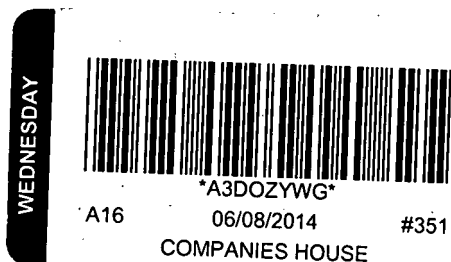

IOWA LAND COMPANY LIMITED

FINANCIAL STATEMENTS

31st MARCH 2014



IOWA LAND COMPANY LIMITED

CONTENTS

	Page
Company information	1
Report of the directors	2 - 4
Auditor's 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 debt	12
Notes to the financial statements	13 - 30

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

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 2014.

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 profit for the year before taxation was £278,824 (2013: £85,418) after taking into account profits from investment and fixed asset disposals net of provisions of £124,795 (2013: £32,188). The profit after taxation of £259,511 (2013: £36,285 loss) is accounted for through the profit and loss account.

The directors do not propose a dividend (2013: £Nil).

Review of the business

The year to 31st March 2014, provided a profit of £278,824 before tax.

The investment company had another good year with an increase of profit of 88% compared to the previous year. Income was substantially helped by special distributions from a number of UK companies. However, many international problems particularly in the Middle East have had an adverse effect on investments generally and progress in spite of the improvement in the economic situation has been slow.

The dealing company struggled to maintain profitability in spite of realising some profits from the investment portfolio. Traded options proved difficult and there was little activity in this area.

In Scotland, a modest return to profit on the low ground farms was achieved although the harvest was very late and the changeover from organic to conventional grain had not been fully completed. The cattle enterprise produced an excellent result. The hill farms had a very difficult year with heavy expenditure on the refurbishment of one farm and bad weather at lambing time reducing the number of lambs to sell. A welcome increase in grouse numbers helped the letting income and the wind farm continues to contribute.

The prospects for the current year with so much uncertainty in the international situation are difficult to predict, but your directors are hopeful that the modest improvement in results will continue.

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
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 £21,161,000. Since the valuation in June 2013, there has been further capital expenditure which has increased the book value to £21,198,471.

REPORT OF THE DIRECTORS
(Continued)

Auditor

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

Directors' Disclosure of Information to Auditors

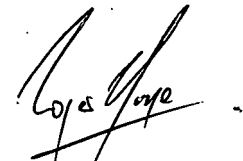
Each of the persons who are directors at the time when this report is approved has confirmed that:

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditor is 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 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.

Basis of Preparation

In preparing this report, the directors have taken advantage of the small companies exemptions provided within part 15 of the Companies Act 2006.

The report of the directors was approved by the Board on 30th July 2014 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 2014 which comprise the consolidated profit and loss account, statement of total recognised gains and losses, reconciliation of movements in shareholders' funds, consolidated balance sheet, company balance sheet, consolidated cash flow statement, reconciliation of net cash flow to movements in net debt and related notes. 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 Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in Note 25 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/apb/scope/private.cfm.

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 2014 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report; or
- the directors were not exempt from the requirements to prepare a strategic report.



Donald C Forsyth, Senior Statutory Auditor

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

Date: 30 July 2014

IOWA LAND COMPANY LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT**
for the year ended 31st March 2014

	Note	2014 £	2013 £
Income: continuing operations			
Turnover: Farming activities		1,645,202	1,526,143
Rental income		662,590	657,297
Investment dealing activities		1,212	73,296
Investment income		394,597	282,632
Investment interest receivable		779	1,503
		<hr/>	<hr/>
Total income		2,704,380	2,540,871
Operating costs	2	(2,519,440)	(2,474,248)
		<hr/>	<hr/>
Operating profit: continuing operations		184,940	66,623
		<hr/>	<hr/>
Gain/(loss) on disposal of tangible fixed assets		42,131	(8,168)
Profit on fixed asset investments	4	82,664	40,356
		<hr/>	<hr/>
		124,795	32,188
		<hr/>	<hr/>
Profit before interest		309,735	98,811
Interest payable	6	(25,652)	(23,623)
Exchange (loss)/gain		(5,259)	10,230
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	278,824	85,418
Tax on profit on ordinary activities	7	(19,313)	(121,703)
		<hr/>	<hr/>
Profit/(loss) for the financial year		259,511	(36,285)
		<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 2014

	2014	2013
	£	£
Result for the financial year	259,511	(36,285)
Unrealised surplus on property revaluation	-	10,000
	<hr/>	<hr/>
Total recognised gains/(losses) for the year	259,511	(26,285)
	<hr/>	<hr/>

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
for the year ended 31st March 2014

	2014	2013
	£	£
Opening shareholders' funds at 1 st April	29,897,354	29,923,639
Unrealised surplus on property revaluation	-	10,000
Result for the financial year	259,511	(36,285)
	<hr/>	<hr/>
Closing shareholders' funds at 31 st March	30,156,865	29,897,354
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

CONSOLIDATED BALANCE SHEET**Company Registration No.: 15399****at 31st March 2014**

	Note	2014 £	2013 £
Fixed assets			
Tangible fixed assets	9	22,218,605	22,011,031
Investments	10	7,415,059	7,048,801
		<hr/>	<hr/>
		29,633,664	29,059,832
		<hr/>	<hr/>
Current assets			
Stocks	11	879,257	835,097
Debtors	12	328,121	714,572
Investments	13	335,204	257,500
Cash at bank and in hand		617,623	642,595
		<hr/>	<hr/>
		2,160,205	2,449,764
Creditors: Amounts falling due within one year	14	(846,245)	(879,299)
		<hr/>	<hr/>
Net current assets		1,313,960	1,570,465
		<hr/>	<hr/>
Total assets less current liabilities		30,947,624	30,630,297
Creditors: Amounts falling due after more than one year	15	(715,334)	(653,430)
Provisions for liabilities	17	(75,425)	(79,513)
		<hr/>	<hr/>
Net assets		30,156,865	29,897,354
		<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

CONSOLIDATED BALANCE SHEET

Company Registration No.: 15399
at 31st March 2014 (Continued)

	Note	2014 £	2013 £
Capital and reserves			
Called up share capital	21	104,842	104,842
Share premium account	22	163,163	163,163
Capital redemption reserve	22	310,843	310,843
Revaluation reserve	22	17,287,364	17,287,364
Other reserves	22	119,229	119,229
Profit and loss account	23	12,171,424	11,911,913
		<hr/>	<hr/>
Shareholders' funds		30,156,865	29,897,354
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Board on 30th July 2014 and signed on its behalf by:

C.S.R. Stroyan

Colin Strathearn Ropner Stroyan
Director

IOWA LAND COMPANY LIMITED


BALANCE SHEET

Company Registration No.: 15399
at 31st March 2014

	Note	2014 £	2013 £
Fixed assets			
Investments in subsidiary undertakings	8	1,131,754	1,131,754
Current assets			
Debtors	12	6,340,005	6,112,372
Cash at bank and in hand		215,518	27,218
		6,555,523	6,139,590
Creditors: Amounts falling due within one year	14	(2,715)	(1,335,167)
Net current assets		6,552,808	4,804,423
Total assets less current liabilities		7,684,562	5,936,177
Capital and reserves			
Called up share capital	21	104,842	104,842
Share premium account	22	163,163	163,163
Capital redemption reserve	22	310,843	310,843
Profit and loss account	23	7,105,714	5,357,329
Shareholders' funds		7,684,562	5,936,177

These financial statements have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

Approved and authorised for issue by the Board on 30th July 2014 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 2014

	Note	2014		2013	
		£	£	£	£
Net cash inflow from operating activities	19		717,858		116,182
Other returns on investments and servicing of finance	20 A		(30,911)		(13,393)
Taxation	20 B		(25,069)		(46,848)
Capital expenditure and financial investment	20 C		(617,683)		(236,354)
Cash inflow/(outflow) before management of liquid resources and financing			44,195		(180,413)
Management of liquid resources and financing:					
Management of liquid resources	20 D	(80,287)		131,593	
Financing	20 E	121,071	40,784	(141,823)	(10,230)
Increase/(decrease) in cash			84,979		(190,643)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Balance at 1/4/13 £	Cash flow in year £	Other movements £	Balance at 31/3/14 £
Cash	642,595	(24,972)	-	617,623
Overdraft	(583,075)	109,951	-	(473,124)
Net cash	59,520	84,979	-	144,499
Debt falling due within 1 year	(64,164)	(30,167)	-	(94,331)
Debt falling due in more than 1 year	(566,430)	(90,904)	-	(657,334)
Net Debt	(571,074)	(36,092)	-	(607,166)

NOTES TO THE FINANCIAL STATEMENTS

31st March 2014

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 assets.

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 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 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

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 are stated at cost less provision for permanent diminution in value. Cost is purchase price including acquisition expenses, but excluding any payment for accrued interest or fixed dividend entitlement.

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 2014

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 and expensed as appropriate in the taxation charge 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

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.

NOTES TO THE FINANCIAL STATEMENTS

31st March 2014

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

	2014	2013
	£	£
Other direct expenses and farming activities		
Cost of livestock and other direct costs	1,367,712	1,046,539
Administration costs - all companies	1,151,728	1,427,709
	<u>2,519,440</u>	<u>2,474,248</u>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2014	2013
	£	£
Profit/(loss) on ordinary activities is arrived at after charging:		
Auditors' remuneration	32,800	34,685
Depreciation - owned assets	115,876	100,476
- held under Hire Purchase Agreements	52,770	43,991
Loss on disposal of tangible fixed assets	-	8,168
Loss on exchange	5,259	-
	<u>196,705</u>	<u>187,320</u>
and after crediting:		
Subsidies and grants	326,965	336,508
Bank interest receivable	779	1,503
Gain on disposal of tangible fixed assets	42,131	-
Gain on exchange	-	10,230
	<u>370,875</u>	<u>456,561</u>

Auditors' remuneration in the current year includes £7,800 for accounting and consultancy work (2013: £7,450).

NOTES TO THE FINANCIAL STATEMENTS
31st March 2014

4. PROFIT ON FIXED ASSET INVESTMENTS

	2014	2013
	£	£
Profit on disposal of investments	21,303	105,360
Investment provision decrease/(increase)	61,361	(65,004)
	<u>82,664</u>	<u>40,356</u>

5. EMPLOYEES AND STAFF COSTS

	2014	2013
	£	£
Costs incurred in respect of employees (including directors) were:		
Wages and salaries	591,602	517,351
Social security costs	53,715	49,044
Other pension costs	24,493	21,058
	<u>669,810</u>	<u>587,453</u>
	No.	No.
The average monthly number of employees including directors during the year was as follows:		
Administration	6	6
Farming	17	17
	<u>23</u>	<u>23</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 £24,493 (2013: £17,784).

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31st March 2014**5. EMPLOYEES AND STAFF COSTS (continued)**

	2014	2013
	£	£
Directors emoluments:		
Other emoluments	55,100	53,575
	<u> </u>	<u> </u>

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

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank loans and overdrafts	21,814	21,539
Hire purchase agreements	3,838	2,084
	<u> </u>	<u> </u>
	25,652	23,623
	<u> </u>	<u> </u>

7. TAXATION

	2014	2013
	£	£
(a) Analysis of tax charge for the year:		
Corporation tax	-	1,664
Adjustment in respect of prior year	-	(922)
Overseas tax	23,401	23,977
	<u> </u>	<u> </u>
Current tax charge	23,401	24,719
Deferred tax (Note 17)	(4,088)	96,984
	<u> </u>	<u> </u>
Tax charge	19,313	121,703
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2014

7. TAXATION (continued)

	2014	2013
	£	£
(b) Factors affecting current tax charge for the year		
Profit on ordinary activities before tax at 23% (2013: 24%)	64,130	20,500
Effect of:		
Non-taxable investment income	(112,024)	(91,036)
Other	1,422	1,389
Chargeable gains	-	12,195
Timing differences between capital allowances and depreciation	(42,874)	10,073
Losses utilised	(1,945)	(19,377)
Losses carried forward	43,588	-
Non allowable expenses	47,703	67,920
	<hr/>	<hr/>
Prior year adjustment	-	1,664
Overseas tax	-	(922)
	23,401	23,977
	<hr/>	<hr/>
Current tax charge	23,401	24,719
	<hr/> <hr/>	<hr/> <hr/>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2014

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 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.

Investment in subsidiaries

	2014 £	2013 £
At 1 st April 2013	1,131,754	1,366,745
Loss on striking off dormant subsidiary companies	-	(234,993)
Subscription to share capital of subsidiary company	-	2
	<hr/>	<hr/>
At 31 st March 2014	1,131,754	1,131,754
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2014

9. TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant equipment and motor vehicles £	Total £
Cost or valuation			
At 1 st April 2013	21,161,000	2,086,622	23,247,622
Additions	37,471	425,517	462,988
Disposals	-	(313,706)	(313,706)
At 31 st March 2014	21,198,471	2,198,433	23,396,904
Depreciation			
At 1 st April 2013	-	1,236,591	1,236,591
Charge for the year	-	168,646	168,646
Released on disposal	-	(226,938)	(226,938)
At 31 st March 2014	-	1,178,299	1,178,299
Net book value			
At 31 st March 2014	21,198,471	1,020,134	22,218,605
At 31 st March 2013	21,161,000	850,031	22,011,031
Historical cost			
At 31 st March 2014	8,792,919	2,198,433	10,991,352

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. Further interim valuations were carried out at 31st March 2011, 31st March 2012 and 12th June 2013 resulting in an increase in value of £2,795,000. 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 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. Therefore, no charge has been made.

NOTES TO THE FINANCIAL STATEMENTS

31st March 2014

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 property 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 £343,977 (2013: £219,077) and a depreciation charge of £52,770 (2013: £43,991).

10. FIXED ASSET INVESTMENTS

Group	Listed in United Kingdom £	Listed abroad £	Unlisted £	Total £
Cost				
At 1 st April 2013	2,435,231	3,915,711	910,688	7,261,630
Additions	424,019	542,595	100,295	1,066,909
Disposals	(445,017)	(316,995)	-	(762,012)
At 31 st March 2014	2,414,233	4,141,311	1,010,983	7,566,327
Provisions				
At 1 st April 2013	-	61,361	151,468	212,829
Movement in the year	-	(61,361)	-	(61,361)
At 31 st March 2014	-	-	151,468	151,468
Net book value				
At 31 st March 2014	2,414,233	4,141,311	859,515	7,415,059
At 31 st March 2013	2,435,231	3,854,350	759,220	7,048,801
Market value				
At 31 st March 2014	3,527,386	5,668,306	827,794	10,023,486
At 31 st March 2013	3,527,444	5,302,989	718,186	9,548,619

NOTES TO THE FINANCIAL STATEMENTS

31st March 2014

10. FIXED ASSET INVESTMENTS (Continued)

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.

If the Investment portfolio were to be disposed of at market value, there would be a potential tax liability of approximately £448,136 (2013: £482,682) net of a deferred tax credit of £61,864 (2013: £20,318).

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 28/2/14 £	Volusia Land & Timber Y/e 28/2/14 £	Mid-Florida Land & Timber Y/e 28/2/14 £	Total £
Turnover	157,397	17,930	474	175,801
Loss before tax	(34,119)	(33,566)	(24,383)	(92,068)
Taxation	-	13,397	-	13,397
Loss after tax	(34,119)	(20,169)	(24,383)	(78,671)
Fixed assets	1,228,505	574,322	76,331	1,879,158
Current assets	296,460	1,463,604	364,065	2,124,129
Liabilities due within one year	(289,912)	(28,059)	(459,949)	(777,920)
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.

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2014

11. STOCKS

Group	2014 £	2013 £
Stocks, all of which relate to farming, comprise the following:		
Cattle and sheep	536,771	573,535
Crops	218,697	149,340
Sundry	123,789	112,222
	<u>879,257</u>	<u>835,097</u>

12. DEBTORS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Due within one year				
Trade debtors	195,726	404,537	-	-
Other debtors	54,089	241,091	-	-
Amounts due from subsidiary undertakings	-	-	6,340,000	6,112,372
Prepayments and accrued income	78,301	68,944	-	-
Deferred tax (note 17)	-	-	-	-
Corporation tax	5	-	5	-
	<u>328,121</u>	<u>714,572</u>	<u>6,340,005</u>	<u>6,112,372</u>

13. CURRENT ASSET INVESTMENTS

Group	2014 £	2013 £
Listed, at lower of cost and market value	<u>335,204</u>	<u>257,500</u>
Market value, based on mid-market published prices	<u>360,851</u>	<u>262,832</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2014

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	473,124	583,075	-	-
Obligations under finance leases	94,331	64,164	-	-
Tax and social security	13,937	6,733	-	-
Trade creditors	157,060	115,668	-	-
Other creditors	7,482	5,297	2,713	2,713
Amounts due to subsidiary undertakings	-	-	2	1,332,454
Accruals and deferred income	100,311	102,699	-	-
Corporation tax	-	1,663	-	-
	<u>846,245</u>	<u>879,299</u>	<u>2,715</u>	<u>1,335,167</u>

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

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

Group	2014	2013
	£	£
Obligations under finance leases	107,334	16,430
Term loan	550,000	550,000
Deferred income	58,000	87,000
	<u>715,334</u>	<u>653,430</u>

The group has two term loans. One term loan of £300,000 bears interest at 2.75% above the bank's base rate and is wholly repayable in November 2016. The loan is secured by a bond and floating charge over a subsidiary company's assets. The other term loan of £250,000 bears interest at 2.75% above the bank's base rate and is wholly repayable in September 2016. The loan is secured by a bond and floating charge over a subsidiary company's assets and a cross company guarantee of £450,000 from one other subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS

31st March 2014

16. DEBT ANALYSIS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Repayable within 1 year	567,455	647,239	-	-
Repayable in 2 - 5 years	657,334	566,430	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,224,789	1,213,669	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

17. PROVISIONS FOR LIABILITIES

Deferred Taxation

Group	2014	2013
	£	£
The deferred taxation balance comprises:		
Accelerated capital allowances	146,606	109,158
Unutilised losses	(71,181)	(29,645)
	<hr/>	<hr/>
Liability	75,425	79,513
	<hr/>	<hr/>
	2014	2013
	£	£
Balance at 1 st April	79,513	(17,471)
Origination and reversal of timing differences	(4,088)	96,984
	<hr/>	<hr/>
Balance at 31 st March	75,425	79,513
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2014

17. PROVISIONS FOR LIABILITIES

Deferred Taxation (continued)

	2014	2013
	£	£
Group potential tax liability on disposal at market value of:		
Fixed asset investments	448,136	482,682
Farming and other properties	1,759,343	2,048,476
	<u>2,207,479</u>	<u>2,531,158</u>

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.

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 FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Operating profit	184,940	66,623
Depreciation	168,646	144,467
Increase in stocks	(44,160)	(2,131)
Decrease/(increase) in debtors	386,456	(105,654)
Increase in creditors	19,393	75,475
Gain/(loss) on disposal of current asset investments	2,583	(62,598)
	<u>717,858</u>	<u>116,182</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2014

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

A. Other returns on investments and servicing of finance

	2014	2013
	£	£
Exchange (loss)/gain	(5,259)	10,230
Bank interest paid	(21,814)	(21,539)
Interest element of finance lease payments	(3,838)	(2,084)
	<hr/>	<hr/>
Net cash outflow from other returns on investments and servicing of finance	(30,911)	(13,393)
	<hr/> <hr/>	<hr/> <hr/>

B. Taxation

	2014	2013
	£	£
Net UK corporation tax and overseas tax	(25,069)	(46,848)
	<hr/> <hr/>	<hr/> <hr/>

C. Capital expenditure and financial investment

	2014	2013
	£	£
Purchase of tangible fixed assets	(462,988)	(198,245)
Sale of tangible fixed assets	128,899	67,945
Purchase of fixed asset investments	(1,066,909)	(1,411,782)
Sale or reduction of fixed asset investments	783,315	1,305,728
	<hr/>	<hr/>
Net cash outflow from capital expenditure and financial investment	(617,683)	(236,354)
	<hr/> <hr/>	<hr/> <hr/>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2014

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

D. Management of liquid resources

	2014 £	2013 £
Purchase of current asset investments	(216,886)	(58,626)
Sale of current asset investments	136,599	190,219
	<hr/>	<hr/>
Net cash (outflow)/inflow	(80,287)	131,593
	<hr/>	<hr/>

E. Financing

	2014 £	2013 £
Increase in finance leases	121,071	41,823
Increase in bank loans	-	100,000
	<hr/>	<hr/>
Cash outflow	121,071	141,823
	<hr/>	<hr/>

21. CALLED UP SHARE CAPITAL

	2014 £	2013 £
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 2014

22. OTHER RESERVES

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Capital reserve				
Balance at 1 st April and at 31 st March	119,229	119,229	-	-
Revaluation reserve				
Balance at 1 st April	17,287,364	17,277,364	-	-
Revaluation in the year	-	10,000	-	-
Transfer on disposal	-	-	-	-
Balance at 31 st March	17,287,364	17,287,364	-	-
Capital redemption reserve				
Balance at 1 st April and at 31 st March	310,843	310,843	310,843	310,843
Share premium account				
Balance at 1 st April and at 31 st March	163,163	163,163	163,163	163,163

23. PROFIT AND LOSS ACCOUNT

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
At 1 st April	11,911,913	11,948,198	5,357,329	4,702,956
Result for the financial year	259,511	(36,285)	1,748,385	654,373
At 31 st March	12,171,424	11,911,913	7,105,714	5,357,329

NOTES TO THE FINANCIAL STATEMENTS**31st March 2014****24. LEASE OBLIGATIONS**

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

	Group		Company	
	2014	2013	2013	2012
	£	£	£	£
Land and Buildings				
Within one year	-	7,333	-	-
Between 2 and 5 years	16,000	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	16,000	7,333	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

25. OTHER PROFESSIONAL SERVICES PROVIDED BY THE AUDITOR

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