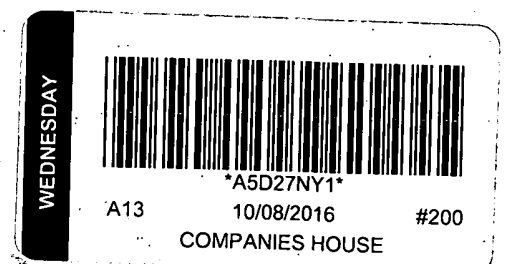

IOWA LAND COMPANY LIMITED

FINANCIAL STATEMENTS

31st MARCH 2016



IOWA LAND COMPANY LIMITED

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IOWA LAND COMPANY LIMITED

COMPANY INFORMATION

Directors C S R Stroyan T.D., W.S. (Chairman)
C N Bardswell
J H Houssemayne Du Boulay (resigned 5th May 2016)
E Y Whittingdale

Secretary R W Toye

Registered Office Temple Chambers
3 - 7, Temple Avenue
London EC4Y 0HP

Registered Number 15399

Auditor Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh EH3 8BL

Solicitors Brodies LLP
15 Atholl Crescent
Edinburgh EH3 8HA

Bankers The Royal Bank of Scotland plc
Perth Chief Office
12 Dunkeld Road
Perth PH1 5RB

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 2016.

Principal activities

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

Results and dividend

The group loss for the year before taxation was £1,470,190 (2015: restated profit of £12,354,576). The loss after taxation was £1,114,950 (2015: restated profit of £10,027,011).

The directors do not propose a dividend (2015: £Nil).

Review of the business

The year ended 31st March 2016 proved to be difficult with an operating loss of £47,433. During its course the company bought back and cancelled 35,012 Ordinary Shares of 10p each for a total cost of £1,898,697.

As anticipated the investment company made a much smaller profit when compared to the previous year. This reflected the absence of a special dividend from the USA based companies. Otherwise the investments have performed well when taking into account the volatility of stock markets, particularly in the UK.

A decision to run down the activities of the dealing company was taken early in the year as most of its activities are duplicated in the investment company and the small loss reported for the year was in no way surprising.

In Scotland, the past year proved to be exceptionally hard. Farming continued to be unprofitable with the price of grain well below the cost of growing it. Both the cattle and sheep enterprises suffered from a substantial fall in demand and the bad weather at lambing time was most unhelpful. This also affected the nesting season for grouse and the fall in numbers curtailed the days available to let. The wind farm however, continued to contribute, but at a somewhat lower level.

Prospects for farming in the current year continue to be uncertain although there is some optimism for the price of livestock. The volatility in investment markets is likely to remain while the political scene in Europe is changing. Your directors are fully aware of these problems and will bear them in mind when making decisions.

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 group and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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
J H Houssemayne Du Boulay (resigned 5th May 2016)
E Y Whittingdale

Fixed assets

Movements in tangible fixed assets are disclosed in Note 7.

The group's Scottish estates are included at a professional valuation of £30,796,550.

REPORT OF THE DIRECTORS (continued)

Financial instruments

The company invests in the equity markets through investment managers appointed on a discretionary basis. The portfolio is largely invested in direct holdings in UK and overseas equities. There is no exposure to fixed interest instruments. Derivative instruments are not used to hedge the portfolios.

Auditor

Scott-Moncrieff is deemed to be reappointed under section 487 (2) of Companies Act 2006.

Directors' Disclosure of Information to Auditors

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

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- 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 auditor for that purpose, in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

The report of the directors was approved by the Board on 3rd August 2016 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 for the year ended 31st March 2016 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice as applicable to small entities).

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, 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 Practice's Board's Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note 16 to the financial statements.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to small entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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 and the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of our audit, we have not identified any material misstatements in the Directors' Report.

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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report or from the requirement to prepare a Strategic report.



W Gareth Magee, Senior Statutory Auditor

For and on behalf of Scott-Moncrieff, Statutory Auditor
Exchange Place 3
Semple Street
Edinburgh EH3 8BL

Date:

3 August 2016

IOWA LAND COMPANY LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
For the year ended 31st March 2016

	Note	2016	2015
		£	Restated
			£
Turnover	2	2,540,569	3,273,034
Cost of Sales		(1,402,900)	(1,349,577)
Gross Profit		1,137,669	1,923,457
Administrative expenses		(1,185,102)	(1,223,715)
Operating (Loss)/Profit		(47,433)	699,742
Interest receivable and similar income		1,761	-
Interest payable and similar charges	5	(19,369)	(19,983)
Gain on disposal of tangible fixed asset	3	(35,892)	10,060
(Loss)/gain on disposal of fixed asset investments	8	(1,265)	311,330
Exchange gain/(loss)		1,132	(2,808)
Unrealised (deficit)/surplus on revaluation of heritable property and investments		(1,369,124)	11,356,235
(Loss)/profit on ordinary activities before taxation	3	(1,470,190)	12,354,576
Tax on (loss)/profit on ordinary activities	6	355,240	(2,327,565)
(Loss)/profit on ordinary activities after taxation		(1,114,950)	10,027,011
Other comprehensive income		-	-
Total comprehensive (deficit)/income for the financial year		(1,114,950)	10,027,011

The notes on pages 12 to 31 form part of these financial statements


IOWA LAND COMPANY LIMITED

CONSOLIDATED BALANCE SHEET

Company Registration No.: 15399
at 31st March 2016

	Note	2016 £	2015 Restated £
Fixed assets			
Tangible fixed assets	7	31,884,847	32,998,424
Investments	8	9,782,755	10,459,603
		<hr/>	<hr/>
		41,667,602	43,458,027
Current assets			
Stocks		869,474	885,781
Debtors	9	628,408	1,133,235
Investments	9	145,341	293,826
Cash at bank and in hand		157,482	837,846
		<hr/>	<hr/>
		1,800,705	3,150,688
Creditors: Amounts falling due within one year	10	(1,657,349)	(1,010,725)
		<hr/>	<hr/>
Net current assets		143,356	2,139,963
		<hr/>	<hr/>
Total assets less current liabilities		41,810,958	45,597,990
Creditors: Amounts falling due after more than one year	11	(118,097)	(499,103)
Provisions for liabilities	12	(4,141,128)	(4,533,507)
		<hr/>	<hr/>
Net assets		37,551,733	40,565,380
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	14	101,341	104,842
Share premium account		163,163	163,163
Capital redemption reserve		314,344	310,843
Revaluation reserve		23,429,130	24,241,893
Other reserves		119,229	119,229
Profit and loss account		13,424,526	15,625,410
		<hr/>	<hr/>
Shareholders' funds		37,551,733	40,565,380
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the Board on 3rd August 2016 and signed on its behalf by:


Colin Strathearn Ropner Stroyan
Director

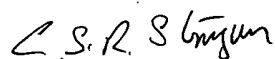
The notes on pages 12 to 31 form part of these financial statements.

IOWA LAND COMPANY LIMITED

COMPANY BALANCE SHEET Company Registration No.: 15399 at 31st March 2016

	Note	2016 £	2015 £
Fixed assets			
Investments in subsidiary undertakings	8	7,511,754	7,511,754
Current assets			
Debtors	9	28	-
Cash at bank and in hand		10,985	175,027
		11,013	175,027
Creditors: Amounts falling due within one year	10	(2,722)	(2,715)
Net current assets		8,291	172,312
Total assets less current liabilities		7,520,045	7,684,066
Capital and reserves			
Called up share capital	14	101,341	104,842
Share premium account		163,163	163,163
Capital redemption reserve		314,344	310,843
Profit and loss account		6,941,197	7,105,218
Shareholders' funds		7,520,045	7,684,066

Approved and authorised for issue by the Board on 3rd August 2016 and signed on its behalf by:



Colin Strathearn Ropner Stroyan
Director

The notes on pages 12 to 31 form part of these financial statements

IOWA LAND COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31st March 2016

	Share Capital £	Share Premium £	Capital redemption reserve £	Profit & loss account (Restated) £	Revaluation Reserve (Restated) £	Other reserves £	Total (Restated) £
At 1 April 2014	104,842	163,163	310,843	14,312,271	15,528,021	119,229	30,538,369
Profit for the year	-	-	-	1,313,139	8,713,872	-	10,027,011
Other comprehensive income	-	-	-	-	-	-	-
At 31 March 2015	104,842	163,163	310,843	15,625,410	24,241,893	119,229	40,565,380
Loss for the year	-	-	-	(302,187)	(812,763)	-	(1,114,950)
Share buy-back	(3,501)	-	3,501	(1,898,697)	-	-	(1,898,697)
Other comprehensive income	-	-	-	-	-	-	-
At 31 March 2016	101,341	163,163	314,344	13,424,526	23,429,130	119,229	37,551,733

The notes on pages 12 to 31 form part of these financial statements

IOWA LAND COMPANY LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY**For the year ended 31st March 2016**

	Share Capital £	Share Premium £	Capital redemption reserve £	Profit & loss account £	Total £
At 1 April 2014	104,842	163,163	310,843	7,105,714	7,684,562
Loss for the year	-	-	-	(496)	(496)
Other comprehensive income	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	104,842	163,163	310,843	7,105,218	7,684,066
Profit for the year	-	-	-	1,734,676	1,734,676
Share buy-back	(3,501)	-	3,501	(1,898,697)	(1,898,697)
Other comprehensive income	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2016	<u>101,341</u>	<u>163,163</u>	<u>314,344</u>	<u>6,941,197</u>	<u>7,520,045</u>

The notes on pages 12 to 31 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

1. ACCOUNTING POLICIES

General information

Iowa Land Company Limited is a company incorporated in England and Wales. The registered office is Temple Chambers, Suite 32, 3-7 Temple Avenue, London EC4Y 0HP.

Statement of compliance

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to small entities) and the Companies Act 2006.

These are the first financial statements prepared under Section 1A of FRS 102. The date of transition is 1st April 2015. Information on the impact of first-time adoption is given in note 17.

The preparation of the financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the group's accounting policies (see below).

Significant judgements and estimates

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within a financial year are addressed as follows:

The fair value of investments that are not traded in an active market (e.g. unquoted investments) is determined by using valuation techniques. Management uses its judgement to select a variety of methods and made assumptions that are mainly based on market conditions existing at the end of each reporting period.

Cash flow statement

The financial statements do not include a cash flow statement because the group, as a small reporting entity, is exempt from the requirements to prepare such a statement under FRS 102.

Going concern

The financial statements are prepared on a going concern basis as the directors are of the opinion that the company and group can continue to meet their liabilities as they fall due for the foreseeable future.

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 statement of comprehensive income of the parent company has not been separately presented in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

1. ACCOUNTING POLICIES (continued)

Turnover

Turnover represents income earned from sales of farming produce, rental income, and income from investments; all exclusive of VAT.

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.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified in accordance with the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial asset investments

Investments in listed and quoted unlisted entities have been classified as fixed asset investments, as the company intends to hold them on a continuing basis, are re-measured to market value at each Balance Sheet date. Gains and losses on re-measurement are recognised in the Statement of Comprehensive Income for the period.

Investments in unquoted companies shares have been classified as fixed asset investments, as the company intends to hold them on a continuing basis, are re-measured to an estimated market value by the directors on the basis of the most recent financial information available at each Balance Sheet date. Gains and losses on re-measurement are recognised in the Statement of Comprehensive Income for the period.

Investments in subsidiaries are measured at cost less accumulated impairment.

Listed investments held as trading stock are shown as current assets investments, as the group holds them for re-sale. Gains and losses on re-measurement are recognised in the Statement of Comprehensive Income for the period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

1. ACCOUNTING POLICIES (continued)

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares and similar instruments.

Debt instruments are payable or receivable within one year, typically trade payables or receivables are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Fixed assets and depreciation

No division is made of the cost or valuation of freehold property 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

Leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Statement of Comprehensive Income over the period of the lease.

All other leases are regarded as operating leases and the total payments made under them are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Stocks

Stocks are valued at a conservative market value. It is the opinion of the directors that the net realisable value is not less than this.

Investment interest receivable

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

1. ACCOUNTING POLICIES (continued)

Government grants

Grants of a revenue nature are credited to the statement of comprehensive income 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.

Taxation

The tax expense for the year comprises of current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in either comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated, but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Foreign exchange

The company's functional currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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**For the year ended 31st March 2016****2. TURNOVER**

Turnover, analysed by category, was as follows;

	2016	2015
	£	Restated £
Farming Activities	1,515,701	1,555,140
Rental income	760,750	1,147,195
Investment dealing activities	(58,318)	38,210
Investment income	322,436	532,489
	<u>2,540,569</u>	<u>3,273,034</u>

**3. PROFIT ON ORDINARY ACTIVITIES
BEFORE TAXATION**

	2016	2015
	£	£
Profit/(loss) on ordinary activities is arrived at after charging:		
Auditor's remuneration	34,485	36,550
Depreciation - owned assets	87,155	94,987
- held under hire purchase agreements	100,733	78,346
Gain/(loss) on exchange	1,132	(2,808)
	<u>223,505</u>	<u>211,075</u>
and after crediting:		
Subsidies and grants	78,313	256,447
(Loss)/gain on disposal of tangible fixed assets	(35,892)	10,060
	<u>165,926</u>	<u>276,582</u>

Auditor's remuneration in the current year includes £10,380 for accounting and consultancy work (2015: £11,500).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

4. EMPLOYEES AND STAFF COSTS

	2016	2015
	£	£
Costs incurred in respect of employees (including directors) were:		
Wages and salaries	484,602	618,652
Social security costs	48,078	54,213
Other pension costs	37,946	26,138
	<u>570,626</u>	<u>699,003</u>
	No.	No.
The average monthly number of employees including directors during the year was as follows:		
Administration	6	6
Farming	17	18
	<u>23</u>	<u>24</u>

Defined contribution pension scheme

A subsidiary company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £37,946 (2015: £26,138).

	2016	2015
	£	£
Directors emoluments:		
Other emoluments	57,421	56,293
	<u>57,421</u>	<u>56,293</u>

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

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31st March 2016****5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2016	2015
	£	£
Bank loans and overdrafts	14,061	15,805
Hire purchase agreements	5,308	4,178
	<hr/>	<hr/>
	19,369	19,983
	<hr/>	<hr/>

6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2016	2015
	£	Restated £
(a) Analysis of tax (credit)/charge for the year:		
Corporation tax	11,751	67,303
Overseas tax	25,388	54,748
	<hr/>	<hr/>
Current tax charge	37,139	122,051
Deferred tax (Note 12)	(392,379)	2,205,514
	<hr/>	<hr/>
Tax (credit)/charge	(355,240)	2,327,565
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES (continued)

	2016	2015
	£	Restated £
(b) Factors affecting current tax(credit)/charge for the year		
Tax on (loss)/profit on ordinary activities before taxation at 20% (2015: 21%)	(294,038)	2,384,460
Effect of:		
Non-taxable investment income	(59,031)	(160,741)
Other	(3,417)	(4,045)
Chargeable gains	(363,023)	40,615
Timing differences between capital allowances and depreciation	-	(11,051)
Losses utilised	11,137	(11,154)
Losses carried forward	-	-
Non allowable expenses	327,744	34,733
	<u>(380,628)</u>	<u>2,272,817</u>
Overseas tax	25,388	54,748
	<u>(355,240)</u>	<u>2,327,565</u>

The group has unutilised tax losses from previous years that may reduce the taxation charge in future years.

IOWA LAND COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31st March 2016****7. FIXED ASSETS**

Group	Freehold property £	Plant, equipment and motor vehicles £	Total £
Cost or valuation			
At 1 st April 2015	31,962,550	2,299,517	34,262,067
Additions	-	361,587	361,587
Disposals	-	(303,703)	(303,703)
Revaluation	(1,166,000)	-	(1,166,000)
At 31 st March 2016	30,796,550	2,357,401	33,153,951
Depreciation			
At 1 st April 2015	-	1,263,643	1,263,643
Charge for the year	-	187,888	187,888
Released on disposal	-	(182,427)	(182,427)
At 31 st March 2016	-	1,269,104	1,269,104
Net book value			
At 31 st March 2016	30,796,550	1,088,297	31,884,847
At 31 st March 2015	31,962,550	1,035,874	32,998,424
Historical cost			
At 31 st March 2016	8,797,415	2,357,401	11,096,932

The group's Scottish estates were revalued on 31st March 2016 at on the basis of their open market value, by and independent firm of Chartered Surveyors. This valuation is incorporated in the financial statements.

The historic cost of the land and buildings is £8,797,415 (2015: £8,797,415).

The group's heritable property is 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 and no charge has therefore been made.

An impairment review should be carried out on all tangible fixed assets on an annual basis. Such a review has been performed and in the directors' opinion the market value and residual value of all tangible fixed assets is in excess of the carrying value and there is no impairment.

Included in plant, equipment and motor vehicles are assets financed under hire purchase agreements with a net book value of £674,710 (2015: £270,968) and a depreciation charge of £100,533 (2015: £78,346).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

8. INVESTMENTS

Group

	Listed investments Restated £	Unlisted investments Restated £	Total Restated £
At 1 April 2015	9,560,337	899,266	10,459,603
Additions	379,641	76,893	456,534
Revaluation	(582,108)	333,940	(248,168)
Disposals - proceeds	(883,949)	-	(883,949)
Disposals – gains/(losses) on sales	150,204	(151,469)	(1,265)
	<hr/>	<hr/>	<hr/>
At 31 March 2016	8,624,125	1,158,630	9,782,755
	<hr/>	<hr/>	<hr/>
At 31 March 2015	9,560,377	899,226	10,459,603
	<hr/>	<hr/>	<hr/>

Unlisted investments included £5,969 (2015: £5,780) of investments in a number of industrial and provident societies which are held at cost.

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.

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

8. INVESTMENTS (continued)

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

	Quail Estates Inc. Y/e 28/2/16 £	Volusia Land & Timber Y/e 28/2/16 £	Mid-Florida Land & Timber Y/e 28/2/16 £	Total £
Turnover	256,215	4,389	-	260,604
Profit/(loss) before tax	13,798	(32,885)	(12,782)	(31,869)
Taxation	-	-	-	-
Loss after tax	13,798	(32,885)	(12,782)	(31,869)
Fixed assets	1,446,456	689,808	91,680	2,227,944
Current assets	439,465	308,907	6,730	755,102
Liabilities due within one year	(395,225)	(53,528)	(150,298)	(599,051)
Liabilities due in more than one year	-	-	-	-

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

Company

Principal subsidiaries	Parent and group interest in ordinary shares and voting rights	Country of incorporation and registration	Principal activity
Teniwood Securities Limited	100%	England	Investment holding
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
Bandirran Estates Limited (formerly Carse Estates Limited)	100%	Scotland	Dormant

* This shareholding is held indirectly via a subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

8. INVESTMENTS (continued)

Investment in subsidiaries

	2016 £	2015 £
Interest in ordinary shares	1,131,754	1,131,754
Loans to subsidiaries	6,380,000	6,380,000
	<hr/>	<hr/>
As at 31 st March	7,511,754	7,511,754
	<hr/>	<hr/>

The company has advanced loans for an indeterminate period of time at a nil rate of interest, repayable in part or in whole at the sole discretion of the subsidiaries.

Under FRS102, intercompany loans where the terms of the relationship between the company and its subsidiaries resembles equity rather than debt, should be classified accordingly. The directors consider the substance of the loan agreements between the company and the subsidiaries to be that of equity and have thus classified the loan as equity, rather than debt.

9. DEBTORS

	2016	Group 2015	2016	Company 2015
	£	£	£	£
Due within one year				
Trade debtors	150,864	741,856	-	-
Other debtors	13,410	72,185	-	-
Prepayments and accrued income	449,738	301,822	28	-
Deferred tax (note 12)	-	-	-	-
Corporation tax	611	-	-	-
VAT	13,785	17,372	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	628,408	1,133,235	28	-
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

9. DEBTORS (continued)

Current asset investments

	Listed investments Restated £	Unlisted investments £	Total £
Cost or valuation			
At 1 st April 2015	293,622	204	293,826
Additions	-	-	-
Revaluation	44,838	206	45,044
Disposals – proceeds	(135,210)	(1)	(135,211)
Disposals – (losses)/profits on sale	(58,319)	1	(58,318)
	<hr/>	<hr/>	<hr/>
At 31 st March 2016	144,931	410	145,341
	<hr/>	<hr/>	<hr/>
At 31 st March 2015	293,622	204	293,826
	<hr/>	<hr/>	<hr/>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Bank loans and overdrafts	1,185,231	551,539	-	-
Obligations under finance leases	137,107	112,166	-	-
Tax and social security	15,132	14,180	-	-
Trade creditors	107,960	95,030	-	-
Other creditors	5,010	5,554	2,720	2,713
Amounts due to subsidiary undertakings	-	-	2	2
Accruals and deferred income	206,909	164,953	-	-
Corporation tax	-	67,303	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,657,349	1,010,725	2,722	2,715
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

The group's overdraft is secured by a bond and floating charge over two subsidiary companies' assets.

The group meets its day to day working capital requirements through an overdraft facility, which is secured over all of the property and assets and is repayable on demand. The group is currently operating within an overdraft facility of £750,000, which is due for review on 28th July 2017; and a second overdraft facility of £100,000 which is due for review on 20th March 2017. The directors anticipate that the bank overdraft facilities will be renewed at a sufficient level to allow the group to meet its short term liabilities for a period of at least twelve months from the date that the financial statements are signed by the Board. Bank borrowing is secured by a bond and floating charge over the assets of the group.

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

Group	2016 £	2015 £
Obligations under finance leases	68,097	70,103
Term loan	50,000	400,000
Deferred income	-	29,000
	<hr/>	<hr/>
	118,097	499,103
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year 31st March 2016

12. PROVISIONS FOR LIABILITIES

Deferred Taxation

Group	2016 £	2015 Restated £
The deferred taxation balance comprises:		
Accelerated capital allowances	168,002	158,193
Taxation on unrealised surplus on revaluation of heritable property and investments	3,973,126	4,375,314
	<hr/>	<hr/>
Liability	4,141,128	4,533,507
	<hr/>	<hr/>
	2016 £	2015 Restated £
Balance at 1 st April	4,533,507	2,327,993
Movement in year	(392,379)	2,205,514
	<hr/>	<hr/>
Balance at 31 st March	4,141,128	4,533,507
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31st March 2016****13. FINANCIAL INSTRUMENTS**

Group	2016	2015
	£	£
Financial assets measured at amortised cost	646,205	1,091,158
Financial liabilities measured at amortised cost	1,648,722	1,403,540

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income, corporation tax and VAT.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, accruals, other creditors, tax and social security, hire purchase contracts and corporation tax payable.

Company	2016	2015
	£	£
Financial assets measured at amortised cost	-	-
Financial liabilities measured at amortised cost	2,722	2,715

Financial liabilities measured at amortised cost comprise other creditors and amounts due to subsidiary undertakings

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

14. CALLED UP SHARE CAPITAL

	2016	2015
	£	£
Allotted and fully paid:		
49,484 4.55% Non-cumulative preference shares of £ 1 each	49,484	49,484
518,571 ordinary shares of 10p each	51,857	55,358
	<u>101,341</u>	<u>104,842</u>

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.

35,012 Ordinary 10p shares were bought back and cancelled on 18th March 2016, with nominal value of £3,501.20.

15. COMMITMENTS UNDER OPERATING LEASES

At 31st March 2016, the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group & Company	
	2016	2015
	£	Restated
		£
Land and Buildings		
Within one year	16,000	16,000
Between 2 and 5 years	24,000	40,000
	<u>40,000</u>	<u>56,000</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

16. OTHER PROFESSIONAL SERVICES PROVIDED BY THE AUDITOR

In common with many other businesses of our size and nature, the group uses its auditor to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st March 2016

17. FIRST TIME ADOPTION OF FRS 102

	As previously stated 1 April 2014 £	Effect of Transition 1 April 2014 £	FRS 102 (as restated) 1 April 2014 £	As previously stated 31 March 2015 £	Effect of Transition 31 March 2015 £	FRS 102 (as restated) 31 March 2015 £
Tangible Fixed Assets	22,218,605	-	22,218,605	32,998,424	-	32,998,424
Investments	7,415,059	2,608,425	10,023,484	7,148,042	3,311,561	10,459,603
	29,633,664	2,608,425	32,242,089	40,146,466	3,311,561	43,458,027
Current Assets	2,160,205	(36,218)	2,123,987	3,147,470	3,218	3,150,688
Creditors: amounts falling due within one year	(846,245)	-	(846,245)	(1,010,725)	-	(1,010,725)
Net current assets	<u>1,313,960</u>	<u>(36,218)</u>	<u>1,277,742</u>	<u>2,136,745</u>	<u>3,218</u>	<u>2,139,963</u>
Total assets less current liabilities	30,947,624	2,572,207	33,519,831	42,283,211	3,314,779	45,597,990
Creditors: amounts falling due after one year	(715,334)	-	(715,334)	(499,103)	-	(499,103)
Provisions for liabilities	(75,425)	(2,190,703)	(2,266,128)	(102,782)	(4,430,725)	(4,533,507)
Capital and Reserves	<u>30,156,865</u>	<u>381,504</u>	<u>30,538,369</u>	<u>41,681,326</u>	<u>(1,115,946)</u>	<u>40,565,380</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st March 2016

17. FIRST TIME ADOPTION OF FRS 102 (continued)

	As previously stated 31 March 2015 £	Effect of Transition 31 March 2015 £	FRS102 (as restated) 31 March 2015 £
Turnover	3,228,209	44,825	3,273,034
Administrative expenses	(2,573,292)	-	(2,573,292)
Operating Profit	654,917	44,825	699,742
Interest payable	(19,983)	-	(19,983)
Exchange loss	(2,808)	-	(2,808)
Gain on disposal of tangible fixed asset	10,060	-	10,060
Profit on asset investment	272,100	39,230	311,330
Unrealised surplus on revaluation of heritable property	-	10,759,583	10,759,583
Unrealised surplus on revaluation of investments	-	596,652	596,652
Profit before taxation	914,286	11,440,290	12,354,576
Taxation	(149,408)	(2,178,157)	(2,327,565)
Total comprehensive deficit for the year	764,878	9,262,133	10,027,011

The transition adjustments on the introduction of FRS 102 relate to the:

- recognition of net unrealised gains on investments and the provision for deferred tax thereon. These items were previously referred to in the notes to the financial statements;
- reversal of previous provisions to reduce cost of certain investments to market value no longer required; and
- recognition of unrealised surplus on revaluation of heritable property and the provision for deferred tax thereon. These items were previously recognised in the Statement of Total Recognised Gains and Losses; the latter was previously referred to in the notes to the financial statements.