings	8	866,745	1,532,973
		<u>866,746</u>	<u>1,532,974</u>
Current assets			
Debtors	12	5,295,491	5,649,771
Cash at bank and in hand		61,505	75,405
		<u>5,356,996</u>	<u>5,725,176</u>
Creditors: Amounts falling due within one year	14	(1,672,662)	(1,622,263)
Net current assets		<u>3,684,334</u>	<u>4,102,913</u>
Total assets less current liabilities		<u>4,551,080</u>	<u>5,635,887</u>
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
Profit and loss account	23	3,972,232	5,057,039
Shareholders' funds		<u>4,551,080</u>	<u>5,635,887</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved and authorised for issue by the Board on 29th July 2009 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 2009

	Note	2009		2008	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	19		631,141		(199,837)
Other returns on investments and servicing of finance	20 A		68,313		(32,874)
Taxation	20 B		(25,049)		(59,285)
Capital expenditure and financial investment	20 C		(614,027)		(67,967)
Cash inflow/(outflow) before management of liquid resources and financing			60,378		(359,963)
Management of liquid resources and financing:					
Management of liquid resources	20 D	(215,289)		133,862	
Financing	20 E	15,092	(200,197)	(4,196)	129,666
Decrease in cash			(139,819)		(230,297)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS for the year ended 31st March 2009

	Cash £	Overdrafts £	2009 Total £	2008 £
Cash flow in year	(231,589)	91,770	(139,819)	(230,297)
Balance at 1 st April	978,255	(786,365)	191,890	422,187
Balance at 31st March	746,666	(694,595)	52,071	191,890

NOTES TO THE FINANCIAL STATEMENTS

31st March 2009

1. ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31st March 2009

1. ACCOUNTING POLICIES (Continued)

Income from investments

Income from investment in equities is included on a receivable basis. Interest income from fixed interest and index linked stock is accrued to the end of the financial year.

Tax deducted at source, but not UK tax credits, on investment income is shown as part of investment income for the year.

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 result for the year and takes into account deferred or accelerated taxation.

Deferred taxation is provided on timing differences that have originated, but not reversed by the balance sheet date on a non-discounted basis.

Deferred taxation assets are recognised only to the extent that it is more likely than not that there will be suitable trading profits from which future reversals of the underlying timing differences can be deducted. No provision is made where the amounts involved are not material.

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 income earned from 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.

NOTES TO THE FINANCIAL STATEMENTS

31st March 2009

1. ACCOUNTING POLICIES (Continued)

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

2. OPERATING COSTS

	2009 £	2008 £
Other direct expenses and farming activities		
Cost of livestock and other direct costs	965,825	938,798
Administration costs - all companies	1,239,065	1,326,349
	<u>2,204,890</u>	<u>2,265,147</u>

3. (LOSS)/PROFIT ON ORDINARY ACTIVITIES
BEFORE TAXATION

	2009 £	2008 £
(Loss)/profit on ordinary activities is arrived at after charging:		
Auditors remuneration	31,398	23,620
Depreciation - owned assets	101,583	126,713
- held under Hire Purchase Agreements	48,046	36,935
Loss on disposal of fixed assets	8,709	11,957
	<u></u>	<u></u>
and after crediting:		
Subsidies and grants	439,037	382,130
Bank interest receivable	50,166	79,097
Profit on exchange	105,442	11,565
	<u></u>	<u></u>

4. PROFIT ON FIXED ASSET INVESTMENTS

	2009 £	2008 £
Profit on disposal of investments	169,785	293,317
Investment provision increase	(850,749)	(118,243)
	<u>(680,964)</u>	<u>175,074</u>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2009

5. EMPLOYEES AND STAFF COSTS

	2009 £	2008 £
Costs incurred in respect of employees (including directors) were:-	540,811	561,550
Social security costs	53,856	57,570
Other pension costs	18,339	18,531
	<hr/>	<hr/>
	613,006	637,651
	<hr/>	<hr/>

	No.	No.
The average monthly number of employees including directors during the year was as follows:		
Administration	7	7
Farming	19	21
	<hr/>	<hr/>
	26	28
	<hr/>	<hr/>

	2009 £	2008 £
Directors emoluments:-		
Other emoluments	43,260	41,688
	<hr/>	<hr/>

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

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Bank loans and overdrafts	30,185	37,221
Hire purchase agreements	6,944	7,218
	<hr/>	<hr/>
	37,129	44,439
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
31st March 2009

7. TAXATION

	2009	2008
	£	£
(a) Analysis of tax charge for the year:		
Corporation tax	66,014	26,538
Prior year adjustment	(4,288)	(1,879)
	<hr/>	<hr/>
Current tax charge	61,726	24,659
Deferred tax (Note 17)	(7,000)	(78,208)
	<hr/>	<hr/>
Charge/(Credit)	<u>54,726</u>	<u>(53,549)</u>
	<hr/>	<hr/>
(b) Factors affecting current tax charge for the year:		
(Loss)/profit on ordinary activities before tax at 28% (2008: 30%)	(214,411)	22,201
Effect of:		
Tax allowances on farm buildings	(4,248)	(6,257)
Indexation allowances on capital gains	2,508	14,942
Short term timing differences on investments	271,346	5,601
Non taxable investment income	(45,839)	(44,023)
Other	4,775	(4,493)
Losses, net of gains, not available for offset	48,574	51,853
Timing differences between capital allowances and depreciation	3,309	(13,286)
	<hr/>	<hr/>
Prior year adjustment	66,014	26,538
	(4,288)	(1,879)
	<hr/>	<hr/>
Current tax charge	<u>61,726</u>	<u>24,659</u>
	<hr/>	<hr/>

In view of the prevailing uncertainty in the stock market a deferred tax asset of £271,000, which would arise on realisation of investments at net book value, has not been recognised.

NOTES TO THE FINANCIAL STATEMENTS
31st March 2009

8. INTERESTS IN SUBSIDIARIES

Company

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
Gresham Street Nominees Limited	100%	England and Wales	Dormant
Fingask and Kinnaird Properties Limited	100%	Scotland	Dormant
Strathtay and Perthshire Properties Limited	100%	Scotland	Dormant
Carse Estates Limited	100%	Scotland	Dormant
Bandirran Estates Limited	100%	Scotland	Dormant

Investment in subsidiaries

	2009 £	2008 £
At 1 st April 2008	1,532,973	1,532,973
Provision against investment	(500,000)	-
Adjustment on dissolution of dormant subsidiary	(15,508)	-
Transfer to subsidiary	(150,720)	-
	<hr/>	<hr/>
At 31 st March 2009	866,745	1,532,973
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2009

9. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £	Short leaseholds £	Plant equipment and motor vehicles £	Total £
Cost or valuation				
At 1 st April 2008	17,542,305	11,079	2,137,836	19,691,220
Additions	366,319	-	268,935	635,254
Disposals	-	(11,079)	(374,021)	(385,100)
Revaluation	(1,140,569)	-	-	(1,140,569)
At 31 st March 2009	16,768,055	-	2,032,750	18,800,805
Depreciation				
At 1 st April 2008	-	11,079	1,173,180	1,184,259
Charge for the year	-	-	149,629	149,629
Released on disposal	-	(11,079)	(199,294)	(210,373)
At 31 st March 2009	-	-	1,123,515	1,123,515
Net book value				
At 31 st March 2009	16,768,055	-	909,235	17,677,290
At 31 st March 2008	17,542,305	-	964,656	18,506,961
Historical cost				
At 31 st March 2009	3,932,787	-	2,032,750	5,965,537

Freehold land and buildings includes investment properties revalued by the directors at the balance sheet date at the open market value of £669,750 (2008: £669,000).

The group's Scottish estates were revalued on 31st March 2009 at £16,100,000 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 2009

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 £319,207 (2008: £209,547) and a depreciation charge of £48,046 (2008: £36,935).

10. FIXED ASSET INVESTMENTS

Group	Listed in	Listed	Unlisted	Total
Cost	United Kingdom	abroad	£	£
	£	£		
At 1 st April 2008	2,662,218	2,606,534	879,764	6,148,516
Additions	736,059	1,312,537	273	2,048,869
Disposals	(403,447)	(1,321,064)	(9,782)	(1,734,293)
At 31 st March 2009	2,994,830	2,598,007	870,255	6,463,092
Provisions				
At 1 st April 2008	-	118,332	8,432	126,764
Movement in the year	602,369	132,138	116,242	850,749
At 31 st March 2009	602,369	250,470	124,674	977,513
Net book value				
At 31 st March 2009	2,392,461	2,347,537	745,581	5,485,579
At 31 st March 2008	2,662,218	2,488,202	871,332	6,021,752
Market value				
At 31 st March 2009	2,396,442	2,349,476	1,256,524	6,002,442
At 31 st March 2008	3,220,416	2,825,670	854,745	6,900,831

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 2009

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	Principal activity
Quail Estates Inc.	USA	Common Preference	39% 29%	Property
Mid-Florida Land and Timber Corporation	USA	Common	28%	Land
Volusia Land and Timber Corporation	USA	Common	28%	Land

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.

Additional information in relation to the group's associated companies.

	Quail Estates Inc. Period 28/2/09 £	Mid-Florida Land & Timber Y/e 28/2/09 £	Volusia Land & Timber Y/e 28/2/09 £	Total £
Turnover	87,423	-	1,175	88,598
(Loss)/profit before tax	17,464	(6,902)	(9,381)	1,181
Taxation	7,502	-	-	7,502
(Loss)/profit after tax	24,966	(6,902)	(9,381)	8,683
Fixed assets	629,087	24,978	232,009	886,074
Current assets	176,284	1,089	128,083	305,456
Liabilities due within one year	(120,665)	(12,347)	(1,703)	(134,715)

11. STOCKS

Group	2009 £	2008 £
Stocks, all of which relate to farming, comprise the following:		
Cattle and sheep	488,126	433,896
Crops	150,137	175,252
Sundry	65,610	80,665
	<u>703,873</u>	<u>689,813</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2009

12. DEBTORS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Due within one year				
Trade debtors	813,476	938,032	-	-
Other debtors	13,124	56,111	-	-
Amounts due from subsidiary undertakings	-	-	5,295,491	5,649,771
Prepayments and accrued income	49,344	95,535	-	-
Loan to undertaking in which the group had a participating interest (Taylorgrown Ltd.)	-	245,880	-	-
	<u>875,944</u>	<u>1,335,558</u>	<u>5,295,491</u>	<u>5,649,771</u>

13. CURRENT ASSET INVESTMENTS

	2009	2008
Group	£	£
Listed, at lower of cost and market value	<u>320,383</u>	<u>358,366</u>
Market value, based on mid-market published prices	<u>334,147</u>	<u>362,968</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2009

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank overdrafts	694,595	786,365	-	-
Obligations under finance				
Leases	90,839	95,023	-	-
Tax and social security	5,508	5,634	-	-
Trade creditors	98,285	136,185	-	-
Other creditors	4,095	45,686	2,713	2,713
Amounts due to subsidiary undertakings	-	-	1,665,750	1,619,550
Accruals and deferred income	78,335	71,638	-	-
Corporation Tax	56,923	20,247	4,199	-
	<u>1,028,580</u>	<u>1,160,778</u>	<u>1,672,662</u>	<u>1,622,263</u>

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

Group	2009	2008
	£	£
Obligations under finance leases	53,746	34,470
	<u>53,746</u>	<u>34,470</u>

16. DEBT ANALYSIS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Repayable within 1 year	785,434	881,388	-	-
Repayable in 2 - 5 years	53,746	34,470	-	-
	<u>839,180</u>	<u>915,858</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2009

17. PROVISIONS FOR LIABILITIES

Deferred Taxation

	2009	2008
	£	£
Group		
The deferred taxation balance comprises:		
Accelerated capital allowances	(140,000)	(147,000)

Liability	(140,000)	(147,000)
-----------	-----------	-----------

	2009	2008
	£	£
Balance at 1 st April	(147,000)	(225,208)
Origination and reversal of timing differences	7,000	78,208
Balance at 31 st March	(140,000)	(147,000)

	2009	2008
	£	£
Group potential tax liability on disposal at market value of:		
Fixed asset investments	(186,155)	133,834
Investment properties	149,214	149,004
Farming and other properties	3,445,400	3,764,705
	3,408,459	4,047,543

The actual amount of tax on farming and other properties would be affected by indexation allowances and the ability, or otherwise, to roll over any gains into other suitable assets.

No provision for these liabilities has been made in these accounts.

NOTES TO THE FINANCIAL STATEMENTS**31st March 2008****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 PROFIT TO NET CASH
OUTFLOW FROM OPERATING ACTIVITIES**

	2009 £	2008 £
Operating loss	(144,393)	(56,241)
Depreciation	149,629	163,648
Increase in stocks	(14,060)	(94,135)
(Decrease)/increase in debtors	459,614	(203,682)
Decrease in creditors	(72,920)	(48,457)
Loss on disposal of current asset investments	253,271	39,030
	<hr/> 631,141	<hr/> (199,837)
	<hr/>	<hr/>

20. ANALYSIS OF CASH FLOWS GIVEN IN THE CASH FLOW STATEMENT**A. Other returns on investments and servicing of finance**

	2009 £	2008 £
Exchange profit	105,442	11,565
Bank interest paid	(30,185)	(37,221)
Interest element of finance lease payments	(6,944)	(7,218)
	<hr/>	<hr/>
Net cash inflow/(outflow) from other returns on investments and servicing of finance	<hr/> 68,313	<hr/> (32,874)
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2009

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

B. Taxation

	2009 £	2008 £
Net UK corporation tax and overseas tax	(25,049)	(59,285)

C. Capital expenditure and financial investment

	2009 £	2008 £
Purchase of tangible fixed assets	(635,254)	(306,747)
Sale of tangible fixed assets	166,018	99,957
Purchase of fixed asset investments	(2,045,869)	(1,488,396)
Sale or reduction of fixed asset investments	1,904,078	1,627,219
Net cash outflow from capital expenditure and financial investment	(614,027)	(67,967)

D. Management of liquid resources

	2009 £	2008 £
Purchase of current asset investments	(565,124)	(419,032)
Sale of current asset investments	349,835	552,894
Net cash (outflow)/inflow	(215,289)	133,862

E. Financing

	2009 £	2008 £
Increase/(decrease) in finance leases	15,092	(4,196)
Cash inflow/(outflow)	15,092	(4,196)

NOTES TO THE FINANCIAL STATEMENTS
31st March 2009**21. CALLED UP SHARE CAPITAL**

	2009	2008
	£	£
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/>
	2009	2008
	£	£
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/>

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 and have no redemption date.

NOTES TO THE FINANCIAL STATEMENTS

31st March 2009

22. OTHER RESERVES

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Capital reserve				
Balance at 1 st April				
and at 31 st March	119,229	119,229	-	-
Revaluation reserve				
Balance at 1 st April	14,162,719	12,437,314	-	-
Revaluation in the year	(1,140,757)	1,725,405	-	-
Balance at 31 st March	13,021,962	14,162,719	-	-

The revaluation in the year is net of minority interests.

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	
	2009	2008	2009	2008
	£	£	£	£
At 1 st April	11,468,954	11,344,758	5,057,039	5,053,938
Result for the financial year	(822,680)	124,196	(1,084,807)	3,101
At 31 st March	10,646,274	11,468,954	3,972,232	5,057,039

NOTES TO THE FINANCIAL STATEMENTS**31st March 2009****24. LEASE OBLIGATIONS**

There were the following annual commitments under non-cancellable operating leases which expire:

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Land and Buildings				
Within one year		6,500	-	-
Between two and five years	14,667	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	14,667	6,500	-	-
	<hr/>	<hr/>	<hr/>	<hr/>