
IOWA LAND COMPANY LIMITED

FINANCIAL STATEMENTS

31st MARCH 2011

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IOWA LAND COMPANY LIMITED

CONTENTS

	Page
Company information	1
Report of the directors	2 - 4
Auditors' Report	5 - 6
Consolidated profit and loss account	7
Statement of total recognised gains and losses	8
Reconciliation of movements in shareholders' funds	8
Consolidated balance sheet	9 - 10
Company balance sheet	11
Consolidated cash flow statement	12
Reconciliation of net cash flow to movements in net funds	12
Notes to the financial statements	13 - 29

IOWA LAND COMPANY LIMITED

COMPANY INFORMATION

Directors	C S R Stroyan T D , W S (Chairman) C N Bardswell J H Houssemayne Du Boulay 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 150, Aldersgate Street London EC1A 4AB
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

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 2011

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 £87,812 (2010 £757,454) after taking into account profits from investment and fixed asset disposals net of provisions of £156,703 (2010 £692,836) The profit after taxation and minority interest of £110,448 (2010 £787,626 profit) is accounted for through the profit and loss account

The directors do not propose a dividend

Review of the business

The year to 31st March 2011 was one of mixed fortune in challenging conditions, culminating in a profit on ordinary activities before taxation of £87,812

The investment company, in spite of difficult economic problems throughout Europe, had a successful year Strong corporate results helped to maintain or increase dividend returns and this was particularly noticeable in the overseas investments Capital values also continued to increase, but at a more modest rate than in the previous year

The property company had made little progress over the last few years with no new acquisitions In these circumstances, it was decided to sell the Company's interest to the minority shareholder and this was completed before the year end at a significant profit

The dealing company returned a modest profit on the sale of investments, but traded options remained difficult and few positions were taken during the year

In Scotland, another severe winter contributed to an unprofitable trading year The hull farms made an unwelcome loss, partly caused by the extra cost of feeding and partly by the loss of the organic aid subsidy On the low ground farms, the price of organic grain did not keep pace with the substantial increase in the price of conventional grain A decision has been taken to move out of organic grain, but this will not take effect until the harvest of 2012 Cattle and sheep prices remained good and helped to contain the loss on other activities Planning permission has been received for a wind farm at Lochan and the income from this, once it has been completed, should help to defray estate expenditure

The prospects for the current year remain uncertain Problems in Europe and the continued austerity in this country are likely to have an adverse impact on stock markets both here and abroad The directors will exercise extreme care when making any investment or other decisions

IOWA LAND COMPANY LIMITED

REPORT OF THE DIRECTORS **(Continued)**

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who held office during the year were

C S R Stroyan
C N Bardswell
E Y Whittingdale

Post year end Mr J H Houssemayne Du Boulay was appointed a director on 1st June 2011

Fixed assets

Movements in tangible fixed assets are disclosed in Note 9

The group's Scottish estates are included at a professional valuation of £20,009,000 and current year additions of £246,763

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

Basis of Preparation

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

The report of the directors was approved by the Board on 3rd August 2011 and signed on its behalf by



Roger William Toye
Secretary

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
IOWA LAND COMPANY LIMITED**

We have audited the financial statements of Iowa Land Company Limited (and Subsidiary Companies) for the year ended 31st March 2011 which are set out on pages 7 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications in our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31st March 2011 and of the group's results for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

IOWA LAND COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IOWA LAND COMPANY LIMITED (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Timothy West, Senior Statutory Auditor

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

Date

5 August 2011

IOWA LAND COMPANY LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31st March 2011

	Note	2011 £	2010 £
Income: continuing operations			
Turnover Farming activities		1,338,635	1,393,332
Rental income		394,152	262,307
Investment dealing activities		47,474	221,350
Investment income		233,976	213,454
Investment interest receivable		10,669	5,460
		<hr/>	<hr/>
Total income		2,024,906	2,095,903
Operating costs	2	(2,055,605)	(2,009,344)
		<hr/>	<hr/>
Operating (loss)/profit: continuing operations		(30,699)	86,559
		<hr/>	<hr/>
Loss on disposal of tangible fixed assets		(31,551)	(13,340)
Profit on fixed asset investments	4	188,254	706,176
		<hr/>	<hr/>
		156,703	692,836
		<hr/>	<hr/>
Profit before interest		126,004	779,395
Interest payable	6	(30,093)	(23,179)
Exchange (loss)/profit		(8,099)	1,238
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	87,812	757,454
Tax on profit on ordinary activities	7	15,357	26,824
		<hr/>	<hr/>
Profit on ordinary activities after taxation		103,169	784,278
Minority Interest		7,279	3,348
		<hr/>	<hr/>
Retained profit for the financial year	23	110,448	787,626
		<hr/>	<hr/>

Movements in reserves are shown in notes 22 and 23 on page 28

IOWA LAND COMPANY LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31st March 2011**

	2011 £	2010 £
Result for the financial year	110,448	787,626
Unrealised surplus on property revaluation (net of minority interest)	1,643,000	2,214,915
	<hr/>	<hr/>
Total recognised gains for the year	<u>1,753,448</u>	<u>3,002,541</u>

**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
for the year ended 31st March 2011**

	2011 £	2010 £
Opening shareholders' funds at 1 st April	27,368,854	24,366,313
Total recognised gains for the year	1,643,000	2,214,915
Result for the financial year	110,448	787,626
	<hr/>	<hr/>
Closing shareholders' funds at 31 st March	<u>29,122,302</u>	<u>27,368,854</u>

IOWA LAND COMPANY LIMITED**CONSOLIDATED BALANCE SHEET****Company Registration No.: 15399****at 31st March 2011**

	Note	2011 £	2010 £
Fixed assets			
Tangible fixed assets	9	21,072,872	19,958,236
Investments	10	6,483,193	6,115,601
		<hr/>	<hr/>
		27,556,065	26,073,837
		<hr/>	<hr/>
Current assets			
Stocks	11	659,149	707,995
Debtors	12	1,028,822	1,127,998
Investments	13	293,577	353,880
Cash at bank and in hand		730,958	574,080
		<hr/>	<hr/>
		2,712,506	2,763,953
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	14	(769,319)	(848,836)
		<hr/>	<hr/>
Net current assets		1,943,187	1,915,117
		<hr/>	<hr/>
Total assets less current liabilities		29,499,252	27,988,954
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	15	(376,950)	(372,636)
Provisions for liabilities	17	-	(82,315)
		<hr/>	<hr/>
Net assets		29,122,302	27,534,003
		<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

CONSOLIDATED BALANCE SHEET

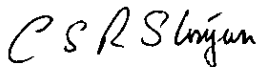
Company Registration No.: 15399

at 31st March 2011 (Continued)

	Note	2011 £	2010 £
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	16,412,697	15,236,877
Other reserves	22	119,229	119,229
Profit and loss account	23	12,011,528	11,433,900
		<hr/>	<hr/>
Shareholders' funds		29,112,302	27,368,854
Minority interests	24	-	165,149
		<hr/>	<hr/>
Net assets		29,122,302	27,534,003
		<hr/> <hr/>	<hr/> <hr/>

These financial statements have been prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to small companies

The financial statements were approved and authorised for issue by the Board on 3rd August 2011 and signed on its behalf by



Colin Strathearn Ropner Stroyan
Director

IOWA LAND COMPANY LIMITED

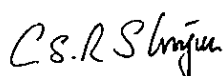
BALANCE SHEET

Company Registration No.: 15399
at 31st March 2011

	Note	2011 £	2010 £
Fixed assets			
Investments		1	1
Investments in subsidiary undertakings	8	1,366,745	866,745
		<u>1,366,746</u>	<u>866,746</u>
Current assets			
Debtors	12	7,459,031	6,608,391
Cash at bank and in hand		90,488	5,029
		<u>7,549,519</u>	<u>6,613,420</u>
Creditors: Amounts falling due within one year	14	(3,280,863)	(3,029,863)
Net current assets		<u>4,268,656</u>	<u>3,583,557</u>
Total assets less current liabilities		<u>5,635,402</u>	<u>4,450,303</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	5,056,554	3,871,455
Shareholders' funds		<u>5,635,402</u>	<u>4,450,303</u>

These financial statements have been prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to small companies

Approved and authorised for issue by the Board on 3rd August 2011 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 2011

	Note	£	2011 £	£	2010 £
Net cash inflow/(outflow) from operating activities	19		293,051		(160,331)
Other returns on investments and servicing of finance	20 A		(38,192)		(21,941)
Taxation	20 B		(49,274)		(50,104)
Capital expenditure and financial investment	20 C		(149,564)		(126,641)
Equity dividends paid	24		-		(75,000)
Cash inflow/(outflow) before management of liquid resources and financing			56,021		(434,017)
Management of liquid resources and financing					
Management of liquid resources	20 D	107,778		187,853	
Financing	20 E	(8,675)	99,103	(59,840)	128,013
Increase/(decrease) in cash			155,124		(306,004)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
for the year ended 31st March 2011

	Cash £	Loans and Overdrafts £	2011 Total £	2010 £
Cash flow in year	156,878	(1,754)	155,124	(306,004)
Balance at 1 st April	574,080	(828,013)	(253,933)	52,071
Balance at 31st March	730,958	(829,767)	98,809	(253,933)

NOTES TO THE FINANCIAL STATEMENTS

31st March 2011

1. ACCOUNTING POLICIES

Accounting convention

These financial statements are prepared in accordance with applicable accounting standards under the historical cost convention as modified by the revaluation of certain fixed asset investments

Basis of consolidation

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

As permitted by section 408 (2) of the Companies Act 2006, 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

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

Tax deducted at source, but not UK tax credits, on investment income is shown as part of investment income for the year and expensed as appropriate in the taxation charge for the year.

NOTES TO THE FINANCIAL STATEMENTS

31st March 2011

1. ACCOUNTING POLICIES (Continued)

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

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the profit and loss account

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 the Accounts Regulations issued under the Companies Act 2006, 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 2011

2. OPERATING COSTS

	2011 £	2010 £
Other direct expenses and farming activities		
Cost of livestock and other direct costs	851,095	866,137
Administration costs - all companies	1,204,510	1,143,207
	<u>2,055,605</u>	<u>2,009,344</u>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011 £	2010 £
Profit on ordinary activities is arrived at after charging		
Auditors' remuneration	54,601	33,508
Depreciation - owned assets	82,684	95,513
- held under Hire Purchase Agreements	56,244	50,510
Loss on disposal of fixed assets	31,551	13,340
	<u>164,080</u>	<u>192,871</u>
and after crediting		
Subsidies and grants	378,801	456,078
Bank interest receivable	10,669	5,460
(Loss)/profit on exchange	(8,099)	1,238
	<u>378,801</u>	<u>456,078</u>

Auditors' remuneration in the current year includes £22,201 for accounting and consultancy work (2010 £Nil)

4. PROFIT ON FIXED ASSET INVESTMENTS

	2011 £	2010 £
Profit/(loss) on disposal of investments	206,227	(142,210)
Investment provision (increase)/decrease	(17,973)	848,386
	<u>188,254</u>	<u>706,176</u>

IOWA LAND COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 2011****5. EMPLOYEES AND STAFF COSTS**

	2011	2010
	£	£
Costs incurred in respect of employees (including directors) were	471,119	437,815
Social security costs	44,005	44,345
Other pension costs	21,729	22,267
	<u>536,853</u>	<u>504,427</u>
	No.	No.
The average monthly number of employees including directors during the year was as follows		
Administration	7	7
Farming	14	14
	<u>21</u>	<u>21</u>
	2011	2010
	£	£
Directors emoluments		
Other emoluments	45,318	43,680
	<u>45,318</u>	<u>43,680</u>

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

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank loans and overdrafts	25,473	16,761
Hire purchase agreements	4,620	6,418
	<u>30,093</u>	<u>23,179</u>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31st March 2011

7. TAXATION

	2011 £	2010 £
(a) Analysis of tax charge for the year		
Corporation tax	11,127	30,406
Prior year adjustment	(8,140)	(16,775)
Overseas tax	19,732	17,230
Share of tax of disposed subsidiary company	48,609	-
	<hr/>	<hr/>
Current tax charge	71,328	30,861
Deferred tax (Note 17)	(86,685)	(57,685)
	<hr/>	<hr/>
Credit	(15,357)	(26,824)
	<hr/>	<hr/>
(b) Factors affecting current tax charge for the year		
Profit on ordinary activities before tax at 28% (2010 28%)	24,587	212,087
Effect of		
Small company relief	(3,464)	-
Indexation allowances on capital gains	(12,698)	(17,867)
Short term timing differences on investments	5,032	(237,548)
Non taxable investment income	(58,877)	(39,911)
Other	5,360	(166)
Losses, net of gains, not available for offset	55,441	55,900
Timing differences between capital allowances and depreciation	(8,815)	226
Losses (utilised)/ carried forward	(53,709)	57,685
Non allowable expenses	4,496	-
Tax on disposal of subsidiary company	53,774	-
	<hr/>	<hr/>
	11,127	30,406
Prior year adjustment	(8,140)	(16,775)
Overseas tax	19,732	17,230
Share of tax of disposed subsidiary company	48,609	-
	<hr/>	<hr/>
Current tax charge	71,328	30,861
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31st March 2011

8. INTERESTS IN SUBSIDIARIES

Company

Principal subsidiaries	Parent and group interest in ordinary shares and voting rights	Country of incorporation and registration	Principal activity
Tenwood Securities Ltd	100%	England	Investment holding
The London Commercial and Mercantile Company Limited*	100%	England	Investment dealing
Culfargie Estates Limited	100%	Scotland	Farming and property investment
Tay and Torridon Estates Limited	100%	Scotland	Farming
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

* These shareholdings are held indirectly via subsidiary companies

The 75% interest in Scottish Trust Managers Limited was sold to the minority shareholder on 18th March 2011 £(29,117) (2010 £(19,985)) of the group profit before tax is attributable to Scottish Trust Managers Limited

Investment in subsidiaries

	2011 £	2010 £
At 1 st April 2010	866,745	866,745
Write back of provision against investment	500,000	-
	<hr/>	<hr/>
At 31 st March 2011	1,366,745	866,745
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31st March 2011

9. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £	Plant equipment and motor vehicles £	Total £
Cost or valuation			
At 1 st April 2010	19,130,555	2,030,891	21,161,446
Additions	246,763	245,940	492,703
Disposals	(766,250)	(271,127)	(1,037,377)
Revaluation	1,643,000	-	1,643,000
At 31 st March 2011	20,254,068	2,005,704	22,259,772
Depreciation			
At 1 st April 2010	-	1,203,210	1,203,210
Charge for the year	-	138,928	138,928
Released on disposal	-	(155,238)	(155,238)
At 31 st March 2011	-	1,186,900	1,186,900
Net book value			
At 31 st March 2011	20,254,068	818,804	21,072,872
At 31 st March 2010	19,130,555	827,681	19,958,236
Historical cost			
At 31 st March 2011	4,161,291	2,005,704	6,166,915

The group's Scottish estates were revalued on 31st March 2010 at £18,366,000 on the basis of their open market value, by Bell Ingram Limited, Chartered Surveyors in accordance with the RICS Appraisal and Valuation Manual. A further partial valuation was carried out at 31st March 2011, resulting in an increase in value of £1,643,000. These valuations are 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 2011

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 are 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 £188,507 (2010: £235,471) and a depreciation charge of £56,244 (2010: £50,510).

10. FIXED ASSET INVESTMENTS

Group	Listed in United Kingdom £	Listed abroad £	Unlisted £	Total £
Cost				
At 1 st April 2010	2,494,019	2,877,634	873,075	6,244,728
Additions	373,534	838,066	49,791	1,261,391
Disposals	(485,142)	(386,684)	(4,000)	(875,826)
At 31 st March 2011	2,382,411	3,329,016	918,866	6,630,293
Provisions				
At 1 st April 2010	-	-	129,127	129,127
Movement in the year	-	-	17,973	17,973
At 31 st March 2011	-	-	147,100	147,100
Net book value				
At 31 st March 2011	2,382,411	3,329,016	771,766	6,483,193
At 31 st March 2010	2,494,019	2,877,634	743,948	6,115,601
Market value				
At 31 st March 2011	3,329,677	4,468,487	765,511	8,563,675
At 31 st March 2010	3,214,260	3,938,082	939,891	8,092,233

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 2011

10. FIXED ASSET INVESTMENTS (Continued)

If the Investment portfolio were to be disposed of at market value, there would be a potential tax liability of approximately £538,115 (2010 £318,000) net of a deferred tax credit of £4,370

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. Y/e 28/2/11 £	Mid-Florida Land & Timber Y/e 28/2/11 £	Volusia Land & Timber Y/e 28/2/11 £	Total £
Turnover	46,389	-	665	47,054
Loss before tax	(17,612)	(3,103)	(8,492)	(29,207)
Taxation	-	-	-	-
Loss after tax	(17,612)	(3,103)	(8,492)	(29,207)
Fixed assets	563,078	23,385	217,215	803,678
Current assets	163,821	801	102,354	266,976
Liabilities due within one year	(119,260)	(17,608)	(1,539)	(138,407)

The above information is extracted from the financial statements of the respective companies and does not necessarily reflect market values

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2011

11. STOCKS

Group	2011 £	2010 £
Stocks, all of which relate to farming, comprise the following		
Cattle and sheep	476,433	520,117
Crops	133,125	131,998
Sundry	49,591	55,880
	<u>659,149</u>	<u>707,995</u>

12. DEBTORS

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Due within one year				
Trade debtors	933,272	1,067,186	-	-
Other debtors	29,157	12,744	-	-
Amounts due from subsidiary undertakings	-	-	7,459,031	6,608,391
Prepayments and accrued income	62,023	48,068	-	-
Deferred tax (note 17)	4,370	-	-	-
	<u>1,028,822</u>	<u>1,127,998</u>	<u>7,459,031</u>	<u>6,608,391</u>

13. CURRENT ASSET INVESTMENTS

Group	2011 £	2010 £
Listed, at lower of cost and market value	<u>293,577</u>	<u>353,880</u>
Market value, based on mid-market published prices	<u>295,141</u>	<u>359,238</u>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31st March 2011

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Bank overdrafts	479,767	478,013	-	-
Obligations under finance leases	49,120	62,109	-	-
Tax and social security	7,633	5,012	-	-
Trade creditors	120,801	100,779	-	-
Other creditors	9,640	2,713	2,713	2,713
Amounts due to subsidiary undertakings	-	-	3,278,150	3,027,150
Accruals and deferred income	91,231	162,529	-	-
Corporation tax	11,127	37,681	-	-
	<u>769,319</u>	<u>848,836</u>	<u>3,280,863</u>	<u>3,029,863</u>

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

Group	2011 £	2010 £
Obligations under finance leases	26,950	22,636
Term loan	350,000	350,000
	<u>376,950</u>	<u>372,636</u>

The term loan bears interest at 3% above LIBOR and is repayable in December 2012. Part of the group's overdraft and the term loan are secured against the assets of one of the subsidiary companies.

16. DEBT ANALYSIS

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Repayable within 1 year	528,887	540,122	-	-
Repayable in 2 - 5 years	376,950	372,636	-	-
	<u>905,837</u>	<u>912,758</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
31st March 2011

17. PROVISIONS FOR LIABILITIES
Deferred Taxation

Group	2011 £	2010 £
The deferred taxation balance comprises		
Accelerated capital allowances	-	(140,000)
Unutilised losses	4,370	57,685
	<hr/>	<hr/>
Asset/(liability)	4,370	(82,315)
	<hr/>	<hr/>

	2011 £	2010 £
Balance at 1 st April	(82,315)	(140,000)
Origination and reversal of timing differences	86,685	57,685
	<hr/>	<hr/>
Balance at 31 st March	4,370	(82,315)
	<hr/>	<hr/>

	2011 £	2010 £
Group potential tax liability on disposal at market value of		
Fixed asset investments	538,115	318,000
Investment properties	-	174,000
Farming and other properties	4,267,302	4,047,000
	<hr/>	<hr/>
	4,805,417	4,539,000
	<hr/>	<hr/>

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

The potential tax liability on fixed asset investments is shown net of the value of realised capital losses

NOTES TO THE FINANCIAL STATEMENTS

31st March 2011

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 INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating (loss)/profit	(30,699)	86,559
Depreciation	138,928	146,023
Decrease/(increase) in stocks	48,846	(4,122)
Decrease/(increase) in debtors	96,285	(252,251)
Increase in creditors	87,165	84,810
Profit on disposal of current asset investments	(47,474)	(221,350)
	<u>293,051</u>	<u>(160,331)</u>

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

A. Other returns on investments and servicing of finance

	2011	2010
	£	£
Exchange (loss)/profit	(8,099)	1,238
Bank interest paid	(25,473)	(16,761)
Interest element of finance lease payments	(4,620)	(6,418)
	<u>(38,192)</u>	<u>(21,941)</u>
Net cash outflow from other returns on investments and servicing of finance	<u>(38,192)</u>	<u>(21,941)</u>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2011

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

B. Taxation

	2011	2010
	£	£
Net UK corporation tax and overseas tax	(49,274)	(50,104)

C. Capital expenditure and financial investment

	2011	2010
	£	£
Purchase of tangible fixed assets	(492,703)	(244,314)
Sale of tangible fixed assets	113,455	41,421
Purchase of fixed asset investments	(1,261,391)	(1,456,793)
Sale or reduction of fixed asset investments	1,082,053	1,533,045
Sale of subsidiary company (net)	409,022	-
Net cash outflow from capital expenditure and financial investment	(149,564)	(126,641)

D. Management of liquid resources

	2011	2010
	£	£
Purchase of current asset investments	(349,007)	(286,965)
Sale of current asset investments	456,785	474,818

Net cash inflow	107,778	187,853
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E. Financing

	2011	2010
	£	£
Decrease in finance leases	(8,675)	(59,840)
Cash outflow	(8,675)	(59,840)

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31st March 2011

21. CALLED UP SHARE CAPITAL

	2011 £	2010 £
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/>
	2011 £	2010 £
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

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31st March 2011

22. OTHER RESERVES

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Capital reserve				
Balance at 1 st April and at 31 st March	119,229	119,229	-	-
Revaluation reserve				
Balance at 1 st April	15,236,877	13,021,962	-	-
Revaluation in the year	1,643,000	2,214,915	-	-
Transfer on disposal	(467,180)	-	-	-
Balance at 31 st March	16,412,697	15,236,877	-	-
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	
	2011 £	2010 £	2011 £	2010 £
At 1 st April	11,433,900	10,646,274	3,871,455	3,972,232
Result for the financial year	110,448	787,626	1,185,099	(100,777)
Transfer on disposal	467,180	-	-	-
At 31 st March	12,011,528	11,433,900	5,056,554	3,871,455

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2011

24. MINORITY INTERESTS

	Group	
	2011 £	2010 £
At 1 st April	165,149	221,096
Share of result for the year	(7,279)	(3,348)
Share of property revaluation	-	22,500
Dividend paid	-	(75,000)
Transfer on disposal	(157,870)	(99)
	<hr/>	<hr/>
At 31 st March	-	165,149
	<hr/>	<hr/>

25. LEASE OBLIGATIONS

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

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Land and Buildings				
Within one year	-	-	-	-
Between 2 and 5 years	14,667	14,667	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	14,667	14,667	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

26. CAPITAL COMMITMENTS

Capital expenditure authorised by the directors of a subsidiary company and contracted for as at 31st March 2011 amounted to £Nil (2010 £223,366)