

THE NARBOROUGH PLANTATIONS, PUBLIC LIMITED COMPANY

(Incorporated in England 1910 – Registration No. 109273)

(Registered as a Foreign Company in Malaysia – No. 991416-W)

INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

THE NARBOROUGH PLANTATIONS, PLC
(Incorporated in England 1910 – Registration No. 109273)
(Registered as a Foreign Company in Malaysia – No. 991416-W)

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RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

- (a) The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
- (b) The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the nine months and description of principal risks and uncertainties for the remaining three months of the year); and
- (c) The interim management report includes a fair review of the information as required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board,

Chairman of the Audit Committee

Mohd Razali Bin Mohd Amin

25 February 2015

THE NARBOROUGH PLANTATIONS, PLC

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INTERIM MANAGEMENT REPORT

To the members of The Narborough Plantations, plc (“the Company”)

Cautionary Statement

This Interim Management Report (IMR) has been prepared solely to provide additional information to shareholders to assess the Company’s strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose.

The IMR contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

This interim management report has been prepared for the Company as a whole and therefore gives greater emphasis to those matters which are significant to the Company and its associate undertakings when viewed as a whole.

The Company’s Business Model and Strategy

The Company was incorporated in the United Kingdom on 27 April 1910 and listed on the London Stock Exchange under FTSE Fledgling (ex IT) index on 21 April 1948. It is also registered as a foreign company in Malaysia under the Companies Act, 1965 in Malaysia.

The principal activity of the Company in the course of the nine months ended 30 September 2014 remained unchanged and consists of cultivation of oil palm at an area known as Sungkai in the State of Perak, Malaysia. The oil palm is a perennial crop which starts yielding palm fruits for oil about three years after planting and it has a continual productive lifespan of 25 - 30 years.

Income

The Company’s income is mainly derived from the sale of oil palm Fresh Fruit Bunches (“FFB”) and other income such as interest received from fixed deposits and supplemented by replanting subsidies from the Government of Malaysia as and when granted.

Sustainable growth and strong cash generation

The Company’s oil palm estate spans approximately 564 hectares with a planted area of 555 hectares which was formerly planted with rubber trees. The oil palm trees are scheduled to be replanted approximately every 25 - 30 years to maintain quality FFB yield for sustainable revenue growth. The Company’s strategy is to achieve higher profitability through disciplined allocation of resources towards achieving higher quality FFB yields with high oil extraction rates which increases the price that can be achieved from FFB leading to strong cash generation.

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INTERIM MANAGEMENT REPORT - continued

Key Performance Indicators

As set out in our most recent annual report, the Company's performance is measured with the following fundamental key performance indicators (KPIs). Performance for the year ended 31 December 2014 together with the prior year performance data are set out in the table below. The source of data and calculation methods used are consistent with those disclosed in the 2013 annual report.

Year ended 31 December	2014	2013	Variance (%)
Financial KPIs			
Earnings per share (pence)	3.79	4.05	-6%
Net Asset Value per share (incl. Intangibles) (pence)	135.90	138.10	-2%
Operating Margin	34.76%	33.77%	
Return on Capital Employed	2.56%	2.93%	-13%
Non-financial KPIs			
Yield (Metric Tonne ["MT"])	11,500.92	10,036.25	15%
Yield per hectare (MT / hect)	27.77	23.98	16%

* Emission intensity ratio will be reported in the Annual Report 2014 to be released in due course.

The results in the table above show that we met our targets for 3 of our 6 KPIs due to the increase in productivity. The increase in production is due to good weather with ample rain encountered in the last half of 2013. The decrease in Earnings Per Share and Return on Capital Employed is mostly due to lower share of operating profit in associate after tax.

Given the dry weather encountered during the months of June and July, production of FFB has decreased in the final quarter.

Due to the above, the directors have taken measures to counter any further drop in production expected in the months ahead by improving FFB harvesting and collection methods to ensure stability in the Company's revenue.

Whilst other performance measures may be discussed in the IMR, the above KPIs are the Company's main performance measure.

THE NARBOROUGH PLANTATIONS, PLC

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INTERIM MANAGEMENT REPORT - continued**Results for the year ended 31 December 2014**

Year ended 31 December	2014 RM	2013 RM	2014 £	2013 £
Revenue	<u>5,947,937</u>	<u>5,014,013</u>	<u>1,103,513</u>	<u>1,017,041</u>
Cost of sales	<u>(2,201,317)</u>	<u>(2,356,349)</u>	<u>(408,408)</u>	<u>(477,961)</u>
Gross profit	<u>3,746,620</u>	<u>2,657,664</u>	<u>695,105</u>	<u>539,080</u>
Operating profit / (loss)	<u>2,072,187</u>	<u>1,750,872</u>	<u>383,577</u>	<u>343,455</u>
Share of operating profit in associate after tax	<u>739,844</u>	<u>1,173,961</u>	<u>137,105</u>	<u>237,977</u>
Profit before tax	<u>3,068,651</u>	<u>3,206,778</u>	<u>568,323</u>	<u>638,783</u>
Earnings per share	<u>18.74 sen</u>	<u>20.41 sen</u>	<u>3.47 pence</u>	<u>4.05 pence</u>

Revenue

The Company's revenue increased from RM5,014,013 (£1,017,041) for the year ended 31 December 2013 to RM5,947,937 (£1,103,513) for the current period. This is due to the increase in average FFB prices for the year from RM499.59 per MT for year ended 31 December 2013 to RM517.17 per MT for the current financial year in relation to higher average CPO prices for the current year ended 31 December 2014. FFB production has also increased by 15% as compared to the previous year ended 31 December 2013.

This is in line with the anticipated results as reported in our last annual report.

Gross operating margin and operating profit

Given the increase in FFB price and production, gross operating margin has increased to 34.76% for the year ended 31 December 2014. This is indicated in the current year operating profit of RM2,072,187 (£383,577) as compared to the operating profit reported to you for the year ended 31 December 2013 of RM1,750,872 (£343,455).

Dividend paid

There was no dividend proposed or paid during the current quarter ended 31 December 2014.

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INTERIM MANAGEMENT REPORT - continued

Financial position

The Company has continued to maintain a strong financial position as at 31 December 2014, with net assets of RM98,241,381 (£18,055,525) as compared with the net assets as at 31 December 2013 of RM99,510,481 (£18,390,337). Cash and short term deposits totalled RM12,666,396 (£2,328,382) as compared with RM12,838,794 (£2,373,159) of the previous financial year ended 31 December 2013. The company has no bank borrowings.

Cash flow

Net cash flow from operating activities for the year ended 31 December 2014 was RM1,673,744 (£310,034) as compared to the net cash flow of RM867,441 (£180,948) for the comparative period in 2013. This is due to the increase in revenue as compared to the year ended 31 December 2013.

Retirement benefits

Retirement benefits for the Company's employees remains as that stated under Note 1.10 on Page 65 of our Annual Report 2013.

Events after the balance sheet date

There were no significant events after the balance sheet date that would affect the financial position of the company.

Mandatory Cash Offer – The Narborough Plantations, PLC

On 4 December 2014, Riverview Rubber Estates, Berhad ("RREB") announced that it had agreed to acquire 3,466,260 ordinary shares of 10 pence each ("Ordinary Shares") of the Company from Puan Sri Datin Hamidah Bt Abdul Rahman ("Share Acquisition"), this represented 26.03 percent of the issued ordinary share capital of Narborough ("Issued Ordinary Shares"). The Share Acquisition was at a price of RM7.00 (Ringgit Malaysia) per share which equates to £1.29 per Ordinary Share.

On completion of the Share Acquisition, Riverview and persons acting in concert with it will hold 10,158,569 Ordinary Shares representing 76.29 percent of the Issued Ordinary Shares.

Under Rule 9 of the United Kingdom Takeover Code, RREB was required to make an offer for all of the Ordinary Shares of the Company that it does not already own.

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INTERIM MANAGEMENT REPORT - continued

Mandatory Cash Offer – The Narborough Plantations, PLC - continued

On 22 December 2014, RREB announced that it would be make an unconditional mandatory offer (“Offer”) in cash for the 3,217,970 Ordinary Shares that it does not already own and agreed to acquire these shares at a price of £1.29 per Ordinary Share which valued the Ordinary Shares that are the subject of the Offer at £4.15 million and the whole of the Issued Ordinary Shares at £17.2 million

Under the terms of the Offer, the Company’s shareholders were being offered the opportunity to elect to receive an offer price of either £1.29 or RM7.00 (Ringgit Malaysia).

The Offer would initially remain open for acceptance until 1.00 pm on 9 February 2015. Upon expiration of the initial offer, the offer was then extended until 1.00 pm on 23 February 2015. The offer has since been extended and will remain open for acceptances until 1.00 pm on 16 March 2015.

As at 1.00 pm (London time) on 23 February 2015, RREB had received valid acceptances of 2,807,936 shares, representing approximately 21.09 percent of the existing issued share capital of Narborough and 87.26 percent of the Offer Shares. Together with the existing holding of 10,098,600 shares, the Company now owns or has valid acceptances of 12,906,536 shares, representing 96.92 percent of the issued share capital of Narborough.

Further details of the MGO process are available on the Company’s website www.narboroughplantations.com and the London Stock Exchange.

Related party transaction

There were no significant related party transactions of the Company for the current year ended 31 December 2014.

Risk and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Company’s performance during the final three months of the financial year and could cause the actual results to differ materially from expected and historical results. The directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the year ended 31 December 2013 and the unaudited Interim Management Report for year ended 31 December 2014. A detailed explanation of the risks summarised below, and how the Company seeks to mitigate the risks, can be found on pages 91 to 95 of the annual report which is available at www.narboroughplantations.com

Principal risks and uncertainties

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

Interest rate risk

The Company’s income and operating cash flows are substantially independent of changes in market interest rates. As the Company does not have any borrowings, interest rate exposure arises solely from short term deposits with financial institutions.

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INTERIM MANAGEMENT REPORT - continued

Credit risk

The Company has only one customer and is on short credit terms.

Short term deposits and cash and bank balances are placed with major financial institutions in Malaysia, Singapore and United Kingdom.

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.

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.

Going concern

As stated in Note 2 of the condensed financial statement, the directors are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

Future outlook

CPO prices was sluggish for the last 3 month of 2014 with the highest being RM2,208/MT due to the low demand for palm oil and high inventory. According industry analysts, production of palm oil may see flattish growth in 2015 due to tree stress caused by the monsoon flooding in Malaysia at the end of 2014 and dry spells in Indonesia.

Major growers have been curbing output growth by proceeding with replanting to address the decline in palm oil prices but this has hit a headwind with the soaring supplies of rival soybean oil. A slowdown in the purchases of palm oil by the top buyers, India and China due to a slowdown in the economy and cheaper alternative oils.

Indonesia and Malaysia have adopted ambitious biodiesel mandates to stoke domestic consumption of palm and whittle down stocks but this may be curbed by tumbling crude oil prices. Malaysia's industry regulator, the Malaysian Palm Oil Board predicted palm oil prices to be volatile between RM1,820 – RM2,750 due to uncertainty in the global economy.

However, barring any unforeseen circumstances, the directors expect the performance of the Company for the coming financial year in 2015, to be satisfactory.

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INTERIM MANAGEMENT REPORT - continued**Auditing of the condensed set of financial statements**

In accordance with the Disclosure and Transparency Rules (“DTR”) no. 4.2.9(2) of the Financial Conduct Authority (“FCA”), the Board of Directors hereby confirm that the financial report for the year ended 31 December 2014 has not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

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By order of the Board

Chairman of the Audit Committee

Mohd Razali Bin Mohd Amin

25 February 2015

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INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**CONDENSED INCOME STATEMENT****FOR THE FINANCIAL YEAR ENDED 31 DECEMBER***(the figures for 2014 have not been audited)*

	2014		2013	
	RM	£	RM	£
Revenue	5,947,937	1,103,513	5,014,013	1,017,041
Cost of sales	(2,201,317)	(408,408)	(2,356,349)	(477,961)
Gross Profit	3,746,620	695,105	2,657,664	539,080
Gain arising on revaluation of biological assets	512,821	94,269	649,544	120,063
Other operating income	111,813	20,745	89,300	18,113
Administrative expenses	(1,710,756)	(317,394)	(1,091,037)	(221,306)
Foreign exchange gain	12,935	2,400	258,573	52,449
Replanting expenditure	(601,246)	(111,548)	(813,172)	(164,944)
Operating Profit	2,072,187	383,577	1,750,872	343,455
Share of profit of associate after tax pre fair value of the biological asset and investment properties adjustment	539,415	100,077	741,822	150,471
Fair value of the investment properties adjustment	155,425	28,836	605,473	122,814
Deferred tax recognised on investment properties	(47,350)	(8,785)	(181,643)	(36,844)
Fair value of the biological asset adjustment	121,519	22,338	11,079	2,048
Deferred tax recognised on the biological asset	(29,165)	(5,361)	(2,770)	(512)
Share of operating profit in associate after tax	739,844	137,105	1,173,961	237,977
Property, plant & equipment written off	-	-	(630)	(128)
Finance income	277,296	51,446	302,129	61,284
Finance cost	(20,676)	(3,805)	(19,554)	(3,805)
Profit before tax	3,068,651	568,323	3,206,778	638,783
Tax expense	(572,807)	(106,272)	(489,155)	(99,220)
Profit from continuing operations	2,495,844	462,051	2,717,623	539,563
Profit for the financial year attributable to:				
- Owners of the parent	2,495,844	462,051	2,717,623	539,563
Earnings per share - basic and diluted (sen/pence)	18.74	3.47 p	20.41	4.05 p

The income statement should be read in conjunction with the financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME AND EXPENSES**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER***(the figures for 2014 have not been audited)*

	2014		2013	
	RM	£	RM	£
Profit for the financial year (after tax)	2,495,844	462,051	2,717,623	539,563
Items that may be subsequently reclassified to income statement:				
Share of other comprehensive income/(expense) of associates				
- capital reserve	(261,406)	(48,052)	(941,746)	(174,075)
	<u>(261,406)</u>	<u>(48,052)</u>	<u>(941,746)</u>	<u>(174,075)</u>
Items that will not be reclassified to income statement:				
Deferred tax liability on revaluation surplus of freehold land	(2,422,476)	(445,308)	-	-
Foreign exchange gains / losses on translation to Pound Sterling				
- foreign exchange reserve	-	(103,754)	-	(1,751,246)
	<u>(2,422,476)</u>	<u>(549,062)</u>	<u>-</u>	<u>(1,751,246)</u>
Total other comprehensive income/(expense)	<u>(2,683,882)</u>	<u>(597,114)</u>	<u>(941,746)</u>	<u>(1,925,321)</u>
Total comprehensive income/(expense) for the year	<u>(188,038)</u>	<u>(135,063)</u>	<u>1,775,877</u>	<u>(1,385,758)</u>
Total comprehensive income/(expense) attributable to:				
- Owners of the parent	<u>(188,038)</u>	<u>(135,063)</u>	<u>1,775,877</u>	<u>(1,385,758)</u>

* There is no income tax attributable to the components of other comprehensive income

The statement of comprehensive income and expenses should be read in conjunction with the financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

(the figures for 2014 have not been audited)

(in Ringgit Malaysia)

	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 2013	4,891,969	2,645,691	51,225,647	874,698	40,039,238	99,677,243
Profit for the financial year	-	-	-	-	2,717,623	2,717,623
Other comprehensive income						
- Exchange differences from translation into presentational currency	-	-	-	-	-	-
Share of other comprehensive income/ (expense) of associates						
- capital reserve	-	(941,746)	-	-	-	(941,746)
Total other comprehensive income	-	(941,746)	-	-	-	(941,746)
	4,891,969	1,703,945	51,225,647	874,698	42,756,861	101,453,120
Transaction with owners						
Dividends	-	-	-	-	(1,942,639)	(1,942,639)
At 31 December 2013	4,891,969	1,703,945	51,225,647	874,698	40,814,222	99,510,481
Profit for the financial year	-	-	-	-	2,495,844	2,495,844
Other comprehensive income						
- Exchange differences from translation into presentational currency	-	-	-	-	-	-
Deferred tax liability on revaluation surplus of freehold land	-	-	(2,422,476)	-	-	(2,422,476)
Share of other comprehensive income/ (expense) of associates						
- capital reserve	-	(261,406)	-	-	-	(261,406)
Total other comprehensive income	-	(261,406)	(2,422,476)	-	-	(2,683,882)
Transaction with owners						
Dividends	-	-	-	-	(1,081,062)	(1,081,062)
At 31 December 2014	4,891,969	1,442,539	48,803,171	874,698	42,229,004	98,241,381

The statement of changes in equity should be read in conjunction with the financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

(the figures for 2014 have not been audited)

(in Pound Sterling)

	Share capital £	Capital reserve £	Revaluation reserve net of attributable deferred tax £	Foreign exchange reserve £	General reserve £	Retained earnings £	Total Equity £
At 1 January 2013	1,331,659	553,068	10,510,886	(648,186)	182,991	8,245,175	20,175,593
Profit for the financial period	-	-	-	-	-	539,563	539,563
Other comprehensive income							
- Exchange differences from translation into presentational currency	-	-	-	(1,751,246)	-	-	(1,751,246)
Share of other comprehensive income/ (expense) of associates - capital reserve	-	(174,075)	-	-	-	-	(174,075)
Total other comprehensive income	-	(174,075)	-	(1,751,246)	-	-	(1,925,321)
Transaction with owners							
Dividends	-	-	-	-	-	(399,498)	(399,498)
At 31 December 2013	1,331,659	378,993	10,510,886	(2,399,432)	182,991	8,385,240	18,390,337
Profit for the financial period	-	-	-	-	-	462,051	462,051
Other comprehensive income							
- Exchange differences from translation into presentational currency	-	-	-	(103,754)	-	-	(103,754)
Deferred tax liability on revaluation surplus of freehold land	-	-	(445,308)	-	-	-	(445,308)
Share of other comprehensive income/ (expense) of associates - capital reserve	-	(48,052)	-	-	-	-	(48,052)
Total other comprehensive income	-	(48,052)	(445,308)	(103,754)	-	-	(597,114)
	1,331,659	330,941	10,065,578	(2,503,186)	182,991	8,847,291	18,255,274
Transaction with owners							
Dividends	-	-	-	-	-	(199,749)	(199,749)
At 31 December 2014	1,331,659	330,941	10,065,578	(2,503,186)	182,991	8,647,542	18,055,525

The statement of changes in equity should be read in conjunction with the financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

THE NARBOROUGH PLANTATIONS, PLC

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CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

(the figures for 2014 have not been audited)

ASSETS	2014		2013	
	RM	£	RM	£
NON-CURRENT ASSETS				
Property, plant and equipment	55,306,112	10,166,565	54,345,201	10,045,324
Biological assets	17,494,235	3,215,852	16,981,414	3,138,894
Prepaid lease payments	-	-	-	-
Investment in associate	20,034,372	3,682,789	19,555,934	3,614,775
	<u>92,834,179</u>	<u>17,065,206</u>	<u>90,882,549</u>	<u>16,798,993</u>
CURRENT ASSETS				
Deferred nursery expenditure	56,226	10,336	13,264	2,452
Inventories	45,467	8,358	30,641	5,664
Trade and other receivables	320,400	58,897	376,544	69,601
Current tax assets	156,000	28,676	434,565	80,326
Cash and cash equivalents	12,666,396	2,328,382	12,838,794	2,373,159
	<u>13,244,489</u>	<u>2,434,649</u>	<u>13,693,808</u>	<u>2,531,202</u>
TOTAL CURRENT ASSETS	<u>13,244,489</u>	<u>2,434,649</u>	<u>13,693,808</u>	<u>2,531,202</u>
TOTAL ASSETS	<u>106,079,208</u>	<u>19,499,855</u>	<u>104,576,357</u>	<u>19,330,195</u>
LIABILITIES				
NON-CURRENT LIABILITIES				
Provision for retirement benefits	(12,627)	(2,321)	(7,521)	(1,390)
Deferred tax liabilities	(6,738,838)	(1,238,757)	(4,324,779)	(799,405)
Cumulative preference shares	(84,163)	(19,024)	(84,163)	(19,024)
TOTAL NON-CURRENT LIABILITIES	<u>(6,835,628)</u>	<u>(1,260,102)</u>	<u>(4,416,463)</u>	<u>(819,819)</u>
CURRENT LIABILITIES				
Trade and other payables	(1,002,199)	(184,228)	(649,413)	(120,039)
Current tax liabilities	-	-	-	-
TOTAL CURRENT LIABILITIES	<u>(1,002,199)</u>	<u>(184,228)</u>	<u>(649,413)</u>	<u>(120,039)</u>
TOTAL LIABILITIES	<u>(7,837,827)</u>	<u>(1,444,330)</u>	<u>(5,065,876)</u>	<u>(939,858)</u>
TOTAL NET ASSETS	<u>98,241,381</u>	<u>18,055,525</u>	<u>99,510,481</u>	<u>18,390,337</u>
ISSUED CAPITAL & RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT				
Share capital	4,891,969	1,331,659	4,891,969	1,331,659
Revaluation reserve	48,803,171	10,065,578	51,225,647	10,510,886
Capital reserve	1,442,539	330,941	1,703,945	378,993
Foreign exchange reserve	-	(2,503,186)	-	(2,399,432)
General reserve	874,698	182,991	874,698	182,991
Retained earnings	42,229,004	8,647,542	40,814,222	8,385,240
TOTAL EQUITY	<u>98,241,381</u>	<u>18,055,525</u>	<u>99,510,481</u>	<u>18,390,337</u>
Net assets per share (RM / pence)	<u>7.38</u>	<u>135.59 p</u>	<u>7.47</u>	<u>138.10 p</u>

The statement of financial position should be read in conjunction with the financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

THE NARBOROUGH PLANTATIONS, PLC

(Incorporated in England 1910 – Registration No. 109273)

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STATEMENT OF CASH FLOWS*(the figures for 2014 have not been audited)*

	2014		2013	
	RM	£	RM	£
Operating Activities				
Profit before taxation	3,068,651	568,323	3,206,778	638,783
Adjustments for:				
Depreciation of property, plant and equipment	121,752	22,588	115,601	23,448
Amortisation of prepaid lease payment	-	-	17,614	3,573
Finance cost	20,676	3,805	19,554	3,805
(Reversal of provision)/Provision for retirement benefits	5,106	947	(2,819)	(572)
Property, plant & equipment written off	-	-	630	128
Share of (profit)/loss of associate after tax	(739,844)	(137,105)	(1,173,961)	(237,977)
Finance income	(277,296)	(51,446)	(302,129)	(61,284)
Gain on disposal of property, plant & equipment	(60,963)	(11,206)	-	-
Gain arising on revaluation of biological assets	(512,821)	(94,269)	(649,544)	(120,063)
Operating cash flow before changes in working capital and provisions	1,625,261	301,637	1,231,724	249,841
(Decrease) in deferred nursery expenditure	(42,962)	(7,897)	(5,322)	(984)
Decrease/(Increase) in inventories	(14,826)	(2,725)	55,354	10,232
Decrease/(Increase) in trade and other receivables	56,144	10,321	(87,195)	(16,117)
Increase/(Decrease) in trade and other payables	352,786	64,850	(240,514)	(44,457)
Cash generated from operations	1,976,403	366,186	954,047	198,515
Retirement benefit paid	-	-	-	-
Tax paid	(302,659)	(56,152)	(86,606)	(17,567)
Net cash flow from operating activities	1,673,744	310,034	867,441	180,948
Investing activities				
Purchase of property, plant & equipment	(1,104,700)	(203,070)	(1,246,204)	(230,352)
Proceeds from disposal of property, plant & equipment	83,000	15,257	-	-
Interest received	277,296	51,446	302,129	61,284
Net cash flow used in investing activities	(744,404)	(136,367)	(944,075)	(169,068)
Financing activities				
Dividends paid on ordinary shares	(1,081,062)	(199,749)	(1,942,639)	(399,498)
Dividends paid on cumulative preference shares	(20,676)	(3,805)	(19,554)	(3,805)
Net cash flow used in financing activities	(1,101,738)	(203,554)	(1,962,193)	(403,303)
(Decrease)/Increase in cash and cash equivalents	(172,398)	(29,887)	(2,038,827)	(391,423)
Effects of exchange rate changes	-	(14,890)	-	(247,082)
Cash and cash equivalents at beginning of the financial year	12,838,794	2,373,159	14,877,621	3,011,664
Cash and cash equivalents at end of the financial year	12,666,396	2,328,382	12,838,794	2,373,159
Comprising:				
Cash and bank balances	1,069,295	196,562	663,165	122,581
Short term deposits	11,597,101	2,131,820	12,175,629	2,250,578
	12,666,396	2,328,382	12,838,794	2,373,159

The cash flow statement should be read in conjunction with the financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

THE NARBOROUGH PLANTATIONS, PLC

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Notes to the condensed set of financial statements for the year ended 31 December 2014

1. Basis of preparation

This interim report does not constitute the company's statutory accounts as defined in section 434 of the Companies Act 2006. The information presented in relation to 31 December 2013 is extracted from the statutory financial statements for the year then ended and which have been delivered to the Registrar of Companies. The Independent Auditors' Report on the statutory financial statements for the year ended 31 December 2013 was unqualified and did not contain statements under s498 (2) or (3) Companies Act 2006.

The financial information for the year ended 31 December 2014 has neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board and was approved by the board on 25 February 2014. These interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, the requirements of the Disclosure and Transparency Rules issued by the Financial Services Authority and the accounting policies, and methods of computation as applied in the company's 2013 Annual Report and Accounts. The comparative figures for the year ended 31 December 2013 are an extract from the audited financial statements for the year.

The accounting policies and methods of computation adopted by the Company in the interim financial statements are consistent with those adopted in the financial statements for the year ended 31 December 2013.

a) The following new Standards, Interpretations and Amendments, effective for the first time from 1 January 2014, have not had a material effect on the reported results or financial position:

- ***Amendments to IAS 32 Financial Instruments : Presentation - Offsetting Financial Assets and Financial Liabilities***
- ***IFRS 10 Consolidated Financial Statements***
- ***IFRS 11 Joint Arrangements***
- ***IFRS 12 Disclosure of Interests in Other Entities***
- ***IAS 27 Separate Financial Statements***
- ***IAS 28 Investments in Associates and Joint Ventures***
- ***Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)***
- ***Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)***
- ***Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)***
- ***IFRIC Interpretation 21 Levies***

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

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Notes to the condensed set of financial statements for the year ended 31 December 2014 - continued

1. Basis of preparation – cont'd

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 2015 or later periods and which the Company has decided not to adopt early. These are:

- ***IFRS 9 Financial Instruments****
- ***IFRS 14 Regulatory Deferral Accounts****
- ***IFRS 15 Revenue from Contracts with Customers****
- ***Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)***
- ***Annual Improvements to IFRSs 2010–2012 Cycle***
- ***Annual Improvements to IFRSs 2011–2013 Cycle***
- ***Annual Improvements to IFRSs 2012-2014 Cycle****
- ***Amendments to IFRS 11: Accounting for Acquisition of Interest in Joint Operations****
- ***Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation****
- ***Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants****
- ***Amendments to IFRS 10 and IAS 28 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture****
- ***Amendments to IFRS 10, IFRS 12 and IAS 28 : Investment Entities: Applying the Consolidation Exception****
- ***Amendments to IAS 27 : Equity Method in Separate Financial Statements****
- ***Amendments to IAS 1 : Disclosure Initiative****

* 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.

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Notes to the condensed set of financial statements for the year ended 31 December 2014 - continued

1. Basis of preparation – cont'd

c) Functional and presentation currency

The condensed financial statements are presented in Ringgit Malaysia (RM), which is the functional currency, being the currency of the primary economic environment in which the Company operates. The condensed financial statements are also presented in both RM and Pound Sterling for ease of reference by the majority of shareholders who reside in the United Kingdom. The condensed statement of financial position is translated to Pound Sterling for presentation purpose at an exchange rate of RM1 = 18.38p (2013: RM1 = 18.48p) whereas the condensed income statement is translated at an average exchange rate of RM1 = 18.55p (2013: RM1 = 20.28p). The translation rates for the comparative financial statements for year ended 31 December 2013 were shown under Note 1.12.1 page 66 of the Annual Report 2013.

2. Going concern

The directors are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

3. Segment information

The Company operates in the agricultural segment in Malaysia. All its fresh fruit bunches are sold in Malaysia. As 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.

4. Seasonal or cyclical factors

The production of fresh fruits bunches of oil palms ("FFB") is dependent on weather conditions; hence is seasonal in nature. The turnover is also dependent on price fluctuations of Crude Palm Oil ("CPO")

5. Tax

	Year ended	
	31.12.2014	31.12.2013
	RM'000	RM'000
Current tax expense of the company	573	489

	Year ended	
	30.09.2014	30.09.2013
	£'000	£'000
Current tax expense of the company	106	99

The tax residence of the Company is in Malaysia.

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Notes to the condensed set of financial statements for the year ended 31 December 2014 - continued**5. Tax - continued**

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

	% of Profit	
	Before Taxation	
	31.12.2014	31.12.2013
Malaysian income tax rate	25.0	25.0
(Decrease)/Increase resulting from:		
Effects from the changes in effective tax rate	(5.7)	-
Foreign exchange (gain)/loss not subjected to tax	(0.4)	(2.0)
Non deductible expenses	5.0	0.3
Non taxable income	(5.3)	(7.2)
Crystallisation of revaluation reserve	-	(0.1)
	<u>18.6</u>	<u>16.0</u>
Under / (Over) provision in prior year	0.1	(0.5)
Effective tax rate	<u>18.7</u>	<u>15.5</u>

6. Dividends*(in Ringgit Malaysia)*

	Year ended 31 December	
	2014	2013
	RM	RM
Amount recognised as distributions to equity holders in the period:		
Interim dividend: 1.5p single tier (2013: 1.5p single tier)	1,081,062	916,049
2nd Interim dividend: Non proposed yet (2013: 1.5p single tier)	-	1,026,590
	<u>1,081,062</u>	<u>1,942,639</u>

(in Pound Sterling)

	Year ended 31 December	
	2014	2013
	£	£
Amount recognised as distributions to equity holders in the period:		
Interim dividend: 1.5p single tier (2013: 1.5p single tier)	199,749	199,749
2nd Interim dividend: Non proposed yet (2013: 1.5p single tier)	-	199,749
	<u>199,749</u>	<u>399,498</u>

The Board has not recommended a payment of final dividend for the current financial year.

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Notes to the condensed set of financial statements for the year ended 31 December 2014 - continued**7. Earnings per share**

The calculation of the basic and diluted earnings per share is based on the following data:

From continuing operations**Basic Earnings**

	Year ended 31 December	
	2014	2013
	RM	RM
Earnings (in Ringgit Malaysia)		
Earnings for the purpose of basic earnings per share being net profit attributable to owners of the company	2,495,844	2,717,623

Earnings (in Pound Sterling)

	£	£
Earnings for the purpose of basic earnings per share being net profit attributable to owners of the company	462,051	539,563

	Year ended 31 December	
	2014	2013
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	13,316,590	13,316,590

Diluted Earnings

Not applicable.

The denominators used are the same as those detailed above for both basic and diluted earnings (if applicable) per share from continuing and discontinuing operations.

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Notes to the condensed set of financial statements for the year ended 31 December 2014 - continued

8. Property, plant and equipment

(i) Acquisitions and Disposals

During the current financial period, the Company acquired property, plant and equipment of RM1.104 million (£0.203 million).

A motor vehicle was disposed off to Mdm Juliana Manohari Devadason an ex-Director at prevailing market value of RM83,000 (£15,399) in July 2014.

(ii) Impairment of property, plant and equipment

There was no impairment nor reversal of such impairment during the current nine months financial period.

(iii) Valuations

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

9. Borrowing and debt securities

There were no borrowings and debt securities as at the end of the current quarter.

10. Share capital

Share capital as at 31 December 2014 remained unchanged at £1,331,659.

11. Unquoted investments and properties

There was no purchase or sales of unquoted investments or properties for the current financial year ended 31 December 2014.

12. Quoted investments

There were no purchases of quoted securities for the current financial year ended 31 December 2014.

13. Status of corporate proposal announced

There were no corporate proposals announced and not completed as at the latest practicable date.

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Notes to the condensed set of financial statements for the year ended 31 December 2014 - continued

14. Notes to the cash flow statement

(in Ringgit Malaysia)

	Year ended	
	31.12.14	31.12.13
	RM	RM
Cash and bank balances	1,069,295	663,165
Short term deposits	11,597,101	12,175,629
	<u>12,666,396</u>	<u>12,838,794</u>

(in Pound Sterling)

	Year ended	
	31.12.14	31.12.13
	£	£
Cash and bank balances	196,562	122,581
Short term deposits	2,131,820	2,250,578
	<u>2,328,382</u>	<u>2,373,159</u>

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

15. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at the last annual balance sheet date and the latest practicable date.

16. Retirement benefits

The retirement benefits as at 31 December 2014 were calculated on a calendar year basis, using the scheme as defined by the collective agreements signed with the workers union AMESU / NUPW. There have been no significant fluctuations that would require a material adjustment.

17. Share-based payments

There were no share-based payments made for the current financial year ended 31 December 2014.

18. Related party transactions

There were no significant related party transactions of the Company for the current financial year ended 31 December 2014.

19. Significant loss or impairment of financial assets

There was no significant loss or impairment of financial assets of the Company for the current financial year ended 31 December 2014.

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Notes to the condensed set of financial statements for the year ended 31 December 2014 - continued

20. Change in circumstances significantly affecting the fair value of financial assets and financial liabilities

There was no change in circumstances significantly affecting the fair value of financial assets and financial liabilities of the Company for the current financial year ended 31 December 2014.

21. Financial instruments' fair value disclosures

The Company had no financial instruments in the current or previous year with fair values that are determined by reference to significant unobservable inputs i.e. those that would be classified as level 2 or 3 in the fair value hierarchy, nor have there been any transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

The principal financial instruments used by the Company are as follows :

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

The directors consider that the carrying value amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximately equal to their fair values:

(in Ringgit Malaysia)

	Year ended 31 December	
	2014	2013
	RM	RM
Current financial assets		
Trade and other receivables, net of prepayments	301,892	359,070
Cash and cash equivalents	12,666,396	12,838,794
	<hr/>	<hr/>
	12,968,288	13,197,864
Current financial liabilities		
Trade and other payables	1,002,199	649,413
Non-current financial liabilities	84,163	84,163
Cumulative preference shares		
	<hr/>	<hr/>
	1,086,362	733,576

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Notes to the condensed set of financial statements for the year ended 31 December 2014 - continued**21. Financial instruments' fair value disclosures - continued***(in Pound Sterling)*

	Year ended 31 December	
	2014	2013
	£	£
Current financial assets		
Trade and other receivables, net of prepayments	55,495	66,372
Cash and cash equivalents	2,328,382	2,373,159
	<hr/>	<hr/>
	2,383,877	2,439,531
Current financial liabilities		
Trade and other payables	184,228	120,039
Non-current financial liabilities		
Cumulative preference shares	19,024	19,024
	<hr/>	<hr/>
	203,252	139,063

22. Events after the balance sheet date

There were no material events subsequent to the end of the current financial year ended 31 December 2014 that have not been reflected in the interim management report under review.

23. Related party transactions

There were no significant related party transactions of the Company for the current financial year ended 31 December 2014.