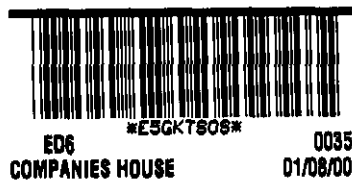


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IOWA LAND COMPANY LIMITED

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 7R3
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 2000 at 12:30 p.m. for the following purposes:

1. To receive the directors' report and accounts for the year ended 31st March 2000.
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

27th July 2000

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.

IOWA LAND COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report together with the audited consolidated financial statements of the company and its subsidiaries for the year ended 31st March 2000.

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 £289,857 (1999: £364,265) after taking account of profits from investment and fixed asset disposals net of provisions of £411,291 (1999: £404,922). The profit after taxation and minority interest of £235,577 (1999: £239,121) is accounted for through the profit and loss account.

The directors do not propose a dividend.

Review of the business

The consolidated profit and loss account for the year ended 31st March 2000 continued to show a good level of profitability in comparison with the previous year. The investment company was again the major contributor with the dealing company and property company also providing small profits.

As foreshadowed in the previous review farming in Scotland continued to present difficult problems. The price of grain weakened after the last harvest, the price of lambs fell to an unacceptably low level and cattle prices showed only a marginal improvement. These factors combined to contribute to a farming loss for the year. The various changes referred to in the 1999 accounts are being carried out, but a return to profit is not anticipated in the current year. Steps are being taken to reduce the costs of other estate enterprises.

The directors' cautious approach to investment will continue with emphasis on maintaining a reasonable return of income and taking capital profits where investment criteria dictate. With a strong balance sheet the prospects for the coming year do not appear to be unreasonable.

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.

IOWA LAND COMPANY LIMITED

REPORT OF THE DIRECTORS **(Continued)**

Directors' responsibilities for financial statements (continued)

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 2000	31st March 1999
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 £9,000,000 as at 31st March 2000. The group's English freehold properties are included on the basis of the directors' estimate of the current market value at 31st March 2000.

Year 2000

The costs incurred in insuring that the company was not adversely effected by the Year 2000 problem were not material. No significant problems resulting from the Year 2000 have been experienced and no future problems are envisaged.

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 27th July 2000 and signed on its behalf by:



Roger William Toye
Secretary

IOWA LAND COMPANY LIMITED

AUDITORS REPORT TO THE SHAREHOLDERS OF IOWA LAND COMPANY LIMITED

We have audited the financial statements on pages 6 to 25 which have been prepared on the basis of the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on pages 3 and 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

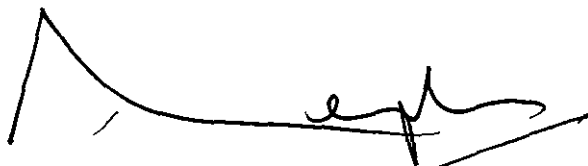
Basis of opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31st March 2000 and of the profit, total recognised gains and cash flows of the group 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
27th July 2000

IOWA LAND COMPANY LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT**
for the year ended 31st March 2000

	Note	2000 £	1999 £
Income: continuing operations			
Turnover: Farming activities		1,173,881	1,235,280
Rental income		128,526	130,781
Investment dealing activities		(11,748)	(47,276)
Investment income		181,373	139,931
Investment interest receivable		45,559	53,355
		<hr/>	<hr/>
Total income		1,517,591	1,512,071
Operating costs	2	(1,626,056)	(1,540,376)
		<hr/>	<hr/>
Operating loss: continuing operations		(108,465)	(28,305)
		<hr/>	<hr/>
Profit on disposal of tangible fixed assets		48,251	1,333
Profit on disposal of fixed asset investments	6	363,040	403,589
		<hr/>	<hr/>
		411,291	404,922
		<hr/>	<hr/>
Profit before interest		302,826	376,617
Interest payable	4	(18,774)	(29,296)
Exchange gains		5,805	16,944
		<hr/>	<hr/>
Profit on ordinary activities before taxation		289,857	364,265
Tax on profit on ordinary activities	7	(52,220)	(125,788)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		237,637	238,477
Minority Interest		(2,060)	644
		<hr/>	<hr/>
Profit for the financial year	23	235,577	239,121
		<hr/> <hr/>	<hr/> <hr/>

Movements in reserves are shown in notes 22 and 23 on page 24.

IOWA LAND COMPANY LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31st March 2000**

	2000	1999
	£	£
Profit for the financial year	235,577	239,121
Unrealised surplus on property revaluation	2,856,423	50,404
Deferred taxation on revaluation	(29,653)	(11,331)
Less: Share of minority interest	(20,972)	(9,768)
Over provision of deferred tax on property disposal	3,242	-
	<hr/>	<hr/>
Total recognised gains	3,044,617	268,426
	<hr/>	<hr/>

**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
for the year ended 31st March 2000**

	2000	1999
	£	£
Total recognised gains	3,044,617	268,426
Opening shareholders' funds	12,909,425	12,640,999
	<hr/>	<hr/>
Closing shareholders' funds	15,954,042	12,909,425
	<hr/>	<hr/>

**NOTE ON HISTORICAL COST PROFITS AND LOSSES
for the year ended 31st March 2000**

	2000	1999
	£	£
Reported profit on ordinary activities before taxation	289,857	364,265
Realisation of property revaluation gains of previous years	56,656	-
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	346,513	364,265
	<hr/>	<hr/>
Historical cost profit for the year retained after taxation and minority interest	292,233	239,121
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED**CONSOLIDATED BALANCE SHEET**
at 31st March 2000

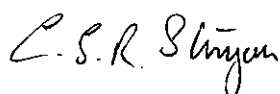
	Note	2000 £	1999 £
Fixed assets			
Tangible fixed assets	9	10,175,543	7,385,541
Investments	10	4,386,865	3,862,073
		<hr/>	<hr/>
		14,562,408	11,247,614
		<hr/>	<hr/>
Current assets			
Stocks	11	557,395	546,115
Debtors	12	477,312	980,807
Investments	13	707,975	133,807
Cash at bank and in hand		542,207	801,290
		<hr/>	<hr/>
		2,284,889	2,462,019
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	14	(711,658)	(672,396)
		<hr/>	<hr/>
Net current assets		1,573,231	1,789,623
		<hr/>	<hr/>
Total assets less current liabilities		16,135,639	13,037,237
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	15	(15,997)	(9,655)
Provision for liabilities and charges	17	(97,042)	(72,631)
		<hr/>	<hr/>
Net assets		16,022,600	12,954,951
		<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	6,190,737	3,428,353
Other reserves	22	5,068,565	5,068,565
Profit and loss account	23	4,115,892	3,833,659
		<hr/>	<hr/>
Shareholders' funds (including non-equity)	24	15,954,042	12,909,425
Minority interests (equity)		68,558	45,526
		<hr/>	<hr/>
		16,022,600	12,954,951
		<hr/>	<hr/>

Approved by the Board of Directors on 27th July 2000
and signed on its behalf by: *C. S. R. Stroyan*

Colin Strathern Ropner Stroyan, Director

IOWA LAND COMPANY LIMITED**BALANCE SHEET**at 31st March 2000

	Note	2000 £	1999 £
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	3,030,199	3,030,199
Debtors due after one year	12	1,605,494	1,605,494
Cash at bank and in hand		66,436	65,331
		<hr/>	<hr/>
		4,702,129	4,701,024
Creditors: Amounts falling due within one year	14	(613,720)	(613,720)
		<hr/>	<hr/>
Net current assets		4,088,409	4,087,304
		<hr/>	<hr/>
Total assets less current liabilities		5,621,383	5,620,278
		<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	93,199	92,094
		<hr/>	<hr/>
Shareholders' funds (including non-equity)	24	5,621,383	5,620,278
		<hr/>	<hr/>

Approved by the Board of Directors on 27th July 2000 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 2000

	Notes	2000		1999	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	19		507,810		(89,938)
Other returns on investments and servicing of finance	20 A		(12,969)		(12,352)
Taxation	20 B		(161,161)		(31,557)
Capital expenditure and financial investment	20 C		(159,996)		224,172
Cash inflow before management of liquid resources and financing			<u>173,684</u>		<u>90,325</u>
Management of liquid resources and financing:					
Management of liquid resources	20 D	(585,916)		(64,541)	
Financing	20 E	(27,401)	(613,317)	(74,799)	(139,340)
Decrease in cash			<u>(439,633)</u>		<u>(49,015)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
for the year ended 31st March 2000

	Cash £	Overdrafts £	2000 Total £	1999 £
Cash flow in year	(259,083)	(180,550)	(439,633)	(49,015)
Balance at 1 st April	801,290	(285,484)	515,806	564,821
Balance at 31st March	<u>542,207</u>	<u>(466,034)</u>	<u>76,173</u>	<u>515,806</u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2000

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. 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 2000

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 profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is material and probable that the liability will become payable in the foreseeable future.

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.

Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are invested and managed independently of the finances of the group. The pension cost charge represents contributions payable in the year.

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2000

2. SEGMENTAL INFORMATION

	2000	1999
	£	£
Other direct expenses and farming activities		
Cost of livestock	205,218	253,810
Other direct costs	404,534	316,047
Administration costs - all companies	1,016,304	970,519
	<hr/>	<hr/>
	1,626,056	1,540,376
	<hr/>	<hr/>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000	1999
	£	£
Profit on ordinary activities is arrived at after charging:		
Auditors remuneration	18,112	17,934
Depreciation	112,916	112,596
	<hr/>	<hr/>
and after crediting:		
Subsidies and grants	313,370	325,960
Bank interest receivable	45,559	53,355
	<hr/>	<hr/>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
Bank loans and overdrafts	15,587	23,585
Other loans	3,187	5,711
	<hr/>	<hr/>
	18,774	29,296
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS**31st March 2000****5. EMPLOYEES AND STAFF COSTS**

	2000	1999
	£	£
Costs incurred in respect of employees (including directors) were:-		
Wages and salaries	364,471	382,926
Social security costs	31,387	33,295
Other pension costs	8,630	6,282
Other costs	10,000	-
	<hr/>	<hr/>
	414,488	422,503
	<hr/>	<hr/>
	No.	No.
The average monthly number of employees including directors during the year was as follows	23	21
	<hr/>	<hr/>
	2000	1999
	£	£
Directors emoluments:-		
Other emoluments	36,000	35,312
	<hr/>	<hr/>

6. PROFIT ON DISPOSAL OF FIXED ASSET INVESTMENTS

	2000	1999
	£	£
Profit on disposal of investments	346,997	417,240
Investment provision decrease/(increase)	16,043	(13,651)
	<hr/>	<hr/>
	363,040	403,589
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31st March 2000**7. TAXATION**

	2000	1999
	£	£
Taxation charge based on the profit for the year:		
Corporation tax at 30% (1999: 31%)	31,750	114,750
Deferred taxation	8,000	32,000
	<hr/>	<hr/>
	39,750	146,750
Prior year adjustments:		
Corporation tax	12,470	(20,962)
	<hr/>	<hr/>
	52,220	125,788
	<hr/>	<hr/>

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

IOWA LAND COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 2000****9. TANGIBLE FIXED ASSETS**

Group	Freehold land and buildings £	Long leaseholds £	Short leaseholds £	Plant equipment and motor vehicles £	Total £
Cost or valuation					
At 1 st April 1999	6,661,531	150,000	11,079	1,408,098	8,230,708
Additions	87,851	-	-	134,307	222,158
Disposals	-	(150,000)	-	(101,078)	(251,078)
Revaluation	2,856,423	-	-	-	2,856,423
At 31 st March 2000	9,605,805	-	11,079	1,441,327	11,058,211
Depreciation					
At 1 st April 1999	-	-	11,079	834,088	845,167
Charge for the year	-	-	-	112,916	112,916
Released on disposal	-	-	-	(75,415)	(75,415)
At 31 st March 2000	-	-	11,079	871,589	882,668
Net book value					
At 31 st March 2000	9,605,805	-	-	569,738	10,175,543
At 31 st March 1999	6,661,531	150,000	-	574,010	7,385,541
Historical cost					
At 31 st March 2000	3,650,247	-	11,079	1,441,327	5,102,653

Freehold land and buildings includes investment properties revalued by the directors at the balance sheet date at the open market value of £607,500 (1999: £498,000).

The group's Scottish estates were revalued on 31st March 2000 at £9,000,000 on the basis of their open market value, by Bell Ingram, Chartered Surveyors. This valuation is incorporated in the financial statements.

Included in Plant and Equipment are assets financed under hire purchase agreements with a net book value of £96,969 and a depreciation charge of £26,272.

There were no capital commitments at 31st March 2000 or 1999.

IOWA LAND COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 2000****10. FIXED ASSET INVESTMENTS**

Group	Listed in	Listed	Unlisted	Total
Cost	United Kingdom	abroad		
	£	£	£	£
At 1 st April 1999	1,835,432	1,728,639	775,430	4,339,501
Additions	1,400,287	1,607,607	15,995	3,023,889
Disposals	(1,418,238)	(1,096,902)	-	(2,515,140)
At 31 st March 2000	1,817,481	2,239,344	791,425	4,848,250
Provisions				
At 1 st April 1999	178,952	190,044	108,432	477,428
Movement in the year	(6,224)	(59,819)	50,000	(16,043)
At 31 st March 2000	172,728	130,225	158,432	461,385
Net book value				
At 31 st March 2000	1,644,753	2,109,119	632,993	4,386,865
At 31 st March 1999	1,656,480	1,538,595	666,998	3,862,073
Market value				
At 31 st March 2000	2,933,970	3,709,274	674,204	7,317,448
At 31 st March 1999	2,885,777	2,411,565	708,209	6,005,551

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.

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2000

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
Murray Campbell & Co. Ltd	England	Ordinary	50%
		Deferred	50%
Pelican Estates Inc.	U S A	Common	40%
Quail Estates Inc.	U S A	Common	29%

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.

11. STOCKS

	2000 £	1999 £
Group		
Stocks, all of which related to farming, comprised the following:		
Cattle and sheep	386,065	393,591
Crops	136,637	105,596
Sundry	34,693	46,928
	<hr/>	<hr/>
	557,395	546,115
	<hr/>	<hr/>

12. DEBTORS

	Group		Company	
	2000 £	1999 £	2000 £	1999 £
Due within one year				
Trade debtors	371,733	900,761	-	-
Other debtors	26,664	30,925	-	-
Amounts due from subsidiary undertakings	-	-	3,030,199	3,030,199
Prepayments and accrued income	63,456	49,121	-	-
Taxation recoverable	15,459	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	477,312	980,807	3,030,199	3,030,199
	<hr/>	<hr/>	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 2000****12. DEBTORS (Continued)**

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
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	2000	1999
	£	£
Listed, at lower of cost and market value	707,975	133,807
	<u>707,975</u>	<u>133,807</u>
Market value, based on mid-market published prices	727,978	142,025
	<u>727,978</u>	<u>142,025</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Bank loan and overdrafts	466,034	285,484	-	-
Obligations under finance				
Leases	25,652	59,395	-	-
Tax and social security	5,295	5,569	-	-
Trade creditors	75,627	95,507	-	-
Other creditors	45,686	45,686	2,713	2,713
Amounts due to subsidiary undertakings	-	-	610,457	610,457
Accruals and deferred income	82,814	78,743	-	-
Corporation Tax	10,550	102,012	550	550
	<u>711,658</u>	<u>672,396</u>	<u>613,720</u>	<u>613,720</u>

IOWA LAND COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 2000****15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

Group	2000	1999
	£	£
Obligations under finance leases	15,997	9,655

16. DEBT ANALYSIS

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Repayable within 1 year	491,686	344,879	-	-
Repayable in 1 - 2 years	15,997	9,655	-	-
	<u>507,683</u>	<u>354,534</u>	<u>-</u>	<u>-</u>

17. PROVISION FOR LIABILITIES AND CHARGES

Group	2000	1999
	£	£
Deferred taxation		
The provision for deferred taxation comprises:		
Accelerated capital allowances	90,100	84,766
Less: unrelieved trading losses	(50,100)	(52,766)
Revaluation of tangible fixed assets	57,042	40,631
	<u>97,042</u>	<u>72,631</u>

There would be a potential tax liability of approximately £671,300 (1999: £431,900) if the group's fixed asset investments were to be disposed at market value. No provision for this liability has been made in these accounts.

NOTES TO THE FINANCIAL STATEMENTS**31st March 2000****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 LOSS TO NET CASH
(OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2000 £	1999 £
Operating loss	(108,465)	(28,305)
Depreciation	112,916	112,596
(Increase)/decrease in stocks	(11,280)	26,265
Decrease/(increase) in debtors	518,974	(258,535)
(Decrease)/increase in creditors	(16,083)	10,765
Loss on disposal of current asset investments	11,748	47,276
	<hr/> 507,810	<hr/> (89,938)
	<hr/> <hr/>	<hr/> <hr/>

IOWA LAND COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 2000****20. ANALYSIS OF CASH FLOWS GIVEN IN THE CASH FLOW STATEMENT****A. Other returns on investments and servicing of finance**

	2000	1999
	£	£
Exchange gains	5,805	16,944
Bank interest paid	(15,587)	(23,585)
Interest element of finance lease payments	(3,187)	(5,711)
	<hr/>	<hr/>
Net cash outflow from other returns on investments and servicing of finance	(12,969)	(12,352)
	<hr/>	<hr/>

B. Taxation

	2000	1999
	£	£
Net UK corporation tax and overseas tax	161,161	31,557
	<hr/>	<hr/>

C. Capital expenditure and financial investment

	2000	1999
	£	£
Purchase of tangible fixed assets	(222,158)	(195,998)
Sale of tangible fixed assets	223,914	21,580
Purchase of fixed asset investments	(3,023,889)	(1,283,331)
Sale of fixed asset investments	2,862,137	1,681,921
	<hr/>	<hr/>
Net cash (outflow)/inflow for capital expenditure and financial investment	(159,996)	224,172
	<hr/>	<hr/>

D. Management of liquid resources

	2000	1999
	£	£
Purchase of current asset investments	(842,670)	(185,563)
Sale of current asset investments	256,754	121,022
	<hr/>	<hr/>
Net cash outflow	(585,916)	(64,541)
	<hr/>	<hr/>

IOWA LAND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS**31st March 2000****20. ANALYSIS OF CASH FLOWS GIVEN IN THE CASH FLOW STATEMENT
(continued)****E. Financing**

	2000	1999
	£	£
(Decrease) in finance leases	(27,401)	(74,799)
	<hr/>	<hr/>
Cash outflow	(27,401)	(74,799)
	<hr/> <hr/>	<hr/> <hr/>

21. CALLED UP SHARE CAPITAL

	2000	1999
	£	£
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/>	<hr/> <hr/>

	2000	1999
	£	£
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/>	<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.

IOWA LAND COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
31st March 2000**22. OTHER RESERVES**

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
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	3,428,353	3,399,048	-	-
Revaluation	2,828,038	37,803	-	-
Transfer to profit and loss account on realisation	(56,656)	-	-	-
Deferred taxation	(22,240)	(8,498)	-	-
Deferred taxation on realisation	13,242	-	-	-
Balance at 31 st March	6,190,737	3,428,353	-	-
Capital redemption reserve				
Balance at 1 st April and at 31 st March	310,843	310,843	310,843	310,843

23. PROFIT AND LOSS ACCOUNT

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
At 1 st April	3,833,659	3,594,538	92,094	90,823
Profit for the financial year	235,577	239,121	1,105	1,271
Transfer from revaluation reserve (Note 22)	56,656	-	-	-
Corporation tax on realisation	(10,000)	-	-	-
At 31 st March	4,115,892	3,833,659	93,199	92,094

NOTES TO THE FINANCIAL STATEMENTS**31st March 2000****24. SHAREHOLDERS' FUNDS**

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Equity shareholders' interests	15,904,558	12,859,941	5,571,899	5,570,794
Non-equity shareholders' interests	49,484	49,484	49,484	49,484
	<hr/>	<hr/>	<hr/>	<hr/>
	15,954,042	12,909,425	5,621,383	5,620,278
	<hr/>	<hr/>	<hr/>	<hr/>

Non-equity interests of £49,484 (1999: £49,484) comprise 49,484 4.55% non-cumulative preference shares of £1 each.