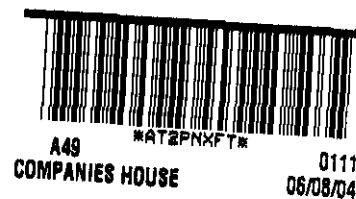


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IOWA LAND COMPANY LIMITED

FINANCIAL STATEMENTS

31st MARCH 2004



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 EC4P 4BN
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

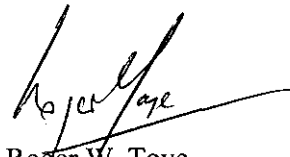
IOWA LAND COMPANY LIMITED

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 27th October 2004 at 12:30 p.m. for the following purposes:

1. To receive the directors' report and accounts for the year ended 31st March 2004.
2. To re-appoint Moore Stephens 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

28th July 2004

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 2004.

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 £855,279 (2003: £364,261 loss) after taking account of profits from investment and fixed asset disposals net of provisions of £533,182 (2003: £188,875 loss). The profit after taxation and minority interest of £825,673 (2003: £424,353 loss) is accounted for through the profit and loss account.

The directors do not propose a dividend.

Review of the business

The cautious optimism expressed in the review of business in the accounts for the year ended 31st March 2003 turned out to be well founded. The year to 31st March 2004 proved to be satisfactory in all activities in which the group was involved.

The investment company had a very much better year. The improvement in the stock markets, although somewhat more limited than anticipated, allowed the majority of the provisions made in the previous year to be released. This coupled with net realised gains from investment sales contributed to a greatly improved profit.

The dealing subsidiary turned in an excellent profit for the year. Positions taken in the year ended 31st March 2003 matured resulting in profits being made in traded options. In addition some provisions from the previous year were recovered, which in turn combined to help the profitability of the company.

The property company was faced with a housing market performing strongly in anticipation of the prospect of increasing interest rates. The forecast returns on new investment proved unattractive and consequently, no acquisitions were completed. However, there was a small profit on leasing activities. The directors will continue to look for suitable properties to purchase.

In Scotland, both farming companies contributed substantial profits. Grain prices were greatly improved and the price of both beef and lambs remained at acceptable levels. The share in the organic partnership also turned in a useful profit. The cost of the other estate activities remains under constant review and economies where possible are being made.

It is difficult to predict the out turn of the current year. Stock markets have remained dull over the past six months and farming prospects are clouded by uncertainty of the new subsidy structure shortly to be introduced. The directors will continue to proceed with caution in all areas of the business.

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
31st March 2004 31st March 2003

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 £9,800,000 as at 31st March 2003. The group's English freehold properties are included on the basis of the directors' estimate of the current market value at 31st March 2004.

Auditors

A resolution for the re-appointment of Moore Stephens as auditors will be proposed at the Annual General Meeting.

The report of the directors was approved by the Board on 28th July 2004 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 2004 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

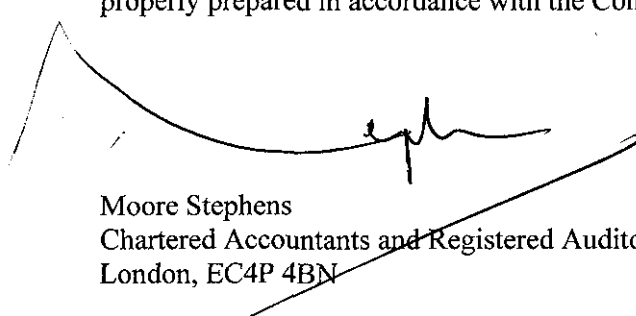
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 2004 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, EC4P 4BN

28th July 2004

IOWA LAND COMPANY LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31st March 2004

	Note	2004 £	2003 £
Income: continuing operations			
Turnover: Farming activities		1,756,445	1,459,574
Rental income		252,514	278,082
Investment dealing activities		158,529	(246,298)
Investment income		184,893	169,353
Investment interest receivable		20,370	22,923
		<hr/>	<hr/>
Total income		2,372,751	1,683,634
Operating costs	2	(2,017,243)	(1,842,856)
		<hr/>	<hr/>
Operating profit/(loss): continuing operations		355,508	(159,222)
		<hr/>	<hr/>
Profit on disposal of tangible fixed assets		13,568	163,101
Profit/(Loss) on fixed asset investments	4	519,614	(351,976)
		<hr/>	<hr/>
		533,182	(188,875)
		<hr/>	<hr/>
Profit/(Loss) before interest		888,690	(348,097)
Interest payable	6	(20,179)	(20,457)
Exchange (loss)/gain		(13,232)	4,293
		<hr/>	<hr/>
Profit/(Loss) on ordinary activities before taxation		855,279	(364,261)
Tax on profit/(loss) on ordinary activities	7	(28,339)	(54,584)
		<hr/>	<hr/>
Profit/(Loss) on ordinary activities after taxation		826,940	(418,845)
Minority Interest		(1,267)	(5,508)
		<hr/>	<hr/>
Retained profit/(loss) for the financial year	23	825,673	(424,353)
		<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 2004**

	2004 £	2003 £
Result for the financial year	825,673	(424,353)
Unrealised surplus on property revaluation (net of minority interest)	26,250	830,159
Taxation on revaluation (net of minority interest)	-	923
	<hr/>	<hr/>
Total recognised gains for the year	851,923	406,729
	<hr/>	<hr/>

**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
for the year ended 31st March 2004**

	2004 £	2003 £
Opening shareholders' funds at 1 st April	16,782,998	16,376,269
Total recognised gains for the year	851,923	406,729
	<hr/>	<hr/>
Closing shareholders' funds at 31 st March	17,634,921	16,782,998
	<hr/>	<hr/>

**NOTE ON HISTORICAL COST PROFITS AND LOSSES
for the year ended 31st March 2004**

	2004 £	2003 £
Reported profit/(loss) on ordinary activities before taxation	855,279	(364,261)
Realisation of property revaluation gains of previous years	-	157,917
	<hr/>	<hr/>
Historical cost profit/(loss) on ordinary activities before taxation	855,279	(206,344)
	<hr/>	<hr/>
Historical cost profit/(loss) for the year retained after taxation and minority interest	825,673	(266,436)
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

CONSOLIDATED BALANCE SHEET at 31st March 2004

	Note	2004 £	2003 £
Fixed assets			
Tangible fixed assets	9	11,332,997	11,090,438
Investments	10	5,456,364	4,356,373
		<hr/>	<hr/>
		16,789,361	15,446,811
		<hr/>	<hr/>
Current assets			
Stocks	11	509,535	551,106
Debtors	12	618,358	1,074,104
Investments	13	205,326	192,463
Cash at bank and in hand		652,832	486,804
		<hr/>	<hr/>
		1,986,051	2,304,477
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	14	(940,940)	(722,227)
		<hr/>	<hr/>
Net current assets		1,045,111	1,582,250
		<hr/>	<hr/>
Total assets less current liabilities		17,834,472	17,029,061
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	15	(51,100)	(107,629)
		<hr/>	<hr/>
Net assets		17,783,372	16,921,432
		<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	7,039,915	7,013,665
Other reserves	22	5,068,565	5,068,565
Profit and loss account	23	4,947,593	4,121,920
		<hr/>	<hr/>
Shareholders' funds (including non-equity)	24	17,634,921	16,782,998
Minority interests (equity)		148,451	138,434
		<hr/>	<hr/>
		17,783,372	16,921,432
		<hr/>	<hr/>

Approved by the Board of Directors on 28th July 2004
and signed on its behalf by:


Colin Strathern Ropner Stroyan, Director

IOWA LAND COMPANY LIMITED**BALANCE SHEET
at 31st March 2004**

	Note	2004 £	2003 £
Fixed assets			
Investments		1	1
Investments in subsidiary undertakings	8	1,532,973	1,532,973
		<hr/>	<hr/>
		1,532,974	1,532,974
		<hr/>	<hr/>
Current assets			
Debtors due within one year	12	3,661,265	3,661,265
Debtors due after one year	12	1,605,494	1,605,494
Cash at bank and in hand		71,130	69,486
		<hr/>	<hr/>
		5,337,889	5,336,245
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	14	(1,244,562)	(1,244,562)
		<hr/>	<hr/>
Net current assets		4,093,327	4,091,683
		<hr/>	<hr/>
Total assets less current liabilities		5,626,301	5,624,657
		<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
Capital reserve	22	4,949,336	4,949,336
Profit and loss account	23	98,117	96,473
		<hr/>	<hr/>
Shareholders' funds (including non-equity)	24	5,626,301	5,624,657
		<hr/>	<hr/>

Approved by the Board of Directors on 28th July 2004 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 2004

	Notes	2004		2003	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	19		811,735		(82,434)
Other returns on investments and servicing of finance	20 A		(33,411)		(16,164)
Taxation	20 B		(27,223)		(4,677)
Capital expenditure and financial investment	20 C		(912,572)		73,909
Cash outflow before management of liquid resources and financing			(161,471)		(29,366)
Management of liquid resources and financing:					
Management of liquid resources	20 D	145,665		(289,986)	
Financing	20 E	(65,039)	80,626	113,565	(176,421)
Decrease in cash			(80,845)		(205,787)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
for the year ended 31st March 2004

	Cash £	Overdrafts £	2004 Total £	2003 £
Cash flow in year	166,028	(246,873)	(80,845)	(205,787)
Balance at 1 st April	486,804	(264,643)	222,161	427,948
Balance at 31st March	652,832	(511,516)	141,316	222,161

NOTES TO THE FINANCIAL STATEMENTS

31st March 2004

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 2004

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 2004

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

	2004	2003
	£	£
Other direct expenses and farming activities		
Cost of livestock	346,183	280,623
Other direct costs	316,791	370,049
Administration costs - all companies	1,354,269	1,192,184
	<u>2,017,243</u>	<u>1,842,856</u>

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

	2004	2003
	£	£
Profit/(loss) on ordinary activities is arrived at after charging:		
Auditors remuneration	21,042	21,143
Depreciation	138,205	151,939
	<u>21,042</u>	<u>151,939</u>
and after crediting:		
Subsidies and grants	230,557	273,457
Bank interest receivable	20,370	22,923
	<u>250,927</u>	<u>296,380</u>

4. PROFIT/(LOSS) ON FIXED ASSET INVESTMENTS

	2004	2003
	£	£
Profit on disposal of investments	61,073	290,347
Investment provision decrease/(increase)	458,541	(642,323)
	<u>519,614</u>	<u>(351,976)</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2004

5. EMPLOYEES AND STAFF COSTS

	2004	2003
	£	£
Costs incurred in respect of employees (including directors) were:-		
Wages and salaries	400,977	394,751
Social security costs	37,382	32,969
Other pension costs	15,000	5,760
	<u>453,359</u>	<u>433,480</u>

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

	2004	2003
	£	£
Directors emoluments:-		
Other emoluments	37,450	37,450
	<u>37,450</u>	<u>37,450</u>

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

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Bank loans and overdrafts	13,105	10,758
Hire purchase agreements	7,074	9,699
	<u>20,179</u>	<u>20,457</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2004

7. TAXATION

	2004 £	2003 £
(a) Analysis of tax charge for the year:		
Corporation tax	8,000	26,864
Overseas tax	7,119	-
Prior year adjustment	(2,180)	220
Current tax charge	12,939	27,084
Deferred tax	15,400	27,500
Charge	28,339	54,584
(b) Factors affecting current tax charge for the year:		
Profit/(Loss) on ordinary activities before tax at 30%	256,584	(109,278)
Effect of:		
Taxation allowances	-	(606)
Indexation allowances on capital gains	(10,852)	(44,518)
Short term timing differences on investments	(151,764)	197,810
Non taxable investment income	(34,840)	(25,471)
Other	2,500	(78)
Losses not available for offset	37,847	10,417
Timing differences between capital allowances and depreciation	(12,519)	12,684
Other short term timing differences	-	(42,944)
Utilisation of prior year losses	(78,956)	(4,652)
Utilisation of losses against realised revaluation gains	-	33,500
Irrecoverable overseas taxation	7,119	-
	15,119	26,864
Prior year adjustment	(2,180)	220
Current tax charge	12,939	27,084

NOTES TO THE FINANCIAL STATEMENTS**31st March 2004****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 2004

9. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £	Short leaseholds £	Plant equipment and motor vehicles £	Total £
Cost or valuation				
At 1 st April 2003	10,382,305	11,079	1,623,200	12,016,584
Additions	183,491	-	181,968	365,459
Disposals	-	-	(108,771)	(108,771)
Revaluation	35,000	-	-	35,000
At 31 st March 2004	10,600,796	11,079	1,696,397	12,308,272
Depreciation				
At 1 st April 2003	-	11,079	915,067	926,146
Charge for the year	-	-	138,205	138,205
Released on disposal	-	-	(89,076)	(89,076)
At 31 st March 2004	-	11,079	964,196	975,275
Net book value				
At 31 st March 2004	10,600,796	-	732,201	11,332,997
At 31 st March 2003	10,382,305	-	708,133	11,090,438
Historical cost				
At 31 st March 2004	3,752,465	11,079	1,696,397	5,459,941

Freehold land and buildings includes investment properties revalued by the directors at the balance sheet date at the open market value of £619,000 (2003: £584,000).

The group's Scottish estates were revalued on 31st March 2003 at £9,800,000 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 2004

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 £399,850 (2003: £378,820) and a depreciation charge of £85,633 (2003: £89,139).

10. FIXED ASSET INVESTMENTS

Group Cost	Listed in United Kingdom £	Listed abroad £	Unlisted £	Total £
At 1 st April 2003	2,395,353	2,337,363	939,955	5,672,671
Additions	962,010	590,130	89,579	1,641,719
Disposals	(622,308)	(369,501)	(8,460)	(1,000,269)
At 31 st March 2004	2,735,055	2,557,992	1,021,074	6,314,121
Provisions				
At 1 st April 2003	455,017	539,332	321,949	1,316,298
Movement in the year	(343,169)	(115,372)	-	(458,541)
At 31 st March 2004	111,848	423,960	321,949	857,757
Net book value				
At 31 st March 2004	2,623,207	2,134,032	699,125	5,456,364
At 31 st March 2003	1,940,336	1,798,031	618,006	4,356,373
Market value				
At 31 st March 2004	3,022,936	2,548,050	1,289,522	6,860,508
At 31 st March 2003	2,113,120	2,041,589	1,173,915	5,328,624

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 2004

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

	2004 £	2003 £
Group		
Stocks, all of which relate to farming, comprise the following:		
Cattle and sheep	379,479	388,058
Crops	80,270	112,302
Sundry	49,786	50,746
	<hr/>	<hr/>
	509,535	551,106
	<hr/>	<hr/>

12. DEBTORS

	Group		Company	
	2004 £	2003 £	2004 £	2003 £
Due within one year				
Trade debtors	427,084	831,660	-	-
Other debtors	23,669	31,423	-	-
Amounts due from subsidiary undertakings	-	-	3,661,265	3,661,265
Prepayments and accrued income	59,713	79,285	-	-
Taxation recoverable	-	8,444	-	-
Deferred taxation (note 17)	107,892	123,292	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	618,358	1,074,104	3,661,265	3,661,265
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2004

12. DEBTORS (Continued)

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
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>
	-	-	1,605,494	1,605,494
	<u>-</u>	<u>-</u>	<u>1,605,494</u>	<u>1,605,494</u>

13. CURRENT ASSET INVESTMENTS

	2004	2003
Group	£	£
Listed, at lower of cost and market value	205,326	192,463
	<u>205,326</u>	<u>192,463</u>
Market value, based on mid-market published prices	211,088	200,126
	<u>211,088</u>	<u>200,126</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loan and overdrafts	511,516	264,643	-	-
Obligations under finance				
Leases	113,127	121,637	-	-
Tax and social security	6,047	6,139	-	-
Trade creditors	180,829	188,927	-	-
Other creditors	45,686	45,686	2,713	2,713
Amounts due to subsidiary undertakings	-	-	1,241,523	1,241,523
Accruals and deferred income	65,930	54,662	-	-
Corporation Tax	17,805	40,533	326	326
	<u>940,940</u>	<u>722,227</u>	<u>1,244,562</u>	<u>1,244,562</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2004

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

Group	2004 £	2003 £
Obligations under finance leases	51,100	107,629

16. DEBT ANALYSIS

	Group		Company	
	2004 £	2003 £	2004 £	2003 £
Repayable within 1 year	624,643	386,280	-	-
Repayable in 2 - 5 years	51,100	107,629	-	-
	<u>675,743</u>	<u>493,909</u>	<u>-</u>	<u>-</u>

17. DEFERRED TAXATION

	2004 £	2003 £
Deferred taxation - Group (Note 12)		
The deferred taxation asset comprises:		
Accelerated capital allowances	(122,600)	(84,712)
Short term timing differences on investment provisions	230,492	200,692
Other timing differences	-	7,312
	<u>107,892</u>	<u>123,292</u>
	2004 £	2003 £
Balance at 1 st April	123,292	150,792
Movement in year	(15,400)	(27,500)
	<u>107,892</u>	<u>123,292</u>

NOTES TO THE FINANCIAL STATEMENTS
31st March 2004

17. DEFERRED TAXATION (continued)

	2004 £	2003 £
Group potential tax liability on disposal at market value of:		
Fixed asset investments	48,000	-
Investment properties	96,725	86,225
	<hr/>	<hr/>
	144,725	86,225
	<hr/>	<hr/>

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/(LOSS) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2004 £	2003 £
Operating profit/(loss)	355,508	(159,222)
Depreciation	138,205	151,939
Decrease in stocks	41,571	43,797
Decrease/(increase) in debtors	431,902	(389,206)
Increase in creditors	3,078	23,960
(Profit)/loss on disposal of current asset investments	(158,529)	246,298
	<hr/>	<hr/>
	811,735	(82,434)
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2004

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

A. Other returns on investments and servicing of finance	2004	2003
	£	£
Exchange (loss)/gain	(13,232)	4,293
Bank interest paid	(13,105)	(10,758)
Interest element of finance lease payments	(7,074)	(9,699)
	<hr/>	<hr/>
Net cash outflow from other returns on investments and servicing of finance	(33,411)	(16,164)
	<hr/>	<hr/>
B. Taxation	2004	2003
	£	£
Net UK corporation tax and overseas tax	(27,223)	(4,677)
	<hr/>	<hr/>
C. Capital expenditure and financial investment	2004	2003
	£	£
Purchase of tangible fixed assets	(365,459)	(560,677)
Sale of tangible fixed assets	33,264	546,564
Purchase of fixed asset investments	(1,641,719)	(1,107,253)
Sale of fixed asset investments	1,061,342	1,195,275
	<hr/>	<hr/>
Net cash (outflow)/inflow from capital expenditure and financial investment	(912,572)	73,909
	<hr/>	<hr/>
D. Management of liquid resources	2004	2003
	£	£
Purchase of current asset investments	(498,855)	(1,091,019)
Sale of current asset investments	644,520	801,033
	<hr/>	<hr/>
Net cash inflow/(outflow)	145,665	(289,986)
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

31st March 200420. ANALYSIS OF CASH FLOWS GIVEN IN THE CASH FLOW STATEMENT
(continued)

E. Financing

	2004 £	2003 £
(Decrease)/increase in finance leases	(65,039)	113,565
Cash (outflow)/inflow	(65,039)	113,565

21. CALLED UP SHARE CAPITAL

	2004 £	2003 £
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
	506,500	506,500

	2004 £	2003 £
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
	104,842	104,842

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 2004

22. OTHER RESERVES

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
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	7,013,665	6,341,423	-	-
Revaluation in the year	26,250	830,159	-	-
Transfer to profit and loss				
account on realisation	-	(157,917)	-	-
Balance at 31 st March	7,039,915	7,013,665	-	-

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

NOTES TO THE FINANCIAL STATEMENTS

31st March 2004

23. PROFIT AND LOSS ACCOUNT

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
At 1 st April	4,121,920	4,387,433	96,473	95,443
Result for the financial year	825,673	(424,353)	1,644	1,030
Transfer from revaluation reserve (Note 22)	-	157,917	-	-
Corporation tax on realisation	-	923	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March	4,947,593	4,121,920	98,117	96,473
	<hr/>	<hr/>	<hr/>	<hr/>

24. SHAREHOLDERS' FUNDS

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Equity shareholders' interests	17,585,437	16,733,514	5,576,817	5,575,173
Non-equity shareholders' interests	49,484	49,484	49,484	49,484
	<hr/>	<hr/>	<hr/>	<hr/>
	17,634,921	16,782,998	5,626,301	5,624,657
	<hr/>	<hr/>	<hr/>	<hr/>

Non-equity interests of £49,484 (2003: £49,484) comprise 49,484 4.55% non-cumulative preference shares of £1 each.