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IOWA LAND COMPANY LIMITED

FINANCIAL STATEMENTS

31st MARCH 2005



IOWA LAND COMPANY LIMITED

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IOWA LAND COMPANY LIMITED

COMPANY INFORMATION

Directors C S R Stroyan T.D., W.S. (Chairman)
P H Lawson
E Y Whittingdale

Secretary R W Toye

Registered Office Bridge House
181 Queen Victoria Street
London EC4V 4DZ

Registered Number 15399

Auditors Moore Stephens
Chartered Accountants
St. Paul's House
Warwick Lane
London EC4M 7BP

Solicitors Wilsons
Steynings House
Chapel Place
Fisherton Street
Salisbury
Wiltshire SP2 7RJ

Bankers The Royal Bank of Scotland plc
62-63 Threadneedle Street
London EC2R 8LA

IOWA LAND COMPANY LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of this company will be held at Mitre House, 160 Aldersgate Street, London EC1A 4DD on 2nd November 2005 at 12:30 p.m. for the following purposes:

1. To receive the directors' report and accounts for the year ended 31st March 2005.
2. To appoint Moore Stephens LLP as the auditors of the company.
3. To authorise the directors to fix the remuneration of the auditors.

By order of the Board



Roger W. Toye
Secretary

2nd Sept 2005

2005

NOTE: Any person entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote (on a poll) in his place and such proxy need not be a member.

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report together with the audited consolidated financial statements of the company and its subsidiaries for the year ended 31st March 2005.

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 £418,313 (2004: £855,279) after taking account of profits from investment and fixed asset disposals net of provisions of £369,776 (2004: £533,182). The profit after taxation and minority interest of £360,274 (2004: £825,673) is accounted for through the profit and loss account.

The directors do not propose a dividend.

Review of the business

The results for the year ending 31st March 2005 turned out to be better than had been anticipated. The stock markets held up reasonably well, but farming profits were, as predicted, substantially lower than in the previous year. These factors combined to provide a reduced overall profit compared with the year ended 31st March 2004.

In the investment company there was a welcome improvement to the operating profit margin; total income grew by 14% while expenditure was reduced by 3%. The importance of keeping a reasonable rate of return on investments remains a priority for the Board. The increase in value of stock market investments continued over the year, but at a slower pace than in 2004. Some good profits were taken and the overall performance was satisfactory.

The dealing subsidiary returned a useful profit most of which was taken in the first half of the year. Conditions however for traded options during the second half of the year became more difficult and open positions were kept to a minimum at the year end.

The property company had another difficult year. There was continued uncertainty in the London housing market and with a fall in demand and higher interest rates no purchases were made. A small loss was made on the ordinary activities of the company. The search for properties with development potential continues.

In Scotland, bad weather had an adverse affect on most of the farming activities. A difficult and wet harvest, lower grain prices and fewer lambs to sell contributed to lower profits being made in both companies. The share of profit in the organic partnership also declined. The cost of other estate activities remained in line with expectations.

In the current year there has already been an improvement in the stock markets and with the expectation of lower interest rates and strengthening of the US Dollar against Sterling investment values should continue to improve. Farming however remains difficult with lower subsidies, no increase in grain prices and higher fuel and fertiliser costs. The directors are keeping all aspects of the business under continuous review and will seek opportunities wherever they occur to increase profitability.

REPORT OF THE DIRECTORS

(Continued)

Directors' responsibilities for financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period. In preparing these financial statements, the directors have:

- * selected suitable accounting policies and applied them consistently;
- * made judgements and estimates that are reasonable and prudent;
- * followed applicable accounting standards; and
- * prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who held office during the year together with their share holdings in the company, all non-beneficial, were as follows:

	Ordinary shares of 10p each	
	31 st March 2005	31 st March 2004
C S R Stroyan	1,000	1,000
P H Lawson	1,000	1,000
E Y Whittingdale	-	-

None of the directors held any of the 4.55% preference shares.

Fixed assets

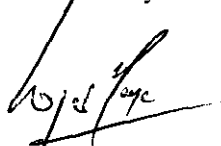
Movements in tangible fixed assets are disclosed in Note 9.

The group's Scottish estates are included at a professional valuation of £11,764,000 as at 31st March 2005. The group's English freehold properties are included on the basis of the directors' estimate of the current market value at 31st March 2005.

Auditors

Moore Stephens has stated that it is intending to transfer its business to a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, to be called Moores Stephens LLP, on 3rd October 2005. A resolution for the appointment of Moore Stephens LLP as auditors will be proposed at the Annual General Meeting.

The report of the directors was approved by the Board on 20th September 2005 and signed on its behalf by:


Roger William Toye
Secretary

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

We have audited the financial statements of Iowa Land Company Limited for the year ended 31st March 2005 set out on pages 7 to 27. These financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and the accounting policies set out on pages 12 to 14.

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

Respective responsibilities of directors and auditors

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

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

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

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

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group as at 31st March 2005 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Moore Stephens
Chartered Accountants and Registered Auditor
London, EC4M 7BP

27 September 2005

IOWA LAND COMPANY LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT**
for the year ended 31st March 2005

	Note	2005 £	2004 £
Income: continuing operations			
Turnover: Farming activities		1,300,670	1,534,432
Rental income		237,879	252,514
Investment dealing activities		60,927	158,529
Investment income		195,424	184,893
Investment interest receivable		25,503	20,370
		<hr/>	<hr/>
Total income		1,820,403	2,150,738
Operating costs	2	(1,733,669)	(1,783,823)
		<hr/>	<hr/>
Operating profit: continuing operations		86,734	366,915
		<hr/>	<hr/>
Profit on disposal of tangible fixed assets		7,256	13,568
Profit on fixed asset investments	4	362,520	519,614
		<hr/>	<hr/>
		369,776	533,182
		<hr/>	<hr/>
Profit before interest		456,510	900,097
Interest payable	6	(34,832)	(31,586)
Exchange loss		(3,365)	(13,232)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		418,313	855,279
Tax on profit on ordinary activities	7	(59,153)	(28,339)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		359,160	826,940
Minority Interest		1,114	(1,267)
		<hr/>	<hr/>
Retained profit for the financial year	23	360,274	825,673
		<hr/>	<hr/>

Movements in reserves are shown in notes 22 and 23 on pages 26 and 27 respectively.

IOWA LAND COMPANY LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31st March 2005

	2005	2004
	£	£
Result for the financial year	360,274	825,673
Unrealised surplus on property revaluation (net of minority interest)	1,847,984	26,250
	<hr/>	<hr/>
Total recognised gains for the year	2,208,258	851,923
	<hr/>	<hr/>

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
for the year ended 31st March 2005

	2005	2004
	£	£
Opening shareholders' funds at 1 st April	17,634,921	16,782,998
Total recognised gains for the year	2,208,258	851,923
	<hr/>	<hr/>
Closing shareholders' funds at 31 st March	19,843,179	17,634,921
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

CONSOLIDATED BALANCE SHEET at 31st March 2005

	Note	2005 £	2004 £
Fixed assets			
Tangible fixed assets	9	13,185,883	11,332,997
Investments	10	5,328,290	5,456,364
		<hr/>	<hr/>
		18,514,173	16,789,361
		<hr/>	<hr/>
Current assets			
Stocks	11	507,810	509,535
Debtors	12	835,051	618,358
Investments	13	181,337	205,326
Cash at bank and in hand		697,075	652,832
		<hr/>	<hr/>
		2,221,273	1,986,051
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	14	(692,092)	(940,940)
		<hr/>	<hr/>
Net current assets		1,529,181	1,045,111
		<hr/>	<hr/>
Total assets less current liabilities		20,043,354	17,834,472
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	15	(35,338)	(51,100)
		<hr/>	<hr/>
Net assets		20,008,016	17,783,372
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	21	104,842	104,842
Share premium account		163,163	163,163
Capital redemption reserve	22	310,843	310,843
Revaluation reserve	22	8,887,899	7,039,915
Other reserves	22	5,068,565	5,068,565
Profit and loss account	23	5,307,867	4,947,593
		<hr/>	<hr/>
Shareholders' funds (including non-equity)	24	19,843,179	17,634,921
Minority interests (equity)		164,837	148,451
		<hr/>	<hr/>
		20,008,016	17,783,372
		<hr/>	<hr/>

Approved by the Board of Directors on 20th Sep 2005
and signed on its behalf by:

C. Strathern Ropner Stroyan

Colin Strathern Ropner Stroyan, Director

IOWA LAND COMPANY LIMITED

BALANCE SHEET at 31st March 2005

	Note	2005 £	2004 £
Fixed assets			
Investments		1	1
Investments in subsidiary undertakings	8	1,532,973	1,532,973
		<u>1,532,974</u>	<u>1,532,974</u>
Current assets			
Debtors due within one year	12	3,671,557	3,661,265
Debtors due after one year	12	1,605,494	1,605,494
Cash at bank and in hand		68,456	71,130
		<u>5,345,507</u>	<u>5,337,889</u>
Creditors: Amounts falling due within one year	14	(1,249,854)	(1,244,562)
Net current assets		<u>4,095,653</u>	<u>4,093,327</u>
Total assets less current liabilities		<u>5,628,627</u>	<u>5,626,301</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
Capital reserve	22	4,949,336	4,949,336
Profit and loss account	23	100,443	98,117
Shareholders' funds (including non-equity)	24	<u>5,628,627</u>	<u>5,626,301</u>

Approved by the Board of Directors on 20th Sept. 2005.

and signed on its behalf by:

C. S. R. Stroyan

Colin Strathearn Ropner Stroyan
Director

IOWA LAND COMPANY LIMITED

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2005

	Notes	2005		2004	
		£	£	£	£
Net cash (outflow)/inflow from operating activities	19		(185,973)		823,142
Other returns on investments and servicing of finance	20 A		(38,197)		(44,818)
Taxation	20 B		(17,494)		(27,223)
Capital expenditure and financial investment	20 C		368,986		(912,572)
Cash inflow/(outflow) before management of liquid resources and financing			127,322		(161,471)
Management of liquid resources and financing:					
Management of liquid resources	20 D	84,916		145,665	
Financing	20 E	(42,450)	42,466	(65,039)	80,626
Increase/(decrease) in cash			169,788		(80,845)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS for the year ended 31st March 2005

	Cash £	Overdrafts £	2005 Total £	2004 £
Cash flow in year	44,243	125,545	169,788	(80,845)
Balance at 1 st April	652,832	(511,516)	141,316	222,161
Balance at 31st March	697,075	(385,971)	311,104	141,316

NOTES TO THE FINANCIAL STATEMENTS

31st March 2005

1. ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared in accordance with applicable accounting standards under the historical cost basis of accounting as modified by the revaluation of land and buildings.

Basis of consolidation

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

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent company has not been separately presented in the financial statements.

Fixed assets and depreciation

No division is made of the cost or valuation of freehold land and buildings into the proportion relating to land and the proportion relating to buildings. In the opinion of the directors it would not be meaningful to do so given the nature of the buildings which are, for the most part, farm buildings. Depreciation is provided to write off fixed assets over their expected useful lives at the following rates:

Farm buildings	2%
Short leaseholds	Over the period of lease
Implements, plant and machinery	10% - 15% pa
Office equipment, furniture, fixtures and fittings	4% - 33% pa
Motor vehicles	25% pa

Investment properties

Investment properties are revalued annually at open market value and any temporary surplus or deficit is transferred to investment property revaluation reserve. Permanent deficits on individual properties are charged in the profit and loss account which is also credited with subsequent reversals.

As these properties are held for investment purposes not consumption, depreciation is not considered to be relevant. In accordance with SSAP 19 no depreciation or amortisation is provided in respect of freehold and long leasehold investment properties. This is not in accordance with the Companies Act 1985, but this treatment has been adopted in order to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount, which might otherwise be shown, cannot be separately identified or quantified.

Leased assets

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the group's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding.

Farming stocks

Farming stocks have been valued at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

31st March 2005

1. ACCOUNTING POLICIES (Continued)

Investments

Investments held as fixed assets are included at cost. Provision is made where in the opinion of the directors any diminution in value is permanent.

Investments held as trading stock are shown as current assets and are included at the lower of cost or market value.

Income from investments

Income from investment in equities is included when received. Interest income from fixed interest and index linked stock is accrued to the end of the financial year.

Investment interest receivable

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

Taxation

The charge for taxation is based on the result for the year and takes into account deferred or accelerated taxation.

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

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

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currency are translated into sterling at the rate of exchange ruling at the year end.

Turnover

Turnover represents invoiced sales of farming produce, exclusive of VAT.

Government Grants

Grants of a revenue nature are credited to the profit and loss account in the year in which they accrue.

Grants of a capital nature received for land and buildings (which are not depreciated) have been deducted from the original cost of the relevant asset. This is not in accordance with schedule 4 to the Companies Act 1985, which requires fixed assets to be shown at their purchase price or production cost and hence grants and contributions would be presented as deferred income. This departure from the requirements of the Act is, in the opinion of the directors, necessary since complying with the Act would not give a true and fair view as no provision is made for depreciation and any grants and contributions relating to such assets would not be taken to the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS**31st March 2005****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

	2005	2004
	£	£
Other direct expenses and farming activities		
Cost of livestock and other direct costs	422,855	429,554
Administration costs - all companies	1,310,814	1,354,269
	<hr/>	<hr/>
	1,733,669	1,783,823
	<hr/>	<hr/>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2005	2004
	£	£
Profit on ordinary activities is arrived at after charging:		
Auditors remuneration	19,627	21,042
Depreciation	141,462	138,205
	<hr/>	<hr/>
and after crediting:		
Subsidies and grants	381,960	413,556
Bank interest receivable	25,503	20,370
	<hr/>	<hr/>

4. PROFIT ON FIXED ASSET INVESTMENTS

	2005	2004
	£	£
Profit on disposal of investments	142,521	61,073
Investment provision decrease	219,999	458,541
	<hr/>	<hr/>
	362,520	519,614
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS**31st March 2005****5. EMPLOYEES AND STAFF COSTS**

	2005	2004
	£	£
Costs incurred in respect of employees (including directors) were:-	409,324	400,977
Social security costs	39,781	37,382
Other pension costs	5,459	15,000
	<u>454,564</u>	<u>453,359</u>

	No.	No.
The average monthly number of employees including directors during the year was as follows:		
Administration	5	5
Farming	19	17
	<u>24</u>	<u>22</u>

	2005	2004
	£	£
Directors emoluments:-		
Other emoluments	36,850	37,450
	<u>36,850</u>	<u>37,450</u>

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

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£	£
Bank loans and overdrafts	31,346	24,512
Hire purchase agreements	3,486	7,074
	<u>34,832</u>	<u>31,586</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2005

7. TAXATION

	2005	2004
	£	£
(a) Analysis of tax charge for the year:		
Corporation tax	7,539	8,000
Overseas tax	8,014	7,119
Prior year adjustment	(8,000)	(2,180)
	<hr/>	<hr/>
Current tax charge	7,553	12,939
Deferred tax	51,600	15,400
	<hr/>	<hr/>
Charge	<u>59,153</u>	<u>28,339</u>
	<hr/>	<hr/>
(b) Factors affecting current tax charge for the year:		
Profit on ordinary activities before tax at 30%	125,494	256,584
Effect of:		
Indexation allowances on capital gains	(29,740)	(10,852)
Short term timing differences on investments	(71,464)	(151,764)
Non taxable investment income	(36,815)	(34,840)
Other	(4,443)	2,500
Losses not available for offset	40,189	37,847
Timing differences between capital allowances and depreciation	(15,682)	(12,519)
Utilisation of prior year losses	-	(78,956)
Irrecoverable overseas taxation	8,014	7,119
	<hr/>	<hr/>
	15,553	15,119
Prior year adjustment	(8,000)	(2,180)
	<hr/>	<hr/>
Current tax charge	<u>7,553</u>	<u>12,939</u>
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS**31st March 2005****8. INTERESTS IN SUBSIDIARIES**

Principal subsidiaries	Parent and group interest in ordinary shares and voting rights	Country of incorporation and registration	Principal activity
Teniwood Securities Ltd	100%	England and Wales	Investment holding
The London Commercial and Mercantile Company Limited	100%	England and Wales	Investment dealing
Scottish Trust Managers Limited	75%	England and Wales	Property investment
Culfargie Estates Limited	100%	Scotland	Farming and property investment
Tay and Torridon Estates Limited	100%	Scotland	Farming
Cotswold & General Farms Limited	100%	England and Wales	Dormant
Fingask and Kinnaird Properties Limited	100%	Scotland	Dormant
Strathtay and Perthshire Properties Limited	100%	Scotland	Dormant

NOTES TO THE FINANCIAL STATEMENTS

31st March 2005

9. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £	Short leaseholds £	Plant equipment and motor vehicles £	Total £
Cost or valuation				
At 1 st April 2004	10,600,796	11,079	1,696,397	12,308,272
Additions	-	-	202,572	202,572
Disposals	(14,975)	-	(166,811)	(181,786)
Revaluation	1,865,484	-	-	1,865,484
At 31 st March 2005	12,451,305	11,079	1,732,158	14,194,542
Depreciation				
At 1 st April 2004	-	11,079	964,196	975,275
Charge for the year	-	-	141,462	141,462
Released on disposal	-	-	(108,078)	(108,078)
At 31 st March 2005	-	11,079	997,580	1,008,659
Net book value				
At 31 st March 2005	12,451,305	-	734,578	13,185,883
At 31 st March 2004	10,600,796	-	732,201	11,332,997
Historical cost				
At 31 st March 2004	3,737,490	11,079	1,732,158	5,480,727

Freehold land and buildings includes investment properties revalued by the directors at the balance sheet date at the open market value of £689,000 (2004: £619,000).

The group's Scottish estates were revalued on 31st March 2005 at £11,764,000 on the basis of their open market value, by Bell Ingram, Chartered Surveyors in accordance with the RICS Appraisal and Valuation Manual. This valuation is incorporated in the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

31st March 2005

9. TANGIBLE FIXED ASSETS (continued)

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

Included in Plant and Equipment are assets financed under hire purchase agreements with a net book value of £265,602 (2004: £399,850) and a depreciation charge of £49,300 (2004: £85,633).

10. FIXED ASSET INVESTMENTS

Group	Listed in United Kingdom £	Listed abroad £	Unlisted £	Total £
Cost				
At 1 st April 2004	2,735,055	2,557,992	1,021,074	6,314,121
Additions	873,671	398,556	11,050	1,283,277
Disposals	(764,759)	(738,683)	(127,908)	(1,631,350)
At 31 st March 2005	2,843,967	2,217,865	904,216	5,966,048
Provisions				
At 1 st April 2004	111,848	423,960	321,949	857,757
Movement in the year	(64,648)	(155,351)	-	(219,999)
At 31 st March 2005	47,200	268,609	321,949	637,758
Net book value				
At 31 st March 2005	2,796,767	1,949,256	582,267	5,328,290
At 31 st March 2004	2,623,207	2,134,032	699,125	5,456,364
Market value				
At 31 st March 2005	3,434,883	2,325,571	1,132,944	6,893,398
At 31 st March 2004	3,022,936	2,548,050	1,255,034	6,826,020

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 2005

10. FIXED ASSET INVESTMENTS (Continued)

Companies in which the group holds over 20% of the issued equity capital are as follows:

	Country of registration	Description of shares/stock	Percentage held	Principal activity
Murray Campbell & Co. Ltd.	England	Ordinary Deferred	50% 50%	Dormant
Pelican Estates Inc.	U S A	Common	40%	Property
Quail Estates Inc.	U S A	Common	29%	Property

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. The investment in Quail Estates Inc. has been provided against in full.

11. STOCKS

	2005 £	2004 £
Group		
Stocks, all of which relate to farming, comprise the following:		
Cattle and sheep	386,978	379,479
Crops	75,586	80,270
Sundry	45,246	49,786
	<u>507,810</u>	<u>509,535</u>

12. DEBTORS

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Due within one year				
Trade debtors	699,134	427,084	-	-
Other debtors	20,489	23,669	-	-
Amounts due from subsidiary undertakings	-	-	3,671,557	3,661,265
Prepayments and accrued income	59,136	59,713	-	-
Deferred taxation (note 17)	56,292	107,892	-	-
	<u>835,051</u>	<u>618,358</u>	<u>3,671,557</u>	<u>3,661,265</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2005

12. DEBTORS (Continued)

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Due after one year				
Amounts owed by subsidiary undertaking	-	-	1,605,494	1,605,494
	<u>-</u>	<u>-</u>	<u>1,605,494</u>	<u>1,605,494</u>
	<u>-</u>	<u>-</u>	<u>1,605,494</u>	<u>1,605,494</u>

13. CURRENT ASSET INVESTMENTS

Group	2005	2004
	£	£
Listed, at lower of cost and market value	181,337	205,326
	<u>181,337</u>	<u>205,326</u>
Market value, based on mid-market published prices	189,280	211,088
	<u>189,280</u>	<u>211,088</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank loan and overdrafts	385,971	511,516	-	-
Obligations under finance				
Leases	86,439	113,127	-	-
Tax and social security	4,746	6,047	-	-
Trade creditors	104,304	180,829	-	-
Other creditors	45,686	45,686	2,713	2,713
Amounts due to subsidiary undertakings	-	-	1,246,815	1,241,523
Accruals and deferred income	57,082	65,930	-	-
Corporation Tax	7,864	17,805	326	326
	<u>692,092</u>	<u>940,940</u>	<u>1,249,854</u>	<u>1,244,562</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2005

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

Group	2005 £	2004 £
Obligations under finance leases	35,338	51,100

16. DEBT ANALYSIS

	Group		Company	
	2005 £	2004 £	2003 £	2004 £
Repayable within 1 year	472,410	624,643	-	-
Repayable in 2 - 5 years	35,338	51,100	-	-
	<u>507,748</u>	<u>675,743</u>	<u>-</u>	<u>-</u>

17. DEFERRED TAXATION

	2005 £	2004 £
Deferred taxation - Group (Note 12)		
The deferred taxation asset comprises:		
Accelerated capital allowances	(120,000)	(122,600)
Short term timing differences on investment provisions	176,292	230,492
	<u>56,292</u>	<u>107,892</u>

	2005 £	2004 £
Balance at 1 st April	107,892	123,292
Movement in year	(51,600)	(15,400)
Balance at 31 st March	<u>56,292</u>	<u>107,892</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2005

17. DEFERRED TAXATION (continued)

	2005 £	2004 £
Group potential tax liability on disposal at market value of:		
Fixed asset investments	159,000	48,000
Investment properties	117,725	96,725
	<u>276,725</u>	<u>144,725</u>

No provision for this liability has been made in these accounts.

18. CASH FLOW INFORMATION

In accordance with the revised FRS 1 the following definitions have been applied:

- (i) Cash: cash in hand , overnight deposits and overnight borrowings.
- (ii) Liquid resources: all monetary assets (excluding cash at (i) above) which are convertible into cash at, or close to, the carrying value in the balance sheet.
- (iii) Debt financing: all borrowings other than overnight.

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

	2005 £	2004 £
Operating profit	86,734	366,915
Depreciation	141,462	138,205
Decrease in stocks	1,725	41,571
(Increase)/decrease in debtors	(268,293)	431,902
(Decrease)/increase in creditors	(86,674)	3,078
Profit on disposal of current asset investments	(60,927)	(158,529)
	<u>(185,973)</u>	<u>823,142</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2005

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

A. Other returns on investments and servicing of finance

	2005 £	2004 £
Exchange loss	(3,365)	(13,232)
Bank interest paid	(31,346)	(24,512)
Interest element of finance lease payments	(3,486)	(7,074)
	<u> </u>	<u> </u>
Net cash outflow from other returns on investments and servicing of finance	(38,197)	(44,818)
	<u> </u>	<u> </u>

B. Taxation

	2005 £	2004 £
Net UK corporation tax and overseas tax	(17,494)	(27,223)
	<u> </u>	<u> </u>

C. Capital expenditure and financial investment

	2005 £	2004 £
Purchase of tangible fixed assets	(202,572)	(365,459)
Sale of tangible fixed assets	80,964	33,264
Purchase of fixed asset investments	(1,283,277)	(1,641,719)
Sale or reduction of fixed asset investments	1,773,871	1,061,342
	<u> </u>	<u> </u>
Net cash inflow/(outflow) from capital expenditure and financial investment	368,986	(912,572)
	<u> </u>	<u> </u>

D. Management of liquid resources

	2005 £	2004 £
Purchase of current asset investments	(456,463)	(498,855)
Sale of current asset investments	541,379	644,520
	<u> </u>	<u> </u>
Net cash inflow	84,916	145,665
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 200520. ANALYSIS OF CASH FLOWS GIVEN IN THE CASH FLOW STATEMENT
(continued)

E. Financing

	2005 £	2004 £
Decrease in finance leases	(42,450)	(65,039)
	<hr/>	<hr/>
Cash outflow	(42,450)	(65,039)
	<hr/>	<hr/>

21. CALLED UP SHARE CAPITAL

	2005 £	2004 £
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/>
	2005 £	2004 £
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 2005

22. OTHER RESERVES

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Capital reserve				
Balance at 1 st April and at 31 st March	5,068,565	5,068,565	4,949,336	4,949,336
Revaluation reserve				
Balance at 1 st April	7,039,915	7,013,665	-	-
Revaluation in the year	1,847,984	26,250	-	-
Balance at 31 st March	8,887,899	7,039,915	-	-

The revaluation in the year is net of minority interests.

Capital redemption reserve

Balance at 1 st April and at 31 st March	310,843	310,843	310,843	310,843
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23. PROFIT AND LOSS ACCOUNT

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
At 1 st April	4,947,593	4,121,920	98,117	96,473
Result for the financial year	360,274	825,673	2,326	1,644
At 31 st March	5,307,867	4,947,593	100,443	98,117

NOTES TO THE FINANCIAL STATEMENTS

31st March 2005

24. SHAREHOLDERS' FUNDS

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Equity shareholders' interests	19,793,695	17,585,437	5,579,143	5,576,817
Non-equity shareholders' interests	49,484	49,484	49,484	49,484
	<u>19,843,179</u>	<u>17,634,921</u>	<u>5,628,627</u>	<u>5,626,301</u>

Non-equity interests of £49,484 (2004: £49,484) comprise 49,484 4.55% non-cumulative preference shares of £1 each.

25. LEASE OBLIGATIONS

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

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Land and Buildings				
Within one year	13,000	-	-	-
Between one and two years	-	13,000	-	-
	<u>13,000</u>	<u>13,000</u>	<u>-</u>	<u>-</u>