THE NARBOROUGH PLANTATIONS, plc (109273)

(Incorporated in England and Wales)

AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

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THE NARBOROUGH PLANTATIONS, plc (109273)

(Incorporated in England and Wales)

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the One Hundredth and Second Annual Report and Financial Statements of The Narborough Plantations, Public Limited Company for the financial year ended 31 December 2011.

FINANCIAL PERFORMANCE

	2011 RM	2010 RM	2011 £	2010 £
Revenue	9,675,947	7,102,574	1,974,683	1,429,089
Cost of sales	(2,215,223)	(2,045,951)	(452,086)	(411,660)
Gross profit	7,460,724	5,056,623	1,522,597	1,017,429
Gain arising on revaluation of biological assets	1,217,412	13,112	248,451	2,743
Profit before tax	9,070,492	5,175,359	1,851,163	1,041,394
Earnings per share	52.31 sen	30.03 sen	10.68 pence	6.04 pence

Ratios

	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
Continuing Operations					
PE Ratio - Adjusted	7.50	12.70	8.30	12.80	5.00
Earnings per Share Growth – Adjusted	77.00%	32.00%	-10.00%	-49.00%	409.00%
Dividend Cover	4.27	3.36	3.26	4.22	9.89
Revenue Per Share	14.83p	10.74p	7.66p	9.91p	8.49p
Pre-Tax Profit per Share	13.90p	7.81p	5.71p	6.68p	11.49p
Operating Margin	81.27%	55.11%	59.16%	56.97%	123.49%
Return on Capital Employed	15.00%	9.69%	8.54%	9.44%	22.93%
Dividend Yield	3.10%	2.30%	3.70%	1.80%	2.00%
Dividend per Share Growth	38.89%	28.57%	16.67%	20.00%	-32.25%
Net Asset Value per Share	80.25p	80.42p	66.66p	70.62p	49.84p
Net Gearing	n/a	n/a	n/a	n/a	n/a

(* Source of ratios for Year 2007 to 2010 : London Stock Exchange Technical Analysis - Fundamentals)

FINANCIAL PERFORMANCE (continued)

Another eventful year has gone by and I am pleased to report the progress the Company has made during this financial year in increasing its revenue and managing cost in the midst of fluctuating Crude Palm Oil ("CPO") prices, uncertain weather patterns and rising cost of production from increase in labour cost and fertiliser prices.

CPO prices continued its move upwards from December 2010 to peak in February 2011 at RM3,811 per Metric Tonne (MT). This is due to the decrease in world production of total vegetable oils in the first quarter of 2011 with smaller production of major vegetable oils in various producing countries albeit strong demand for oil and grains.

However the prices declined in the months to follow recovering slightly in August 2011 at RM3,114.50 per MT and bottoming out in October 2011 at RM2,838.50 per MT due to drop in demand and increase in vegetable oil stocks. Thereafter, CPO prices have remained constant until the year end. Weather conditions brought on by the La Nina effect has caused torrential rain and flooding, which hampered collection of Fresh Fruit Bunches ("FFB") in the fields.

However, despite the disruption caused by the weather conditions the Company has managed to increase productivity overall by 13.8% with an operating margin of 81.27%. The annual average CPO price has also increased from RM2,701 per MT to RM3,219 MT as compared to the year before which in turn increased the average price of FFB from RM578.45 per MT to RM692.40 per MT for the year. The increase in productivity together with the increase in FFB prices has increased the Company's turnover by 36.2% as compared to the previous financial year ended 31 December 2010. Return on capital employed for the current financial year is 15.00% as compared to 9.69% for the previous financial year. The Company recorded a turnover of RM9,675,947 (£1,974,683) for the financial year ended 31 December 2011.

The Company has also achieved an increased profit before tax of RM9,070,492 (£1,851,163) for the financial year ended 31 December 2011 as compared to the amount of RM5,175,359 (£1,041,394) for the previous financial year.

In line with the increase in profits, earnings per share have increased to 52.31 sen (10.68 pence) for the financial year ended 31 December 2011 from 30.03 sen (6.04 pence) for the financial year ended 31 December 2010. Price earning ("PE") ratio for the current financial year is 7.50 at a market price of 80 pence per ordinary share as at 31 December 2011.

The Company has also recorded a substantial gain on the valuation of biological assets of RM1,217,412 (£248,451) for the current financial year. Biological assets are carried at fair value, which is calculated as the present value of the estate's operating cash flows over the next ten years, based on Directors' best estimates of future selling prices of fresh fruit bunches as shown in Note 8.

FINANCIAL POSITION

The Company has continued to maintain a strong financial position as at 31 December 2011, with net assets of RM52,371,897 (£10,686,294) as compared with the net assets as at 31 December 2010 of RM47,558,767 (£9,948,116). Cash and short term deposits totalled RM14,856,766 (£3,031,993) as compared with RM12,193,874 (£2,551,020) of the previous financial year. The company has no bank borrowings.

REVIEW OF OPERATIONS

The results from the operations for the financial year under review are satisfactory given the factors benefiting the Company and the measures implemented to counter detrimental elements. However, the Company will continue practising its prudent approach in its operations as that adopted in the previous years as we must remain guarded against bearish condition of the world economy which is still struggling to recover.

Replanting is being carried out on schedule to replace trees that are more than 25 years old with the establishment of a nursery to nurture trees that are high yielding and hardy. The effect of replanting on the revenue of the Company will be minimal as proper planning is in place to ensure continuous productivity will not be disrupted.

The Company will also be replacing the ageing living quarters of the field workers to ensure the safety of the workers and enhance their quality of life in line with the Company's continued commitment in its practise of corporate social responsibility.

(* Source of CPO Prices : Malaysian Palm Oil Board)

CURRENT YEAR'S PROSPECTS

Barring sluggish world economy and adverse weather, the prospects of the palm oil industry looks bright with strong demand for edible oil and progress in biodiesel development and application.

The Company has built and will continue to build a solid foundation over the years to ensure the sustainability of the oil palms' production potential. Notwithstanding unpredictable factors such as adverse weather conditions and pest attack, crop will be expected to increase in the foreseeable future with a slight drop in the intervening years of replanting. The Company should see another profitable year ahead given the continued increase in CPO price, improved cost efficiency through proper planning and favourable weather which will be beneficial to an increase in productivity of FFB.

DIVIDEND

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	RM	**£**
In respect of financial year ended 31 December 2011:		
Interim dividend of 1 pence per ordinary share of 10 pence each, single tier, paid on 17 June 2011	659,837	133,166
2nd Interim dividend of 1 pence and Special dividend of 1.5 pence per ordinary share of 10 pence each, single tier, paid on 9 December 2011	1,649,261	332,915
	2,309,098	466,081

The Board do not recommend a payment of final dividend for the current financial year.

APPRECIATION

On behalf of the board, I would like to record our appreciation to the management and employees for their commitment, dedication and loyalty in achieving the satisfactory results in the financial year under review. I would also take this opportunity to thank our shareholders for their support.

Finally, I would like to thank my colleagues on the board for their invaluable advice and contributions during the year.

JULIANA MANOHARI DEVADASON
Chairman
24 February 2012

THE NARBOROUGH PLANTATIONS, plc (109273)

(Incorporated in England and Wales)

DIRECTORS' REPORT

To be presented at the One Hundredth and Second Annual General Meeting (AGM) of the Shareholders.

The directors present their report and the audited financial statements for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITY

The principal activity of the Company in the course of the financial year remained unchanged and consists of cultivation of oil palm.

BUSINESS REVIEW

A review of the results of the Company for the year and an indication of future developments are included in the Chairman's Statement. In summary, the financial results of the Company for the year under review are as follows:-

	2011	2010
Production - Oil Palm (FFB)	13,974 tonnes	12,279 tonnes

	2011		2010	
	RM	£	RM	£
Profit for the financial year	6,966,450	1,421,767	3,999,391	804,781

An analysis of the turnover by activity is given in Note 2 to the financial statements. An analysis of profit before taxation by activity is given in Note 5 to the financial statements.

The key performance indicators are disclosed and analysed in the Chairman's Statement with appropriate discussion in the review of operations.

PRINCIPAL RISK AND UNCERTAINTIES

The principal risks and uncertainties of the Company's business are:

- Unexpected variations in crop, principally caused by unusual weather and pest infestation.
- Variations in commodity prices.
- Input cost inflation.

PRINCIPAL RISK AND UNCERTAINTIES (continued)

The above risks and uncertainties are beyond the control of the Company. However, the following measures were taken to lessen the impact of these risks and uncertainties:

- Unusual variations in crops are mostly due to excessive rainfall arising from La Nina effect or low rain fall due to El Nino effect and sudden pest outbreak i.e. infestation of rats, bagworms and rhinoceros beetles. Drains and water retention ponds have been constructed strategically around the estate to ensure sufficient supply of water to the trees in the event of drought brought on by the El Nino effect. The drains are also to ensure sufficient drainage to avoid flooding. As for pest control measures taken, this is mentioned in detail in the Corporate Governance statement under the title, Corporate Responsibility – Environmental Management.

- Variations in commodity prices are governed by market forces. Hence, to ensure stable revenue for the Company in the event of a fall in palm oil futures, measures have been taken to optimise the production level of the trees. In addition, the Company also places emphasis on producing quality FFB that will command a better Oil Extraction Rate (“OER”) from the mills, which in turn will affect the price of our FFB.

- The mitigation of input cost inflation is further explained under the title, Internal Control in the Corporate Governance statement.

- The Company is a member of the Malayan Agricultural Producers Association (“MAPA”), and the Malaysian Palm Oil Association (“MPOA”) which keeps its members updated on the latest development of the Government of Malaysia’s requirement on the industry. MAPA also advises on how best to comply with the requirements in the best interest of the Company. Whereas MPOA provides the information on the latest technology available to protect against pest attacks and to increase yield.

FINANCIAL RISK

Information on financial instruments and other risks is set out in Note 22 to the financial statements.

CORPORATE RESPONSIBILITY

Employee Health and Safety

The Company is committed to provide a safe and healthy working environment for its workforce through effective and stringent implementation of the Occupational Safety and Health Act (OSHA) in its operations. Appropriate training and guidance is given to the workforce on OSHA. External OSHA consultants are engaged to assist in effective development, implementation and continuous improvement in occupational safety and health in accordance with current best practices. The existing housing for workers which is ageing are in the process of being rebuilt in Year 2012 to better ensure the safety and comfort of the workers. Prayer facilities, temples and mosque are also provided to the staff and workers according to their faith.

CORPORATE RESPONSIBILITY (continued)

Environmental Management

The Company practices sustainable oil palm cultivation as its estate was converted from former rubber plantation and not from virgin forest land. The natural biological system of its estate is prioritised where the use of organic fertilisers ie. waste product from the palm oil mills such as empty fruit bunches and decanter cake are emphasised. Pest control through natural means such as building of barn owl boxes to attract owls for rat control, planting of Turnera Subulata plants as a habitat for wasp which is a predator of bagworms and pheromone bait for rhinoceros beetles are also given priority to ensure minimum disruption to the natural environment. Pesticides and inorganic fertilisers are applied under stringent controls according to professional agronomist recommendations. The oil palm plantation also acts as a water catchment area as well as assists to prevent soil erosion through cover crop planted and provide oxygen to the air.

Corporate Contributions

The Company's Benevolent Fund set up in Year 2008 consists of approximately 0.5% of its yearly profit after tax for the purpose of contributing back to the community. The Company has donated RM10,454 (£2,133) during the financial year ended 31 December 2011 from the said fund for educational, health and welfare purposes to the local welfare organisations and the less fortunate. As a responsible corporate citizen, the Company will continue to identify more eligible candidates who will benefit from the Benevolent Fund.

SHARE CAPITAL

The structure of the Company's capital and the rights and obligations, if any, attached to each class of shares at the end of the year, are disclosed in Notes 18 and 19 of the financial statements.

RESERVES AND PROVISIONS

All movements to or from provisions are disclosed in Note 14 of the financial statements. The reserves during the year under review are disclosed in the Statement of Changes in Equity and Note 19 of the financial statements.

FIXED ASSETS AND PREPAID LEASE PAYMENTS

The open market value of the Company's freehold land and buildings, biological assets and prepaid lease payments expressed by a firm of valuers was RM30,160,000 (£4,562,784) as at 31 December 2007. The book value of the freehold land and buildings, biological assets and prepaid lease payments as at 31 December 2011 was RM30,656,477 (£6,256,424). Please refer to Note 8 and 9 of the financial statements.

DIVIDENDS

Dividends paid and proposed for the year are disclosed in Note 20 to the financial statements.

DIRECTORATE AND DIRECTORS' SHAREHOLDINGS

In accordance with Article 36 of the Company's Articles of Association, Mr Roslan Bin Hamir retires by rotation at the forthcoming One Hundredth and Second AGM and, being eligible, offers himself for re-election.

Stephen William Huntsman, a director of the Company, is deemed interested in Riverview Rubber Estates Berhad, which held 6,632,340 shares of the Company, representing 49.8% of the issued and paid up share capital as at 31 December 2011.

There have been no changes in the above interests in the period up to the date of this report.

No directors had any interest either during or at the end of the year in any material contract or arrangement with the Company.

NON-EXECUTIVE DIRECTORS' FEES

Pursuant to Article 44 of the Company's Articles of Association, the Board recommends that the non-executive directors' fees encompassing the Chairman's emoluments and the other Directors' fees be £8,000 and £28,000 in aggregate respectively.

SUBSTANTIAL SHAREHOLDINGS

At the date of this report, the only notice received by the Company regarding substantial beneficial shareholdings in its issued ordinary share capital were as follows:-

Name of shareholder	No. of ordinary shares of 10p each	Percentage of issued ordinary share capital
Riverview Rubber Estates Berhad	6,632,340	49.8%
Hamidah binti Abdul Rahman	3,466,260	26.0%

CORPORATE GOVERNANCE

A report on corporate governance is set out below.

APPOINTMENT AND REPLACEMENT OF DIRECTORS

The Company's rules on the appointment and replacement of directors are contained in its Articles of Association.

AMENDMENT OF COMPANY'S ARTICLES OF ASSOCIATION

Any amendment to the Company's Articles of Association can only be made after shareholders' approval at a General Meeting.

POWERS OF DIRECTORS

The powers of directors, for example in relation to the issuing or buying back by the Company of its own shares, are contained in the Company's Articles of Association.

AGREEMENTS

- There are no agreements to which the Company is a party that take effect, alter or terminate upon a change of control of the Company following a takeover bid.
- There are no agreements between the Company and its directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

SUPPLIER PAYMENT POLICY

The Company's policy, in relation to all of its suppliers, is to settle the terms of payment when agreeing the terms of the transaction and to abide by those terms (provided that it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions). The Company does not follow any code or standard on payment practice.

Trade creditors of the Company at the year end amount to 15 days (2010: 15 days) of average suppliers for the financial period.

TAX RESIDENCE

The Company is tax resident in Malaysia.

AUDITORS

All of the current directors have taken the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purpose of their audit and to establish that the auditors are aware of the information. The directors are not aware of any relevant information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the forthcoming annual general meeting.

By Order of the Board,

JULIANA MANOHARI DEVADASON
Chairman

THE NARBOROUGH PLANTATIONS, plc (109273)

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CORPORATE GOVERNANCE

The Board is satisfied that it has implemented a framework for corporate governance which is appropriate for the Company to enable the directors to discharge their responsibilities to protect and enhance shareholders' value and the long-term financial performance of the Company. The directors acknowledged the ultimate objective of the UK Governance Code ("the Code") on corporate governance and the Turnbull Guidance on Internal Control issued by the The Financial Reporting Council. The directors are satisfied that the Company has complied with all the provisions of the Code throughout the year.

THE BOARD

The Board comprises four non-executive directors (two of whom are independent) and an executive director. Other than Madam Juliana Manohari Devadason, Mr Stephen William Hunstman and Mr Adrian Tsen Keng Yam, the remaining two non-executive directors are considered by the Board to be independent. Both independent non-executive directors have a wide range of business interests beyond their position with the Company and the rest of the Board are satisfied that they have shown themselves to be fully independent. The audit, remuneration and nomination and risk management committees have written terms of reference.

A Senior Manager oversees operations and executive functions. There is clear segregation of responsibilities between the Chairman, who is a non-independent non-executive director, the Executive Director and the Senior Manager to ensure a balance of power and authority. The Executive Director and the Senior Manager is subject to the control of the Board of Directors. This is to ensure a balance of power and authority, such that no individual has unfettered powers of decision.

The Board meets at least four times a year to discuss the Company's affairs and all important business decisions are formally discussed and documented. The Board has reserved certain specific matters for its collective review and decision. These include approval of annual and interim results, approval of annual budget, declaration of dividends and authorisation of major transactions. The directors ensure that they have full and timely access to all relevant information to aid their decision making. The Board has access to the advice and services of the Company Secretary who is also the Executive Director and is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. In furtherance of its duties, it is also the norm for the Board to seek independent professional advice if necessary.

All the independent Non-Executive Directors met on their own during 2011. The Chairman met all the Non-Executive Directors twice in 2011 in the absence of the Executive Director.

The Chairman of the Audit Committee and the Remuneration and Nomination Committee, Mr Roslan Bin Hamir, is the Senior Independent Director of the Company.

THE BOARD (continued)

There are no specific periods of appointment for the Non-Executive Directors to ensure stability and to maintain historical knowledge. However, the board will review the position of each director for the normal re-election under the Company's Articles of Association.

All the Directors are required to attend mandatory accreditation programmes organised by accredited professional bodies in Malaysia to ensure continuous professional development.

During the financial year ended 31 December 2011, the Board met seven (7) times and the details of the meeting attendance by each director are as follows:

Name of directors	Number of meetings held	Number of meetings attended
Juliana Manohari Devadason	7	7
Adrian Tsen Keng Yam	7	7
Roslan Bin Hamir	7	6
Stephen William Huntsman	7	7
Lim Hu Fang	7	7

The five directors retire by rotation in accordance with the Articles of Association of the Company. The Senior Manager is on a one year rolling service contract.

BOARD COMMITTEES

The Board is supported by the Audit Committee and Remuneration and Nomination Committee with written terms of reference which define their membership, authorities and responsibilities.

The Audit Committee, consisting of three non-executive directors who are Mr Roslan Bin Hamir (Chairman), Mr Stephen William Huntsman and Madam Lim Hu Fang, the majority of whom are independent, meets at least four times a year. The Committee is responsible for reviewing a wide range of financial matters before their submission to the Board and monitoring the controls that are in force to ensure the integrity of the financial information reported to the shareholders.

The Audit Committee also reviews annually the terms of appointment of the auditors to ensure that an objective, professional and cost-effective relationship is maintained. During the financial period under review there was no non-audit fees paid by the Company to the external auditors.

The activities of the Audit Committee during the financial period under review are as follows:

1. Reviewed the quarterly and final results and recommend to the Board for approval prior to release to the London Stock Exchange;
2. Reviewed the scope and audit plan of the internal auditors;
3. Reviewed the scope and audit plan of the external auditors;
4. Reviewed the scope and plan for the enterprise risk management review;
5. Reviewed the internal audit report, which highlighted the audit issues and findings, recommendations and management's responses thereto;
6. Reviewed the enterprise risk management report, which highlighted the Company's internal risk, recommendations to counter such risk and management's responses thereto;
7. Reviewed the audited financial statements and annual report; and
8. Conducted informal high-level risk assessment and review of the business operations.

BOARD COMMITTEES (continued)

The Remuneration and Nomination Committee, which consist of three non-executive directors, is responsible for determining performance related remuneration packages for executive director and senior management. The Committee keeps under review the composition of the Board, a profile of the required skills, attributes and experience and makes recommendations to the Board concerning new appointments and re-appointment of all directors.

The effectiveness and performance of each member of the Board are currently reviewed through their level of participation as to whether sufficient time has been committed to discharge his or her duties. An example of this is the frequent visits by the members to the Estate with the independent Planting Advisor to gauge the effectiveness of the actions taken as decided in the Board meetings. The Chairman is evaluated by the rest of the members of Board or Committee separately and their views presented to the Chairman as to whether his or her terms of reference has been fulfilled. The members are satisfied with the dedication shown by the Chairman in discharging his or her duties for the financial year ended 31 December 2011.

The Directors' Remuneration Report is set out below.

The details of meeting attendance of the Audit Committee and the Remuneration and Nomination Committee during the financial year ended 31 December 2011 are as follows:-

Audit Committee	**Number of meetings held**	**Number of meetings attended**
Roslan Bin Hamir	4	4
Stephen William Huntsman	4	4
Lim Hu Fang	4	4

Remuneration and Nomination Committee	**Number of meetings held in relation to the financial year ended 31 December 2011**	**Number of meetings attended**
Roslan Bin Hamir	1	1
Stephen William Huntsman	1	1
Lim Hu Fang	1	1

INTERNAL CONTROL

The Turnbull Guidance has been followed in applying Section C.2 of the Code for the Company's Internal Control. The directors acknowledge that they have overall responsibility for the Company's system of internal control and for reviewing its effectiveness in safeguarding shareholders' investment and the Company's assets from inappropriate use or from loss and fraud, and ensuring that liabilities are identified and managed. However, such a system is designed to manage and control risk rather than to eliminate them, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is committed in maintaining a system of internal control with the following key elements.

INTERNAL CONTROL (continued)

Organisation
The Company has a defined organisational structure for planning, executing, controlling and monitoring business operations in order to achieve Company's objectives. The Board presides over an organisational structure that is decentralised, but with defined lines of responsibility and specific delegation of authority.

Risk Management
The directors are responsible for identifying and evaluating key risks applicable to the business. These risks have been and are being assessed on a continual basis, as they are associated with a variety of internal or external factors. An external professional firm has been engaged to carry out Enterprise Risk Management review on the operations of the Company on an annual basis starting from Year 2011 in addition to the Risk Management Committee, comprising a Director, the Company Secretary, the Senior Manager and the Manager, which was formed to assist the directors in identifying and evaluating key risks applicable to the business. Issues are periodically reviewed and discussed in order to form a basis for determining how the risks should be managed and thereon report to the Board.

Information and Communication
The directors undertake periodical strategic reviews, which include consideration of long term objectives and evaluation of business alternatives. The management prepares annual budget and monthly management accounts for submission to the Board for approval. The Board meets regularly to evaluate the performance of the operations and gauge against approved budgets.

Through these mechanisms, the Company's performance is continually monitored, risks identified in a timely manner, their financial implications assessed and corrective actions agreed and implemented.

Control Procedures
The Company has adequate control procedures designed to ensure complete and accurate accounting for transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include physical controls, segregation of duties, review by the directors and management, and external audit to the extent necessary to arrive at their audit opinion.

Monitoring and Corrective Action
The Board regularly reviews the overall operations of the Company. The Audit Committee is tasked to review the assurance procedures to obtain the level of assurance required and reports to the Board.

During the financial year, the Internal Audit function has been outsourced to a professional audit firm. The Audit Committee has reviewed the internal audit programme before commencement of the internal audit. After completion of the internal audit, the results were presented to the Audit Committee for discussion as to whether or not appropriate action is to be taken. In addition, the Executive Director conducts regular field, office inspections and chairs the monthly managers' meetings to discuss the effectiveness and control procedures of estate operations. A copy of the minutes of these meetings will thereafter be submitted to the Board for review. The Audit Committee and the Board also reviewed the plantation visit reports submitted by the independent Planting Advisor, whose main duties are to assess the operations and condition of the estates at least twice a year. An Agronomist has also been appointed to conduct field visits at least twice a year to assess the condition of the trees and provide necessary recommendation to assist in improving productivity and control pest damage. The Audit Committee is of the opinion that the internal audit activities are adequately covered.

In addition to the internal audit report, the Audit Committee also reviews the Enterprise Risk Management report from the external professional firm to identify and mitigate internal risk arising from estate operations.

INTERNAL CONTROL (continued)

Monitoring and Corrective Action (continued)

In respect of the period under review, the directors are not aware of any material internal control aspects of any significant problems which need to be disclosed in this report.

RELATIONS WITH SHAREHOLDERS

The directors maintain a policy of keeping all our shareholders, irrespective of size, informed about the Company's policies and progress as the directors value a constructive relationship with our investors. Communication with shareholders is given high priority. The Annual Report together with Notice of Annual General Meeting are sent to shareholders well in advance. Quarterly and final results are duly announced on the London Stock Exchange website and the Company's own website at www.narboroughplantations.com upon approval from the Board. The Company's announcements and financial reports are also available for public inspection on the National Storage Mechanism located at www.hemscott.com/nsm.do . Shareholders' participation is most welcomed at the Annual General Meeting.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report. The financial position of the Company, its cash flows and liquidity position is shown in the financial statements and notes to financial statements. In addition note 22 to the financial statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposures to credit risk and liquidity risk.

The Company has considerable financial resources together with contract from a major oil mill selected on bidding and tender basis. Suppliers of fertilisers and transporters are selected through open tender to control cost of operations. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

ACCOUNTABILITY AND AUDIT

The directors are ultimately responsible for keeping proper accounting records of the Company. The directors' statement of responsibility in respect of the financial statements is set out below.

THE NARBOROUGH PLANTATIONS, plc (109273)

(Incorporated in England and Wales)

DIRECTORS' REMUNERATION REPORT

The Board presents its Directors' Remuneration Report for the year ended 31 December 2011 to the shareholders. This Report covers both Executive and Non-executive Directors.

A resolution will be put to the shareholders at the forthcoming Annual General Meeting on 22 June 2012 inviting them to consider and approve this Report.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee ("the Committee") comprises entirely of non-executive directors, namely Mr Roslan Bin Hamir (Chairman), Mr Stephen William Huntsman and Madam Lim Hu Fang. The Committee operates within agreed terms of reference and in respect of directors' remuneration, is responsible for making recommendations to the Board on the performance related packages for the executive director and senior management as well as non-executive directors.

The Committee meets as required and seeks professional advice, as necessary from inside and outside the Company.

In its consideration of directors' remuneration matters for the financial period under review, the following persons provided advice or services to the Committee.

- Internal support was provided by the Company Secretary; and

- Thomson Financial was responsible for preparing Total Shareholder Return (TSR) calculations for the purpose of this Report. Thomson Financial did not provide any other advice or services to the Company.

Compliance

The directors are satisfied that as far as practical the Company has complied with the provision of the UK Corporate Governance Code and Revised Combined Code relating to Directors' Remuneration throughout the year.

Remuneration Policy

The remuneration of all directors, including the Chairman is determined by the Board as a whole, on the recommendation of the Committee. The decision of the Board on directors' remuneration is taken in relation to the size and operation of the Company along with pay and employment conditions of its other employees in the organisation.

In ensuring continuing improvement in the performance of the Company, the overall remuneration policy is aimed at attracting, retaining and motivating high calibre management. Consistent with this policy, the component parts of the remuneration package are designed to link rewards to individual and corporate performance in the case of executive director consistent with the consideration of pay and employment conditions of other employees of the Company. For non-executive directors, the fee levels are intended to commensurate with the experience and level of responsibilities of the non-executive directors concerned. This policy is currently to be applied in subsequent years.

UNAUDITED INFORMATION

Elements of Remuneration

The directors' remuneration comprises directors' basic salary, fee and benefits in kind.

Non-executive directors' fees

All non-executive directors except for the Chairman received a director's fee of RM34,300 (£7,000) which is an increase from RM28,680 (£6,000) for year ended 31 December 2010. The Chairman was awarded with a director's fee of RM39,200 (£8,000) which is an increase from RM28,680 (£6,000) for the year ended 31 December 2010. The directors' fees have not changed for the past 6 years. Hence, in keeping with the directors remuneration of other listed companies of similar size and organisation the aforementioned increases have been decided by Remuneration and Nomination Committee.

Executive directors' Service Contract

The Executive Director, Mr Adrian Tsen Keng Yam is not under a service contract. He was remunerated with a director's fee of RM34,300 (£7,000) for the financial year ended 31 December 2011.

Benefits in kind

Madam Juliana Manohari Devadason, as the Chairman of the Company is provided with a company car, the benefit arising from the use of the car amounted to RM5,000 (£1,020).

Other emoluments

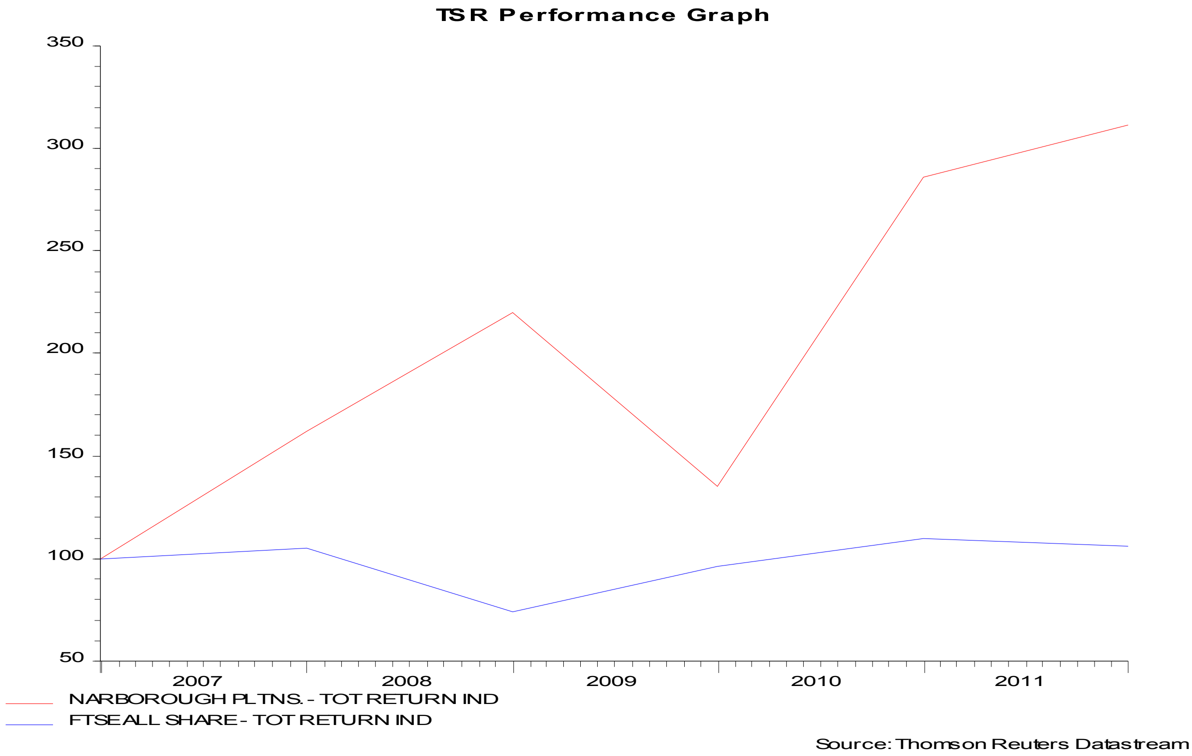
All directors serve the Company by appointment in which they have given their consent to act in the capacity as director with the approval of the shareholders; they do not have any service contracts. It is the policy of the Company that all directors do not participate in incentive or pension schemes.

Total Shareholder Return

The Directors' Remuneration Report Regulation requires disclosure of Total Shareholder Return ("TSR"), which is defined as the growth in share value and declared dividend income during the determined period.

Performance Graph

This performance graph set out below illustrate the Company's TSR performance over the preceding five years, 2007 to 2011, compared with that of the FTSE All Share Index and has been prepared in accordance with the Regulations. This index was chosen as it represents the performance of the market in general.



AUDITED INFORMATION

The following part provides details of the remuneration and share interests of all the Directors for the year ended 31 December 2011. The numerical components of these disclosures have been audited in accordance with Section 421 of the UK Companies Act 2006.

Directors' Individual Remuneration

The details of the remuneration of each director of the Company during the financial year are as follows:

	Fees	Benefit in Kind	Total 2011 (12 months)	Total 2010 (12 months)
	£	£	£	£
Executive				
Adrian Tsen Keng Yam	7,000	-	7,000	6,000
Non-executive				
Juliana Manohari Devadason	8,000	1,020	9,020	7,142
Roslan Bin Hamir	7,000	-	7,000	6,000
Stephen William Huntsman	7,000	-	7,000	6,000
Lim Hu Fang	7,000		7,000	1,000
Jeraman @ Jayaraman A/L Narainan*	-	-	-	6,000
	29,000	1,020	30,020	26,142
Grand total	36,000	1,020	37,020	32,142

* Mr Jeraman @ Jayaraman A/L Narainan resigned as an Independent Non-Executive Director on 31 December 2010.

Directors' Individual Remuneration (continued)

During the financial year under review or the prior period, there was no:

- incentive payment;
- payment in respect of qualifying services by way of expenses allowance that was chargeable to UK income tax;
- compensation in respect of loss of office or in connection with termination of qualifying services;
- share option scheme;
- awards under long-term schemes held by directors; and
- pension scheme.

The Directors' Remuneration Report was approved by the Board of Directors and signed on its behalf by:

Roslan Bin Hamir
Chairman
Remuneration & Nomination Committee
24 February 2012

THE NARBOROUGH PLANTATIONS, plc (109273)

(Incorporated in England and Wales)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets of the company, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 2006. The directors have chosen to prepare financial statements for the company in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful presentation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. A fair presentation also requires the Directors to:

- consistently select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The directors confirm to the best of their knowledge:

- the Company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.
- the directors' report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description or the principal risks and uncertainties that they face.

Financial statements are published on the Company's website – www.narboroughplantations.com in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

This statement is made in accordance with the resolution of the Board of Directors dated 24 February 2012 and authorised for issue on 24 February 2012.

THE NARBOROUGH PLANTATIONS, plc (109273)

(Incorporated in England and Wales)

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

Continuing operations

		2011		2010	
	NOTE	**RM**	**£**	**RM**	**£**
Revenue	2	9,675,947	1,974,683	7,102,574	1,429,089
Cost of sales		(2,215,223)	(452,086)	(2,045,951)	(411,660)
Gross profit		7,460,724	1,522,597	5,056,623	1,017,429
Gain arising on revaluation of biological assets		1,217,412	248,451	13,112	2,743
Other operating income		15,020	3,065	26,131	5,258
Administrative expenses		(844,980)	(172,445)	(698,595)	(140,562)
Foreign exchange gain/(loss)		68,679	14,016	(404,866)	(81,462)
Replanting expenditure		(52,961)	(10,808)	(78,976)	(15,891)
Operating profit		7,863,894	1,604,876	3,913,429	787,515
Share of profit of associate after tax		900,069	183,688	1,036,629	208,577
Gain from disposal of property, plant and equipment		-	-	44,999	9,054
Property, plant and equipment written off		-	-	(1,224)	(256)
Finance income	3	325,378	66,404	200,337	40,309
Finance costs	4	(18,849)	(3,805)	(18,811)	(3,805)
Profit before tax	5	9,070,492	1,851,163	5,175,359	1,041,394
Tax expense	6	(2,104,042)	(429,396)	(1,175,968)	(236,613)
Profit for the financial year		6,966,450	1,421,767	3,999,391	804,781
Profit for the financial year attributable to:					
- Owners of the parent		6,966,450	1,421,767	3,999,391	804,781
Earnings per share - basic and diluted (sen/pence)	7	52.31 sen	10.68 pence	30.03 sen	6.04 pence

The accompanying notes form an integral part of this income statement.

THE NARBOROUGH PLANTATIONS, plc (109273)

(Incorporated in England and Wales)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	2011		**2010 (Restated)**	
	RM	**£**	**RM**	**£**
Profit for the financial year	6,966,450	1,421,767	3,999,391	804,781
Other comprehensive income				
The total of the net (deficit)/ surplus arising on translation of statement of financial position items at beginning of period and results of the financial year to financial year-end exchange rate has been further analysed to show the impact of foreign exchange rates on each of the component parts of equity as represented by net assets:				
- revaluation reserve	-	(106,856)	-	571,194
- capital reserve	-	(13,040)	-	67,020
- foreign exchange reserve	-	(25,495)	-	136,281
- general reserve	-	(4,481)	-	23,955
- retained earnings	-	(99,427)	-	468,571
Share of associates' other comprehensive income				
- Capital reserve	155,778	31,791	98,023	20,507
Total other comprehensive income	155,778	(217,508)	98,023	1,287,528
Total comprehensive income for the financial year	7,122,228	1,204,259	4,097,414	2,092,309
Total comprehensive income attributable to:				
- Owners of the parent	7,122,228	1,204,259	4,097,414	2,092,309

The accompanying notes form an integral part of this statement of comprehensive income.

THE NARBOROUGH PLANTATIONS, plc (109273)

(Incorporated in England and Wales)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	NOTE	2011 RM	2011 £	2010 (Restated) RM	2010 (Restated) £
ASSETS					
Non-current assets					
Property, plant and equipment	8	14,834,568	3,027,464	14,752,286	3,086,252
Biological assets	8	15,777,875	3,219,974	14,560,463	3,046,122
Prepaid lease payments	9	44,034	8,986	70,455	14,740
Investment in associate	10	10,894,493	2,223,366	9,838,646	2,058,294
Total non-current assets		41,550,970	8,479,790	39,221,850	8,205,408
Current assets					
Deferred nursery expenditure	11	98,311	20,063	-	-
Inventories		12,161	2,482	13,124	2,745
Trade and other receivables	12	433,459	88,461	614,423	128,540
Cash and cash equivalents	13	14,856,766	3,031,993	12,193,874	2,551,020
Current tax assets		123,577	25,220	-	-
Total current assets		15,524,274	3,168,219	12,821,421	2,682,305
Total assets		57,075,244	11,648,009	52,043,271	10,887,713
Liabilities					
Non-current liabilities					
Provision for retirement benefits	14	(25,156)	(5,134)	(30,763)	(6,436)
Deferred tax liabilities	15	(3,980,538)	(812,355)	(3,679,712)	(769,814)
Cumulative preference shares	16	(84,163)	(19,024)	(84,163)	(19,024)
Total non-current liabilities		(4,089,857)	(836,513)	(3,794,638)	(795,274)
Current liabilities					
Trade and other payables	17	(613,490)	(125,202)	(455,061)	(95,201)
Current tax liabilities		-	-	(234,805)	(49,122)
Total current liabilities		(613,490)	(125,202)	(689,866)	(144,323)
Total liabilities		(4,703,347)	(961,715)	(4,484,504)	(939,597)
TOTAL NET ASSETS		52,371,897	10,686,294	47,558,767	9,948,116

The accompanying notes form an integral part of this statement of financial position.

THE NARBOROUGH PLANTATIONS, plc (109273)

(Incorporated in England and Wales)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011 (continued)

		2011		2010 (Restated)	
	NOTE	**RM**	**£**	**RM**	**£**
Issued capital and reserves attributable to owners of the parent	19				
Share capital	18	4,891,969	1,331,659	4,891,969	1,331,659
Other reserves		24,432,209	4,651,019	24,276,431	4,769,100
Retained earnings		23,047,719	4,703,616	18,390,367	3,847,357
TOTAL EQUITY		52,371,897	10,686,294	47,558,767	9,948,116

The financial statements were approved and authorised for issue by the Board of Directors on 24 February 2012 and were signed on its behalf by:

JULIANA MANOHARI DEVADASON
Chairman

The accompanying notes form an integral part of this statement of financial position.

THE NARBOROUGH PLANTATIONS, plc (109273)

(Incorporated in England and Wales)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Share capital RM	Capital reserve RM	Revaluation reserve, net of attributable deferred tax RM	General reserve RM	Retained earnings RM	Total RM
At 1 January 2010	4,891,969	2,447,190	20,856,520	874,698	19,771,380	48,841,757
Prior year adjustment (Note 25)	-	-	-	-	(3,636,838)	(3,636,838)
Restated balance at 1 January 2010	4,891,969	2,447,190	20,856,520	874,698	16,134,542	45,204,919
Dividends (Note 20)	-	-	-	-	(1,743,566)	(1,743,566)
Profit for the financial year	-	-	-	-	3,999,391	3,999,391
Other comprehensive income	-	98,023	-	-	-	98,023
At 31 December 2010	4,891,969	2,545,213	20,856,520	874,698	18,390,367	47,558,767
Dividends (Note 20)	-	-	-	-	(2,309,098)	(2,309,098)
Profit for the financial year	-	-	-	-	6,966,450	6,966,450
Other comprehensive income	-	155,778	-	-	-	155,778
At 31 December 2011	4,891,969	2,700,991	20,856,520	874,698	23,047,719	52,371,897

The accompanying notes form an integral part of this statement of financial position.

THE NARBOROUGH PLANTATIONS, plc (109273)

(Incorporated in England and Wales)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 (continued)

	Share capital £	Capital reserve £	Revaluation reserve, net of attributable deferred tax £	Foreign exchange reserve £	General reserve £	Retained earnings £	Total £
At 1 January 2010	1,331,659	444,944	3,792,095	(445,932)	159,036	3,594,796	8,876,598
Prior year adjustment (Note 25)	-	-	-	-	-	(661,243)	(661,243)
Restated balance at 1 January 2010	1,331,659	444,944	3,792,095	(445,932)	159,036	2,933,553	8,215,355
Dividends (Note 20)	-	-	-	-	-	(359,548)	(359,548)
Profit for the financial year	-	-	-	-	-	804,781	804,781
Other comprehensive income	-	87,527	571,194	136,281	23,955	468,571	1,287,528
At 31 December 2010	1,331,659	532,471	4,363,289	(309,651)	182,991	3,847,357	9,948,116
Dividends (Note 20)	-	-	-	-	-	(466,081)	(466,081)
Profit for the financial year	-	-	-	-	-	1,421,767	1,421,767
Other comprehensive income	-	18,751	(106,856)	(25,495)	(4,481)	(99,427)	(217,508)
At 31 December 2011	1,331,659	551,222	4,256,433	(335,146)	178,510	4,703,616	10,686,294

The accompanying notes form an integral part of this statement of financial position.

THE NARBOROUGH PLANTATIONS, plc (109273)

(Incorporated in England and Wales)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	2011		2010	
	RM	**£**	**RM**	**£**
Operating activities				
Profit before tax	9,070,492	1,851,163	5,175,359	1,041,394
Adjustments for:				
Depreciation of property, plant and equipment	61,267	12,504	59,701	12,012
Amortisation of prepaid lease payment	26,421	5,392	26,420	5,316
Finance costs	18,849	3,805	18,811	3,805
(Reversal of provision)/Provision for retirement	(5,607)	(1,144)	3,407	713
Property, plant and equipment written off	-	-	1,224	256
Gain on disposal of property, plant and equipment	-	-	(44,999)	(9,054)
Share of profit of associate after tax	(900,069)	(183,688)	(1,036,629)	(208,577)
Finance income	(325,378)	(66,404)	(200,337)	(40,309)
Gain arising on revaluation of biological assets	(1,217,412)	(248,451)	(13,112)	(2,743)
Operating cash flow before changes in working capital	6,728,563	1,373,177	3,989,845	802,813
Increase in deferred nursery expenditure	(98,311)	(20,063)	-	-
Decrease/(Increase) in inventories	963	197	(68)	(14)
Decrease/(Increase) in trade and other receivables	180,964	36,931	(289,520)	(60,569)
Increase/(Decrease) in trade and other payables	158,429	32,332	(131,406)	(27,491)
Cash generated from operations	6,970,608	1,422,574	3,568,851	714,739
Tax paid	(2,161,598)	(441,142)	(885,133)	(178,095)
Net cash flow from operating activities	4,809,010	981,432	2,683,718	536,644
Investing activities				
Purchases of property, plant and equipment	(143,549)	(29,295)	(170,564)	(35,683)
Proceeds from disposal of property, plant and equipment	-	-	45,000	9,054
Interest received	325,378	66,404	200,337	40,309
Net cash flow from investing activities	181,829	37,109	74,773	13,680

THE NARBOROUGH PLANTATIONS, plc (109273)

(Incorporated in England and Wales)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 (continued)

	2011		2010	
	RM	**£**	**RM**	**£**
Financing activities				
Dividends paid on ordinary shares	(2,309,098)	(466,081)	(1,743,566)	(359,548)
Dividends paid on cumulative preference shares	(18,849)	(3,805)	(18,811)	(3,805)
Net cash flow used in financing activities	(2,327,947)	(469,886)	(1,762,377)	(363,353)
Increase in cash and cash equivalents	2,662,892	548,655	996,114	186,971
Effects of exchange rate changes	-	(67,682)	-	328,093
Cash and cash equivalents at beginning of financial year	12,193,874	2,551,020	11,197,760	2,035,956
Cash and cash equivalents at end of financial year (Note 13)	14,856,766	3,031,993	12,193,874	2,551,020

The accompanying notes form an integral part of this statement of financial position.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs").

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires the Entity management to exercise judgements and estimates have been made in preparing the financial statements and their effects are disclosed in Note 1.13 to the financial statements.

(a) New standards, interpretations and amendments effective from 1 January 2011

The following new standards, interpretations and amendments, are effective for the first time in these financial statements but none have had a material effect on the financial statements:

- ***Classification of Rights Issues (Amendment to IAS 32)***
- ***IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments***
- ***Revised IAS 24 Related Party Disclosures***
- ***Amendments to IFRIC 14 IAS 19 – Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction***
- ***Improvements to IFRSs (2010)***
- ***Disclosures – Transfers of Financial Assets (Amendments to IFRS 7)***
- ***Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to IFRS 1)****

* Not endorsed by the EU as at the date of approval of these financial statement.

None of the other new standards, interpretations and amendments effective for the first time from 1 January 2011, have had a material effect on the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.1 Basis of accounting (continued)

(b) Standards, amendments and interpretations to published standards not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after 1 January 2012 or later periods and which the Company has decided not to adopt early. These are:

- ***Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)****
- ***Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)****
- ***IFRS 10 Consolidated Financial Statements****
- ***IFRS 11 Joint Arrangements****
- ***IFRS 12 Disclosure of Interests in Other Entities****
- ***IFRS 13 Fair Value Measurement****
- ***IAS 27 Separate Financial Statements****
- ***IAS 28 Investments in Associates and Joint Ventures****
- ***Amendments to IAS 19 Employee Benefits***
- ***IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine****
- ***Disclosures-Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)****
- ***Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)****
- ***IFRS 9 Financial Instruments****

* Not endorsed by the EU as at the date of approval of these financial statement.

The directors do not anticipate that the adoption of the above standards and interpretations will have a material impact on the Company's financial statements, other than increasing disclosure, in the period of initial adoption and subsequent periods.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.2 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation, which is the fair value at the date of revaluation, less accumulated depreciation and impairment losses, if any.

The freehold estate and residential land were revalued in 2007. These are revalued at regular intervals of at least once in every five (5) years with additional valuations in the intervening years where market conditions indicate that the carrying values of the revalued properties materially differ from the market values.

The surplus arising from such valuations is credited to shareholders' equity as a revaluation reserve and any subsequent deficit is charged against the surplus until it reduces the carrying value to its depreciated historic cost. In all other cases, the deficit will be charged to the income statement.

For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus should be recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to shareholders' equity.

Upon disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement and the revaluation reserve related to the asset, if any, is transferred directly to retained earnings.

The freehold estate land is not depreciated. Depreciation of other property, plant and equipment are provided on a straight line basis at rates calculated to write off their cost over the following estimated useful lives.

Buildings	5%
Vehicles	15% - 20%
Machinery	10% - 20%
Fixtures, fittings and electrical installation	10%
Furniture and equipment	10%
Information technology equipment	25%

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 1.7 to the financial statements on impairment of non-financial assets).

The residual values, useful life and depreciation method are reviewed at each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.3 Lease of land

The lump-sum upfront payments made to acquire the interest in the leasehold land represent prepaid lease payments and are amortised on a straight-line basis over the remaining lease period of approximately two (2) years.

1.4 Biological assets

Biological assets are stated at fair value less estimated point of sale costs. The movement in fair value of biological assets is charged or credited to the income statement for the relevant period.

1.5 New planting, replanting expenditure and deferred nursery expenditure

New planting expenditure incurred on land clearing and upkeep of trees to maturity is capitalised under plantation development expenditure and is not amortised.

Replanting expenditure is charged to the income statement in the financial year in which the expenditure is incurred.

Deferred nursery expenditure is capitalised under plantation development expenditure at cost and charged to the income statement on replanting of crops.

1.6 Associate

Where the Company has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Investment in associate is accounted using the equity method of accounting. Under the equity method, the investment in associate is carried in the statement of financial position at cost adjusted for post-acquisition changes in the Company’s share of net assets of the associate. Where there has been a change recognised directly in the equity of the associate, the Company recognises its share of such changes. The Company's share of post-acquisition profits and losses is recognised in the income statement, except that losses in excess of the Company’s investment in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Company and its associate are recognised only to the extent of unrelated investors' interests in the associate. The Company's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any excess of the cost of acquisition over the Company’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Any excess of the Company’s share of net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.7 Impairment of non-financial assets

The carrying amounts of the Company's assets, other than biological assets, inventories and financial assets (other than investment in associate), are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset.

The impairment loss is recognised in the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation reserve account to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to the income statement.

Reversals of an impairment loss are recognised as income immediately in the income statement if the original impairment had been recognised there. Reversal of an impairment loss previously recognised directly against revaluation reserve is treated as a revaluation increase and credited to the revaluation reserve account of the same asset.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.8 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

1.9 Retirement benefits

The Company has no pension plans other than its mandatory contribution to provident funds approved by the Malaysian government (as stated in Note 1.16.2 below) and provision for lump sum payments of retirement benefits to staff and workers upon their retirement. The provision for lump sum payments is based on the collective agreements between the Malaysian Agricultural Producers Association (MAPA) and All Malaysia Estate Staff Union (AMESU) and National Union of Plantation Workers (NUPW) respectively. The Company's obligation is limited to the agreed terms.

1.10 Taxation

1.10.1 Current tax expense

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of each reporting period, and any adjustment to tax payable in respect of previous years.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.10 Taxation (continued)

1.10.2 Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates and tax laws that have been enacted or substantively enacted by the end of each reporting period. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity such as revaluations, in which case the deferred tax is also dealt with in equity.

The Company has historically not recognised deferred tax in relation to gains recognised on revaluation of biological assets. This treatment reflected the fact that the freehold land and biological assets attached to it comprise in substance a single asset, the ultimate disposal of which would not be subject to tax under current Malaysian Real Property Gains Tax law for landed properties held for more than five (5) years.

The Company has reviewed the accounting for deferred tax and concluded that, notwithstanding their physical substance, the freehold land and associated biological assets represent separate classes of asset for accounting purposes. As a consequence of this and the application of the principles of IAS 12 *Income Taxes*, provision has now been made for deferred tax in respect of biological asset revaluation gains.

This has resulted in an increase in the provision for deferred tax brought forward at 1 January 2010 of RM3,636,838 (£661,243) and a consequential reduction in retained earnings of the same amount. No adjustment has been made to the results for the year ended 31 December 2010 due to the immateriality of the biological asset revaluation gains recognised in that year. Had this change not been applied then the profit after taxation for the current financial year would have increased by RM304,353 (£62,113). Given that the impact on the statement of financial position at 1 January 2010 is the same as for 31 December 2010 the statement of financial position at 1 January 2010 has not been presented. This provision for deferred tax represents an estimate of income taxes that will arise in future periods as the carrying amount of the biological asset to which it relates is recovered through use. As such, the deferred tax liability represents a non-cash item which has no impact on the cash flows of the Company for the current period.

1. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

1.11 Foreign currencies

1.11.1 Functional and presentation currency

The financial statements are measured in Ringgit Malaysia (RM), which is the functional currency, being the currency of the primary economic environment in which the Company operates. The financial statements are presented in both RM and Pound Sterling. The statement of financial position is translated to Pound Sterling for presentation purpose at an exchange rate of RM1 = 20.41p (2010: RM1 = 20.92p) whereas the income statement is translated at an average exchange rate of RM1 = 20.41p (2010: RM1 = 20.12p).

1.11.2 Transactions during the financial year

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange rate differences are taken to the income statement.

1.11.3 Translation into sterling at financial year end

The principal exchange rates for every unit of foreign currency ruling at the end of the reporting period used is as follows:

	2011 **RM**	**2010** **RM**
Pound Sterling	4.90	4.78

The opening balances of reserves (excluding the exchange translation reserve and revaluation reserve) at the reporting period are translated from Ringgit Malaysia into Pound Sterling at the rate of exchange at 31 December 2011 of RM1 = 20.41p (2010: RM1 = 20.92p). The Ringgit Malaysia equivalent of the share capital has been translated at the equivalent of RM1 = 27.14p. Exchange differences on translation are dealt with through the foreign exchange reserve.

1.12 Revenue

(i) Sale of goods

Revenue from sale of fresh fruit bunches (FFB) is recognised in the income statement when delivery has taken place and transfer of risks and rewards have been completed.

(ii) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.13 Use of estimates

The preparation of the financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported assets and liabilities and reported revenue and expenses. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

The main areas in which estimates are used are fair value of biological assets and deferred tax. Assumptions regarding the valuation of biological assets are set out in Note 8 to the financial statements. Details regarding deferred tax are set out in Note 14 to the financial statements.

1.14 Dividends

Equity dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is recognised when paid. In the case of final dividends, this is recognised when approved by the shareholders at the General Meeting.

1.15 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares including convertible notes and share options granted to employees, if any.

1.16 Employee benefits

1.16.1 Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the income statement in the period in which the associated services are rendered by the employees.

Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.16 Employee benefits (continued)

1.16.2 Defined contribution plan

The Company makes contributions to a statutory provident fund and recognises the contributions payable:

(i) after deducting contributions already paid as a liability; and

(ii) as an expense in the financial year in which employees render their services.

1.17 Cumulative preference shares

The cumulative preference shares are recorded at the amount of proceeds received, net of transaction costs.

The cumulative preference shares are classified as non-current liabilities in the statement of financial position and the preferential dividends are recognised as finance costs in profit or loss in the period in which they are incurred.

1.18 Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company has not classified any of its financial assets as fair value through profit or loss, available-for-sale and held to maturity. The Company's accounting policy for loans and receivables is as follows:

Loans and receivables:

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset. Receivables are initially measured at fair value and subsequently at amortised cost less provision for any impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.18 Financial assets (continued)

Loans and receivables (continued):

The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

1.19 Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company has not classified any of its financial liabilities as fair value through profit or loss. The Company's accounting policy for other financial liabilities is as follows:

Other financial liabilities include the following items:

- Trade payables and other short-term monetary liabilities, which are initially measured at fair value and subsequently at amortised cost.

- Bank borrowings, if any, are initially recognised at the amount received net of transaction costs. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position.

1.20 Share capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The cumulative preference shares include a contractual obligation on the Company to deliver cash in the form of the annual preference dividend and, in the absence of any other terms that would indicate an equity element, have been classified wholly as a financial liability.

The Company’s ordinary shares are classified as equity instruments.

For the purposes of the disclosures given in Note 22 to the financial statements, the Company considers its capital to comprise its ordinary share capital, accumulated retained earnings and its cumulative preference shares which are classified as a financial liability in the statement of financial position. Neither the foreign exchange reserve nor the revaluation reserve is considered as capital. There have been no changes in what the Company considers to be capital since the previous financial year.

2. REVENUE

Revenue represents amounts delivered in respect of the sale of fresh fruit bunches (FFB). The analysis of revenue by activity is as follows:-

	2011		2010	
	RM	£	RM	£
Fresh fruit bunches (FFB)	9,675,947	1,974,683	7,102,574	1,429,089

3. FINANCE INCOME

	2011		2010	
	RM	£	RM	£
Interest from short term deposits	325,378	66,404	200,337	40,309

4. FINANCE COSTS

Finance costs represent dividends on cumulative preference shares as follows:

	2011		2010	
	RM	£	RM	£
Interim: Single tier 20% (2010: 20% single tier)	18,849	3,805	18,811	3,805

5. PROFIT BEFORE TAX

	2011		2010	
	RM	£	RM	£
Profit before tax is arrived at after charging:-				
Amortisation of prepaid lease payments (Note 9)	26,421	5,392	26,420	5,316
Auditors' remuneration audit services	102,470	20,912	90,285	18,166
Directors' remuneration - fees	176,400	36,000	148,180	31,000
Depreciation on property, plant and equipment (Note 8)	61,267	12,504	59,701	12,012
Loss on foreign exchange	2,453	501	413,363	83,172
Windfall tax levy	313,735	64,028	97,981	19,714
Property, plant and equipment written off (Note 8)	-	-	1,224	256
Staff costs (Note 21)	950,995	194,081	873,617	175,806
(Reversal of provision)/Provision for retirement benefits	(5,607)	(1,144)	3,407	713

5. PROFIT BEFORE TAX (continued)

	2011 RM	2011 £	2010 RM	2010 £
and crediting:-				
Gain on foreign exchange	71,132	14,517	8,497	1,710
Gain on disposal of property, plant and equipment	-	-	44,999	9,054

6. TAX EXPENSE

	2011 RM	2011 £	2010 RM	2010 £
Malaysian income tax:				
- current financial year	1,801,423	367,637	1,184,805	238,391
- under/(over) provision in prior years	1,793	366	(19,139)	(3,850)
Deferred tax for the financial year (Note 15)				
- current financial year	308,517	62,963	10,302	2,072
- over provision in prior year	(7,691)	(1,570)	-	-
	2,104,042	429,396	1,175,968	236,613

The tax residence of the Company is in Malaysia.

A reconciliation of the Malaysian income tax rate to the effective tax rate of the Company is as follows:-

	% of Profit Before Taxation 2011	% of Profit Before Taxation 2010
Malaysian income tax rate	25.0	25.0
Increase/(Decrease) resulting from:		
Non allowable expenses	0.9	3.4
Non taxable income	(2.5)	(5.1)
Crystallisation of deferred tax liabilities on revaluation reserves	(0.1)	(0.2)
	23.3	23.1
Over provision in prior years	(0.1)	(0.5)
Effective tax rate	23.2	22.6

7. EARNINGS PER SHARE

The calculation of basic earnings per share at 31 December 2011 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	2011		2010	
	RM	£	RM	£
Profit for the financial year attributable to owners of the parent	6,966,450	1,421,767	3,999,391	804,781

	2011	2010
Weighted average number of ordinary shares of 10p each	13,316,590	13,316,590
Basic and diluted earnings per share (sen)	52.31 sen	30.03 sen
Basic and diluted earnings per share (pence)	10.68 pence	6.04 pence

8. BIOLOGICAL ASSETS, PROPERTY, PLANT AND EQUIPMENT

	LAND AND <---- BUILDINGS ---->					
2011	Freehold estate land	Freehold residential land, buildings and estate building	Biological assets	Vehicles, machinery and field equipment	Total	Total
	£	£	£	£	£	RM
At Cost or Valuation						
At 1 January 2011	3,028,238	70,065	3,046,122	114,186	6,258,611	29,916,163
Additions	-	234	-	29,061	29,295	143,549
Revaluation	-	-	248,451	-	248,451	1,217,412
Exchange differences	(74,160)	(1,715)	(74,599)	(2,796)	(153,270)	-
At 31 December 2011	2,954,078	68,584	3,219,974	140,451	6,383,087	31,277,124
Representing items at:						
Cost	-	68,584	-	140,451	209,035	1,024,269
Valuation	2,954,078	-	3,219,974	-	6,174,052	30,252,855
	2,954,078	68,584	3,219,974	140,451	6,383,087	31,277,124

8. BIOLOGICAL ASSETS, PROPERTY, PLANT AND EQUIPMENT (continued)

2011	LAND AND <---- BUILDINGS ----> Freehold estate land	Freehold residential land, buildings and estate building	Biological assets	Vehicles, machinery and field equipment	Total	Total
	£	£	£	£	£	RM
Accumulated depreciation						
At 1 January 2011	-	45,394	-	80,843	126,237	603,414
Charge for the financial year	-	2,143	-	10,361	12,504	61,267
Exchange differences	-	(1,112)	-	(1,980)	(3,092)	-
At 31 December 2011	-	46,425	-	89,224	135,649	664,681

2010	LAND AND <---- BUILDINGS ----> Freehold estate land	Freehold residential land, buildings and estate building	Biological assets	Vehicles, machinery and field equipment	Total	Total
	£	£	£	£	£	RM
At Cost or Valuation						
At 1 January 2010	2,631,815	60,537	2,644,973	90,344	5,427,669	29,852,175
Additions	-	410	-	35,273	35,683	170,564
Revaluation	-	-	2,743	-	2,743	13,112
Disposals	-	-	-	(24,747)	(24,747)	(118,289)
Written off	-	-	-	(293)	(293)	(1,399)
Exchange differences	396,423	9,118	398,406	13,609	817,556	-
At 31 December 2010	3,028,238	70,065	3,046,122	114,186	6,258,611	29,916,163
Representing items at:						
Cost	-	70,065	-	114,186	184,251	880,720
Valuation	3,028,238	-	3,046,122	-	6,074,360	29,035,443
	3,028,238	70,065	3,046,122	114,186	6,258,611	29,916,163

8. BIOLOGICAL ASSETS, PROPERTY, PLANT AND EQUIPMENT (continued)

2010	LAND AND <---- BUILDINGS ----> Freehold estate land	Freehold residential land, buildings and estate building	Biological assets	Vehicles, machinery and field equipment	Total	Total
	£	£	£	£	£	RM
Accumulated depreciation						
At 1 January 2010	-	37,138	-	83,258	120,396	662,176
Charge for the financial year	-	2,561	-	9,451	12,012	59,701
Disposals	-	-	-	(24,746)	(24,746)	(118,288)
Written off	-	-	-	(37)	(37)	(175)
Exchange differences	-	5,695	-	12,917	18,612	-
At 31 December 2010	-	45,394	-	80,843	126,237	603,414

	LAND AND <---- BUILDINGS ----> Freehold estate land	Freehold residential land, buildings and estate building	Biological assets	Vehicles, machinery and field equipment	Total	Total
	£	£	£	£	£	RM
Carrying amount						
At 31 December 2011	2,954,078	22,159	3,219,974	51,227	6,247,438	30,612,443
At 31 December 2010	3,028,238	24,671	3,046,122	33,343	6,132,374	29,312,749
At 31 December 2009	2,631,815	23,399	2,644,973	7,086	5,307,273	29,189,999

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amount would have been included in the financial statements of the Company as follows:

	£	RM
Freehold estate land, including biological assets - cost and carrying amount		
At 31 December 2011	746,106	3,655,920
At 31 December 2010	764,837	3,655,920
At 31 December 2009	664,713	3,655,920

8. BIOLOGICAL ASSETS, PROPERTY, PLANT AND EQUIPMENT (continued)

The Company's properties were revalued as follows:-

The freehold estate and the freehold residential land and building were revalued in November 2007 using the Comparison Method. Recent transactions and asking prices of similar properties in the locality were analysed for comparison purposes, adjusted for differences in characteristics to arrive at the market value.

These valuations were carried out by independent valuers, Messrs Colliers, Jordan Lee & Jaafar Sdn. Bhd., Chartered Surveyors, in accordance with the appraisal and valuation manual of The Members' Institution of Surveyors, Malaysia.

Biological assets comprise oil palm and are stated at fair value less estimated point of sale costs as at 31 December 2011. The fair value is calculated as the present value of the estate's operating cash flows over the next ten (10) years, based on Directors' best estimates of future selling prices of fresh fruit bunches. The major assumptions underlying the calculation were an assumed average CPO selling price of RM2,200/MT (2010: RM2,150/MT), an average yield of 24.09/Ha (2010: 22.0/Ha) and an average discount rate of 10.56% (2010: 13.81%) based on the Company's Return on Capital Employed.

<u>Sensitivity analysis for price risk</u>

At 31 December 2011, if the CPO selling price had been 5% lower or higher with all other variables held constant, the gain arising on revaluation of biological assets would have been RM1,566,379 higher or lower, arising mainly as a result of the variation in CPO price.

9. PREPAID LEASE PAYMENTS

2011	**Prepaid lease payments RM**	**Prepaid lease payments £**
Cost/Valuation		
At 1 January 2011	200,000	41,841
Exchange difference	-	(1,025)
At 31 December 2011	200,000	40,816
Accumulated amortisation		
At 1 January 2011	129,545	27,101
Charge for the year	26,421	5,392
Exchange difference	-	(663)
At 31 December 2011	155,966	31,830

9. PREPAID LEASE PAYMENTS (continued)

2010	**Prepaid lease payments RM**	**£**
Cost/Valuation		
At 1 January 2010	200,000	36,364
Exchange difference	-	5,477
At 31 December 2010	200,000	41,841
Accumulated amortisation		
At 1 January 2010	103,125	18,750
Charge for the year	26,420	5,316
Exchange difference	-	3,035
At 31 December 2010	129,545	27,101

	Prepaid lease payments RM	**£**
Carrying amount		
At 31 December 2011	44,034	8,986
At 31 December 2010	70,455	14,740

The prepaid lease payments are due for renewal on 6 September 2013, and requires payment of renewal premium, the quantum of which is subject to the confirmation from the land office.

10. INVESTMENT IN ASSOCIATE

	2011 RM	**2010 RM**
Investment in associate (Unquoted)		
At cost	118,301	118,301
Share of reserves of associate	10,776,192	9,720,345
	10,894,493	9,838,646

10. INVESTMENT IN ASSOCIATE (continued)

	2011 £	2010 £
Investment in associate (Unquoted)		
At cost		
At 1 January 2011/2010	24,749	21,509
Exchange differences	(606)	3,240
At 31 December 2011/2010	24,143	24,749
Share of reserves of associate	2,249,024	1,798,410
Exchange differences	(49,801)	235,135
	2,223,366	2,058,294

The Company holds 33⅓% (2010: 33⅓%) of the issued ordinary share capital of Rivaknar Holdings Sdn. Bhd., a company incorporated in Malaysia, whose principal activity is an investment holding company. The reporting period of its associate, Rivaknar Holdings Sdn. Bhd. is 31 December and has issued ordinary share capital of 355,200 shares of RM1 each.

Aggregated amounts relating to the associate are as follows:-

	2011		2010	
	RM	£	RM	£
Non-current assets	33,698,840	6,877,314	26,196,294	5,479,585
Current assets	7,587,968	1,548,565	12,457,471	2,606,165
Total assets	41,286,808	8,425,879	38,653,765	8,085,750
Current liabilities	8,598,568	1,754,810	9,137,685	1,911,650
Non-current liabilities	9,414	1,921	3,880	812
Total liabilities	8,607,982	1,756,731	9,141,565	1,912,462
Revenue	5,230,306	1,067,409	4,506,948	942,876
Profit before tax	3,550,237	724,538	3,868,302	809,268
Tax expense	(849,759)	(173,420)	(758,414)	(158,664)
Profit after tax	2,700,478	551,118	3,109,888	650,604

11. DEFERRED NURSERY EXPENDITURE

	2011 RM	2011 £	2010 RM	2010 £
At cost				
Balance at 1 January	-	-	-	-
Additions for the year	98,311	20,063	-	-
	98,311	20,063	-	-

12. TRADE AND OTHER RECEIVABLES

	2011 RM	2011 £	2010 RM	2010 £
Trade receivables	385,775	78,729	584,681	122,318
Other receivables	26,592	5,427	13,096	2,740
Deposits	5,424	1,107	5,424	1,135
Prepayments	15,668	3,198	11,222	2,347
	433,459	88,461	614,423	128,540

The carrying amount of trade and other receivables approximate to their fair values.

13. NOTES SUPPORTING THE STATEMENT OF CASH FLOWS

Cash and cash equivalents for purposes of the statement of cash flows comprises:

	2011 RM	2011 £	2010 RM	2010 £
Cash and bank balances	531,699	108,510	393,141	82,247
Short term deposits	14,325,067	2,923,483	11,800,733	2,468,773
	14,856,766	3,031,993	12,193,874	2,551,020

14. PROVISION FOR RETIREMENT BENEFITS

	2011 RM	2011 £	2010 RM	2010 £
At 1 January 2011/2010	30,763	6,436	27,356	4,974
Exchange differences	-	(158)	-	749
(Reversal of provision)/Provision for the financial year	(5,607)	(1,144)	3,407	713
At 31 December 2011/2010	25,156	5,134	30,763	6,436

15. DEFERRED TAX LIABILITIES

	2011		2010 (Restated)	
	RM	£	RM	£
At 1 January 2011/2010	3,679,712	769,814	32,572	5,922
Prior year adjustment (Note 25)	-	-	3,636,838	661,243
Restated balance at 1 January 2011/2010	3,679,712	769,814	3,669,410	667,165
Deferred tax arising from excess of capital allowance over corresponding depreciation	12,015	2,452	18,153	3,652
Biological asset	304,353	62,113	-	-
Crystallisation of deferred tax arising from revaluation surplus	(7,851)	(1,602)	(7,851)	(1,580)
	308,517	62,963	10,302	2,072
Overprovision in prior year	(7,691)	(1,570)	-	-
Recognised in income statement (Note 6)	300,826	61,393	10,302	2,072
Exchange differences	-	(18,852)	-	100,577
At 31 December 2011/2010	3,980,538	812,355	3,679,712	769,814

The components of deferred tax as at the end of the financial year comprise the tax effect of:

	2011		2010 (Restated)	
	RM	£	RM	£
Deferred tax				
Excess of capital allowances over corresponding depreciation	32,552	6,643	21,939	4,590
Biological asset	3,941,191	804,325	3,636,838	760,844
Other temporary differences	(6,289)	(1,283)	-	-
Crystallisation of deferred tax arising from revaluation surplus	13,084	2,670	20,935	4,380
	3,980,538	812,355	3,679,712	769,814

16. CUMULATIVE PREFERENCES SHARES

	2011		2010	
	RM	£	RM	£
Authorised:				
20% cumulative preference shares of 10p each	84,163	19,024	84,163	19,024
Issued and fully paid up:				
20% cumulative preference shares of 10p each	84,163	19,024	84,163	19,024

The cumulative preference shares have the following rights attached to them:

(a) The right to a fixed cumulative preference dividend of 20% per annum.

(b) Entitle to the following in preference to holders of ordinary shares when the Company is wound up:-

(i) repayment of the capital paid up on such shares;
(ii) a premium of 10 pence per share; and
(iii) a sum equivalent to all arrears and accruals of the said fixed preferential dividend but not entitle to any further right to participate in the profit or assets of the Company.

(c) Have the right to vote in each of the following circumstances:-

(i) When the dividend or part of the dividend on the shares is in arrears for more than 6 months;
(ii) On a proposal to reduce the Company's share capital;
(iii) On a proposal to wound up the Company; and
(iv) On a proposal that effect rights attached to the share.

17. TRADE AND OTHER PAYABLES

	2011		2010	
	RM	**£**	**RM**	**£**
Trade payables	24,694	5,040	19,246	4,026
Other payables	69,156	14,113	109,117	22,828
Accruals	519,640	106,049	326,698	68,347
	613,490	125,202	455,061	95,201

The carrying amount of trade and other payable approximates to their fair values.

18. SHARE CAPITAL

	2011		2010	
	RM	**£**	**RM**	**£**
Authorised: 14,809,763 ordinary shares of 10p each	5,926,562	1,480,976	5,926,562	1,480,976
Issued and fully paid up: 13,316,590 ordinary shares of 10p each	4,891,969	1,331,659	4,891,969	1,331,659

19. RESERVES

The following describes the nature and purpose of each reserve within equity:

Reserve	**Description and purpose**
Revaluation	Gains and losses arising on the revaluation of the estate.
Foreign exchange	Gains and losses arising on translating the Company’s financial statements from Ringgit Malaysia to Pound Sterling.
Retained earnings	Cumulative net gains and losses recognised in the income statement less distributions made.
Capital	Share of exchange fluctuation reserve, surplus on revaluation of property and available-for-sale investment reserve of an associate.
General	Share of profit on sale of estate land and mining lease of associate.

20. DIVIDENDS ON EQUITY SHARES

	2011		2010	
	RM	£	RM	£
Dividends on equity shares:				
Ordinary dividends:				
Interim: 1.0 pence single tier (2010: 0.9 pence less 25% tax)	659,837	133,166	418,872	89,887
2nd Interim: 1.0 pence single tier (2010: 0.9 pence single tier)	659,704	133,166	592,535	119,850
Special: Nil (2010: 0.3 pence less 25% tax)	-	-	139,623	29,962
2nd Special: 1.5 pence single tier (2010: 0.9 pence single tier)	989,557	199,749	592,536	119,849
	2,309,098	466,081	1,743,566	359,548

The directors do not recommend the payment of any final dividend for the current financial year.

21. STAFF COSTS

The number of employees (including directors) employed by the Company were as follows:-

	2011	2010
	No.	No.
Management	6	8
Administration	2	4
Field workers	40	47
Total number of employees	48	59

21. STAFF COSTS (continued)

The breakdown of the aggregate staff costs is as follows:-

	2011		2010	
	RM	£	RM	£
Wages and salaries	916,387	187,018	823,047	165,603
Contributions to a defined contribution plan	36,184	7,384	42,840	8,620
Social security costs	4,031	823	4,323	870
Retirement benefits	(5,607)	(1,144)	3,407	713
	950,995	194,081	873,617	175,806

Directors' and key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. In addition to the remuneration of the Executive Director disclosed, the remuneration of key management personnel during the financial year comprised the remuneration of the Manager as follows:

	2011		2010	
	RM	£	RM	£
Salary and bonus	63,300	12,918	82,740	16,648
Contributions to defined contribution plan	3,816	779	4,563	918
	67,116	13,697	87,303	17,566

The information required by the UK Companies Act 2006 and the listing rules of the Financial Services Authority in connection with directors' remuneration is contained in the Directors' Report on Remuneration.

22. FINANCIAL INSTRUMENTS

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

22. FINANCIAL INSTRUMENTS (continued)

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Cumulative preference shares

All financial assets are designated as loans and receivables and all financial liabilities are measured at amortised cost, as shown in the table below:

	Loans and receivables				Financial liabilities measured at amortised cost			
	2011		2010		2011		2010	
	RM	£	RM	£	RM	£	RM	£
Current financial assets								
Trade and other receivables	417,791	85,263	603,201	126,193	-	-	-	-
Cash and cash equivalents	14,856,766	3,031,993	12,193,874	2,551,020	-	-	-	-
Current financial liabilities								
Trade and other payables	-	-	-	-	613,490	125,202	455,061	95,201
Non-current financial liability								
Cumulative preference shares	-	-	-	-	84,163	19,024	84,163	19,024
Total	15,274,557	3,117,256	12,797,075	2,677,213	697,653	144,226	539,224	114,225

22. FINANCIAL INSTRUMENTS (continued)

Fair value

There is no material difference between the book values and fair values of the Company's financial assets and liabilities as at 31 December 2011 and 2010 due to their short term maturity.

General objectives, policies and procedures

The Board has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

Interest rate risk

The Company's only exposure to interest rate fluctuation is short term placements with financial institutions that attract interest income. However, the fluctuation in interest rates, if any, is not expected to have a material impact on the financial performance of the Company. The effective interest rate of deposits at the end of the reporting period was 2.3% per annum (2010: 1.7% per annum).

The interest profile of the Company's financial assets and financial liabilities are as follows:-

	2011		2010	
	RM	**£**	**RM**	**£**
Financial assets				
Fixed rate				
Short term deposits	14,325,067	2,923,483	11,800,733	2,468,773
Floating rate				
Cash and bank balances	531,699	108,510	393,141	82,247
Interest free				
Trade and other receivables	417,791	85,263	603,201	126,193
Financial liabilities				
Fixed rate				
Cumulative preference shares	84,163	19,024	84,163	19,024
Interest free				
Trade and other payables	613,490	125,202	455,061	95,201

22. FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk arises principally from the Company's trade receivable.

The Company has only one customer and is on credit terms. To mitigate the credit risk arising, the Company requires the customer to place advances, representing a certain percentage of the total sales to the customer. This customer has a maximum credit limit and the Company seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by the management.

As such, the maximum exposure to credit risk in the event that the counterparty fails to perform its obligation as at the end of the financial year in relation to trade receivables is the carrying amount of trade receivables as stated in the statement of financial position as at the end of the financial year.

In respect of the short term deposits and cash and bank balances placed with major financial institutions in Malaysia, Singapore and United Kingdom, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy in respect of liquidity is to ensure sufficient cash resources are maintained to meet short-term liabilities. The Company's liquidity risk is minimal as it maintains adequate funds to meet its obligations as and when they fall due.

The Company is financed through equity and cumulative preference shares.

The only significant financial asset the Company has is cash at bank. Cash is held either on current or on short term deposits at both fixed and floating rates of interest determined by the relevant banks' prevailing base rate. Part of the cash at bank is held in Pound Sterling accounts.

Currency risk

The Company is exposed to currency risk as a result of the foreign currency transactions entered into in currencies other than Ringgit Malaysia. The Company's policy is to limit its exposure to currency risk by settlement of its foreign currency transactions denominated in Pound Sterling by using the funds from its bank accounts maintained in Pound Sterling.

The table below shows the Company's currency exposures that give rise to the net currency gains and losses recognised in the income statement. Such exposures comprise the financial assets and financial liabilities of the Company that are not denominated in the functional currency of the Company.

22. FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

As at 31 December 2011, these exposures were as follows:

Foreign currency financial assets

	RM	£
Pound Sterling	2,657,067	545,932

The above foreign currency exposures arise from the Company's cash maintained in Pound Sterling bank accounts.

Capital

As described in Note 1.20 to the financial statements, the Company considers its capital to comprise its ordinary share capital, accumulated retained earnings and its cumulative preference shares which are classified as a financial liability in the statement of financial position.

In managing its capital, the Company's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions and through the payment of annual preference dividends to its preference shareholders. In order to achieve this objective, the Company seeks to balance risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Company to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, the Company considers not only its short-term position but also its long-term operational and strategic objectives.

There have been no other significant changes to the Company's capital management objectives, policies and processes in the year nor has there been any change in what the Company considers to be its capital.

The total amount of capital is as follows:

	2011		2010	
	RM	£	RM	£
Ordinary share capital	4,891,969	1,331,659	4,891,969	1,331,659
Retained earnings	23,047,719	4,703,616	18,390,367	3,847,357
Cumulative preference shares	84,163	19,024	84,163	19,024
	28,023,851	6,054,299	23,366,499	5,198,040

23. RELATED PARTY TRANSACTIONS

Details of Directors remuneration are given in the Remuneration Report and Notes 5 and 20 to the financial statements. Other related party transactions are as follows:

Party	Related party relationship	Type of transaction	Transaction amount 2011		Transaction amount 2010		Amount owing (to)/by 2011		Amount owing (to)/by 2010	
			RM	£	RM	£	RM	£	RM	£
Riverview Rubber Estates Berhad	A company with significant influence over the Company	Interest-free advances received	127,296	25,979	48,910	9,841	-	-	-	-

24. SEGMENT INFORMATION

The Company operates in the agricultural segment in Malaysia. All its fresh fruit bunches are sold in Malaysia to a single customer. Since the Company operates in a single business and geographic segment, no segmental analysis has been presented.

Financial information is presented to management in accordance with the measurement principles of IFRS. There are no adjustments or eliminations made in preparing the Company's financial statements from the reportable segment revenues, profit or loss, assets and liabilities.

25. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to accounting for deferred tax on gain on revaluation of biological asset amounting to RM3,636,838 (1 January 2010: £661,243; 31 December 2010: £760,845), which was previously not recognised. The retained earnings is now adjusted retrospectively in the financial statements of the Company in accordance with IAS 12 *Income Tax*.

The effects on the comparative figures resulting from prior year adjustments are summarised as follows:

As at 1 January 2010

Statement of financial position	**As previously reported**	**Prior year adjustment**	**As restated**
	RM	**RM**	**RM**
Non-current liabilities			
Deferred tax liabilities	32,572	3,636,838	3,669,410
Retained earnings	19,771,380	(3,636,838)	16,134,542

Statement of financial position	**As previously reported**	**Prior year adjustment**	**As restated**
	£	**£**	**£**
Non-current liabilities			
Deferred tax liabilities	5,922	661,243	667,165
Retained earnings	3,594,796	(661,243)	2,933,553

25. PRIOR YEAR ADJUSTMENT (continued)

As at 31 December 2010

Statement of financial position	As previously reported	Prior year adjustment	As restated
	RM	**RM**	**RM**
Non-current liabilities			
Deferred tax liabilities	42,874	3,636,838	3,679,712
Retained earnings	22,027,205	(3,636,838)	18,390,367

Statement of financial position	As previously reported	Prior year adjustment	As restated
	£	**£**	**£**
Non-current liabilities			
Deferred tax liabilities	8,969	760,845	769,814
Retained earnings	4,608,202	(760,845)	3,847,357

26. STATUTORY DISCLOSURE

The annual report and financial statements for the year ended 31 December 2011 were approved by the Board of Directors on 24 February 2012 along with this final result announcement. The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2011 and 2010 but is derived from those accounts. Statutory accounts for 2010 have been delivered to the registrar of companies, and those for 2011 will be delivered in due course. The auditors have reported on those accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.