

# **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 PERIOD ENDED 30 JUNE 2013**

**THE NARBOROUGH PLANTATIONS, PLC**

(Incorporated in England 1910 – Registration No. 109273)

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

**INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013****INCOME STATEMENT***(the figures have not been audited)**(in Ringgit Malaysia)*

<b>Continuing Operations</b>	<b>3 months ended</b>		<b>6 months cumulative</b>	
	<b>30.06.13</b>	<b>30.06.12</b>	<b>30.06.13</b>	<b>30.06.12</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Revenue	1,000,896	2,120,440	2,032,281	4,031,419
Cost of sales	(699,287)	(528,909)	(1,117,203)	(974,324)
Gross Profit	301,609	1,591,531	915,078	3,057,095
Other operating income	10,210	6,254	24,355	17,679
Administrative expenses	(218,003)	(205,723)	(506,832)	(414,743)
Exchange profit/(loss)	83,586	45,496	(52,946)	48,605
Replanting expenditure	(152,295)	(16,929)	(435,069)	(23,595)
<b>Operating Profit</b>	<b>25,107</b>	<b>1,420,629</b>	<b>(55,414)</b>	<b>2,685,041</b>
Share of operating profit in associate after tax	5,639	116,910	42,588	249,101
Finance income	76,016	93,766	156,636	182,447
Finance cost	(4,742)	(4,813)	(9,151)	(9,448)
<b>Profit on ordinary activities before taxation</b>	<b>102,020</b>	<b>1,626,492</b>	<b>134,659</b>	<b>3,107,141</b>
Taxation	(30,064)	(381,302)	(89,789)	(738,247)
Profit after tax	71,956	1,245,190	44,870	2,368,894
Earnings per share (sen)	0.54	9.35	0.34	17.79

The income statement should be read in conjunction with the financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**THE NARBOROUGH PLANTATIONS, PLC**

(Incorporated in England 1910 – Registration No. 109273)

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

**INCOME STATEMENT***(the figures have not been audited)**(in Pound Sterling)*

<b>Continuing Operations</b>	<b>3 months ended</b>		<b>6 months cumulative</b>	
	<b>30.06.13</b>	<b>30.06.12</b>	<b>30.06.13</b>	<b>30.06.12</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Revenue	212,980	430,514	428,751	827,807
Cost of sales	<u>(148,267)</u>	<u>(107,465)</u>	<u>(235,697)</u>	<u>(200,067)</u>
Gross Profit	64,713	323,049	193,054	627,740
Other operating income	2,179	1,255	5,138	3,630
Administrative expenses	(46,503)	(41,708)	(106,927)	(85,163)
Exchange profit/(loss)	17,393	9,334	(11,170)	9,980
Replanting expenditure	(32,629)	(3,459)	(91,787)	(4,845)
<b>Operating Profit</b>	<u>5,153</u>	<u>288,471</u>	<u>(11,692)</u>	<u>551,342</u>
Share of operating profit in associate after tax	1,255	23,667	8,985	51,150
Finance income	16,180	19,026	33,046	37,463
Finance cost	(949)	(951)	(1,887)	(1,897)
<b>Profit on ordinary activities before taxation</b>	<u>21,639</u>	<u>330,213</u>	<u>28,452</u>	<u>638,058</u>
Taxation	<u>(6,236)</u>	<u>(77,382)</u>	<u>(18,943)</u>	<u>(151,591)</u>
Profit after tax	<u>15,403</u>	<u>252,831</u>	<u>9,509</u>	<u>486,467</u>
Earnings per share (pence)	<u>0.12 p</u>	<u>1.90 p</u>	<u>0.07 p</u>	<u>3.65 p</u>

The income statement should be read in conjunction with the financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**THE NARBOROUGH PLANTATIONS, PLC**

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**STATEMENT OF COMPREHENSIVE INCOME AND EXPENSES***(the figures have not been audited)**(in Ringgit Malaysia)*

	<b>3 months ended</b>		<b>6 months cumulative</b>	
	<b>30.06.13</b>	<b>30.06.12</b>	<b>30.06.13</b>	<b>30.06.12</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Profit for the financial period (after tax)	71,956	1,245,190	44,870	2,368,894
<b>Other comprehensive income</b>				
Net surplus/(deficit) arising on translation of statement of financial position items at beginning of period and results of the period to period-end exchange rate				
- revaluation reserve	-	-	-	-
- capital reserve	-	-	-	-
- foreign exchange reserve	-	-	-	-
- general reserve	-	-	-	-
- retained earnings	-	-	-	-
<b>Total other comprehensive income</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>71,956</u>	<u>1,245,190</u>	<u>44,870</u>	<u>2,368,894</u>
<b>Total comprehensive income attributable to:</b>				
- Owners of the parent	<u>71,956</u>	<u>1,245,190</u>	<u>44,870</u>	<u>2,368,894</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 2012 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 COMPREHENSIVE INCOME AND EXPENSES***(the figures have not been audited)**(in Pound Sterling)*

	<b>3 months ended</b>		<b>6 months cumulative</b>	
	<b>30.06.13</b>	<b>30.06.12</b>	<b>30.06.13</b>	<b>30.06.12</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Profit for the financial period (after tax)	15,403	252,831	9,509	486,467
<b>Other comprehensive income</b>				
Net surplus/(deficit) arising on translation of statement of financial position items at beginning of period and results of the period to period-end exchange rate				
- revaluation reserve	(403,663)	(68,377)	230,430	(68,377)
- capital reserve	(16,882)	(8,855)	9,638	(8,855)
- foreign exchange reserve	(32,744)	(16,314)	18,693	(16,314)
- general reserve	(5,756)	(2,868)	3,286	(2,868)
- retained earnings	(186,939)	(81,034)	123,314	(85,342)
<b>Total other comprehensive income</b>	<u>(645,984)</u>	<u>(177,448)</u>	<u>385,361</u>	<u>(181,756)</u>
<b>Total comprehensive income for the period</b>	<u>(630,581)</u>	<u>75,383</u>	<u>394,870</u>	<u>304,711</u>
<b>Total comprehensive income attributable to:</b>				
- Owners of the parent	<u>(630,581)</u>	<u>75,383</u>	<u>394,870</u>	<u>304,711</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 2012 and the accompanying explanatory notes attached to the interim financial statements.**

**THE NARBOROUGH PLANTATIONS, PLC**

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**STATEMENT OF FINANCIAL POSITION***(the figures have not been audited)*

ASSETS	As at 30.06.13 (Unaudited)		Year ended 31.12.12 (Audited)	
	RM	£	RM	£
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	53,680,235	11,068,090	53,215,228	10,772,313
Biological assets	16,331,870	3,367,396	16,331,870	3,306,046
Prepaid lease payments	4,403	908	17,614	3,566
Investment in associate	19,366,307	3,993,053	19,323,719	3,911,684
	<u>89,382,815</u>	<u>18,429,447</u>	<u>88,888,431</u>	<u>17,993,609</u>
<b>CURRENT ASSETS</b>				
Deferred nursery expenditure	14,758	3,043	7,943	1,608
Inventories	108,881	22,450	85,994	17,408
Trade and other receivables	290,464	59,889	289,349	58,573
Current tax assets	1,094,169	225,602	639,942	129,543
Cash and cash equivalents	12,833,931	2,646,171	14,877,621	3,011,664
	<u>14,342,203</u>	<u>2,957,155</u>	<u>15,900,849</u>	<u>3,218,796</u>
<b>TOTAL CURRENT ASSETS</b>	<u>14,342,203</u>	<u>2,957,155</u>	<u>15,900,849</u>	<u>3,218,796</u>
<b>TOTAL ASSETS</b>	<u>103,725,018</u>	<u>21,386,602</u>	<u>104,789,280</u>	<u>21,212,405</u>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Provision for retirement benefits	(10,340)	(2,132)	(10,340)	(2,093)
Deferred tax liabilities	(4,162,883)	(858,326)	(4,127,607)	(835,548)
Cumulative preference shares	(84,163)	(19,024)	(84,163)	(19,024)
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>(4,257,386)</u>	<u>(879,482)</u>	<u>(4,222,110)</u>	<u>(856,665)</u>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	(661,568)	(136,406)	(889,927)	(180,147)
Current tax liabilities	-	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>(661,568)</u>	<u>(136,406)</u>	<u>(889,927)</u>	<u>(180,147)</u>
<b>TOTAL LIABILITIES</b>	<u>(4,918,954)</u>	<u>(1,015,888)</u>	<u>(5,112,037)</u>	<u>(1,036,812)</u>
<b>TOTAL NET ASSETS</b>	<u>98,806,064</u>	<u>20,370,714</u>	<u>99,677,243</u>	<u>20,175,593</u>
<b>ISSUED CAPITAL &amp; RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>				
Share capital	4,891,969	1,331,659	4,891,969	1,331,659
Other reserves	64,783,496	13,032,745	64,783,496	12,770,698
Retained earnings	29,130,599	6,006,310	30,001,778	6,073,236
<b>TOTAL EQUITY</b>	<u>98,806,064</u>	<u>20,370,714</u>	<u>99,677,243</u>	<u>20,175,593</u>
<b>Net assets per share (RM / pence)</b>	<u>7.42</u>	<u>152.97 p</u>	<u>7.49</u>	<u>151.51 p</u>

The statement of financial position should be read in conjunction with the financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**THE NARBOROUGH PLANTATIONS, PLC**

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**STATEMENT OF CHANGES IN EQUITY***(the figures have not been audited)**(in Ringgit Malaysia)*

	Share capital RM	Revaluation reserve net of attributable deferred tax RM	Capital reserve RM	General reserve RM	Retained earnings RM	Total Equity RM
<b>At 1 January 2013</b>	4,891,969	61,343,247	2,565,551	874,698	30,001,778	99,677,243
Dividends	-	-	-	-	(916,049)	(916,049)
Profit for the financial period	-	-	-	-	44,870	44,870
Other comprehensive income	-	-	-	-	-	-
<b>At 30 June 2013</b>	<u>4,891,969</u>	<u>61,343,247</u>	<u>2,565,551</u>	<u>874,698</u>	<u>29,130,599</u>	<u>98,806,064</u>
<b>At 1 January 2012</b>	4,891,969	20,856,520	2,700,991	874,698	23,047,719	52,371,897
Dividends	-	-	-	-	(989,757)	(989,757)
Profit for the financial period	-	-	-	-	2,368,894	2,368,894
Other comprehensive income	-	-	-	-	-	-
<b>At 30 June 2012</b>	<u>4,891,969</u>	<u>20,856,520</u>	<u>2,700,991</u>	<u>874,698</u>	<u>24,426,856</u>	<u>53,751,034</u>

The statement of changes in equity should be read in conjunction with the financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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**STATEMENT OF CHANGES IN EQUITY***(the figures have not been audited)**(in Pound Sterling)*

	Share capital £	Revaluation reserve net of attributable deferred tax £	Capital reserve £	Foreign exchange reserve £	General reserve £	Retained earnings £	Total Equity £
<b>At 1 January 2013</b>	1,331,659	12,417,662	519,341	(343,369)	177,064	6,073,236	20,175,593
Dividends	-	-	-	-	-	(199,749)	(199,749)
Profit for the financial period	-	-	-	-	-	9,509	9,509
Other comprehensive income	-	230,430	9,638	18,693	3,286	123,314	385,361
<b>At 30 June 2013</b>	<u>1,331,659</u>	<u>12,648,092</u>	<u>528,979</u>	<u>(324,676)</u>	<u>180,350</u>	<u>6,006,310</u>	<u>20,370,714</u>
<b>At 1 January 2012</b>	1,331,659	4,256,433	551,222	(335,146)	178,510	4,703,616	10,686,294
Dividends	-	-	-	-	-	(199,749)	(199,749)
Profit for the financial period	-	-	-	-	-	486,467	486,467
Other comprehensive income	-	(68,377)	(8,855)	(16,314)	(2,868)	(85,342)	(181,756)
<b>At 30 June 2012</b>	<u>1,331,659</u>	<u>4,188,056</u>	<u>542,367</u>	<u>(351,460)</u>	<u>175,642</u>	<u>4,904,992</u>	<u>10,791,256</u>

The statement of changes in equity should be read in conjunction with the financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



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

	6 months ended 30.06.13 (Unaudited)		6 months ended 30.06.12 (Unaudited)	
	RM	£	RM	£
<b>Operating Activities</b>				
Profit before taxation	134,659	28,452	3,107,141	638,058
Adjustments for:				
Depreciation of property, plant and equipment	53,566	11,301	38,503	7,906
Amortisation of prepaid lease payment	13,210	2,787	13,210	2,713
Finance cost	9,151	1,887	9,448	1,897
(Reversal of provision)/Provision for retirement benefits	-	-	12,666	2,543
Share of (profit)/loss of associate after tax	(42,588)	(8,985)	(249,101)	(51,150)
Finance income	(156,636)	(33,046)	(182,447)	(37,463)
Gain arising on revaluation of biological assets	-	-	-	-
<b>Operating cash flow before changes in working capital and provisions</b>	<b>11,362</b>	<b>2,396</b>	<b>2,749,420</b>	<b>564,504</b>
Increase/(Decrease) in deferred nursery expenditure	(6,816)	(1,405)	(97,516)	(19,582)
Decrease/(Increase) in inventories	(22,886)	(4,719)	(172,243)	(34,587)
Decrease/(Increase) in trade and other receivables	(1,115)	(230)	(82,364)	(16,539)
Increase/(Decrease) in trade and other payables	(237,510)	(48,971)	(158,256)	(31,778)
<b>Cash generated from operations</b>	<b>(256,965)</b>	<b>(52,929)</b>	<b>2,239,041</b>	<b>462,018</b>
Retirement benefit paid	-	-	(12,666)	(2,543)
Tax paid	(508,740)	(107,329)	(962,496)	(197,638)
<b>Net cash flow from operating activities</b>	<b>(765,705)</b>	<b>(160,258)</b>	<b>1,263,879</b>	<b>261,837</b>
<b>Investing activities</b>				
Purchase of property, plant & equipment	(518,572)	(106,922)	(140,245)	(28,162)
Interest received	156,636	33,046	182,447	37,463
<b>Net cash flow from investing activities</b>	<b>(361,936)</b>	<b>(73,876)</b>	<b>42,202</b>	<b>9,301</b>
<b>Financing activities</b>				
Dividends paid on ordinary shares	(916,049)	(199,749)	(989,757)	(199,749)
Dividends paid on cumulative preference shares	-	-	-	-
<b>Net cash flow used in financing activities</b>	<b>(916,049)</b>	<b>(199,749)</b>	<b>(989,757)</b>	<b>(199,749)</b>
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>(2,043,690)</b>	<b>(433,883)</b>	<b>316,324</b>	<b>71,389</b>
<b>Effects of exchange rate changes</b>	<b>-</b>	<b>68,390</b>	<b>-</b>	<b>(56,577)</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>14,877,621</b>	<b>3,011,664</b>	<b>14,856,766</b>	<b>3,031,993</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>12,833,931</b>	<b>2,646,171</b>	<b>15,173,090</b>	<b>3,046,805</b>
<b>Comprising:</b>				
Cash and bank balances	568,270	117,169	594,714	119,420
Short term deposits	12,265,661	2,529,002	14,578,376	2,927,385
	<b>12,833,931</b>	<b>2,646,171</b>	<b>15,173,090</b>	<b>3,046,805</b>

The cash flow statement should be read in conjunction with the financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

## **THE NARBOROUGH PLANTATIONS, PLC**

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### **Notes to the interim financial statements**

#### **A1. Basis of preparation**

This interim report does not constitute the company's statutory accounts. The information presented in relation to 31 December 2012 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 2012 was unqualified, however include references to matters to which the auditors drew attention by way of emphasis without qualifying their report(s) and did not contain statements under s498 (2) or (3) Companies Act 2006.

The financial information for the six months ended 30 June 2013 and 30 June 2012 has neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board. Those for the six months ended 30 June 2013 were approved by the board on 25 June 2013. 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 2012 Annual Report and Accounts. The comparative figures for the year ended 31 December 2012 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 2012.

a) The following new Standards, Interpretations and Amendments, effective for the first time from 1 January 2013, have not had a material effect on the reported results or financial position:

- ***Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)***
- ***Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters (Amendments to IFRS 1)***
- ***IFRS 13 Fair Value Measurement***
- ***IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine***
- ***Amendments to IFRS 7 Financial Instruments : Disclosures - Offsetting Financial Assets and Financial Liabilities***
- ***Amendments to IAS 32 Financial Instruments : Presentation - Offsetting Financial Assets and Financial Liabilities***
- ***Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards - Government Loans***
- ***Annual Improvements to IFRSs 2009-2011 Cycle***
- ***Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities : Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)***

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

## **THE NARBOROUGH PLANTATIONS, PLC**

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### **Notes to the interim financial statements - cont'd**

#### **A1. 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 2014 or later periods and which the Company has decided not to adopt early. These are:

- ***IFRS 9 Financial Instruments\****
- ***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.

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.

#### **A2. 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")

#### **A3. Items affecting assets, liabilities, equity, net income or cash flows**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

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### **Notes to the interim financial statements - cont'd**

#### **A4. Change in estimates**

There were no changes in estimates that have a material effect in the current quarter.

#### **A5. Debt and equity securities**

There were no issuance, cancellations, repurchase, resale and repayments of debt and equity securities in the current quarter.

#### **A6. Dividend paid**

A Single Tier Interim Dividend of 15% amounting to RM916,049 (£199,749) for the year ending 31 December 2013 was announced on 14 May 2013 and paid on 14 June 2013.

#### **A7. 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.

#### **A8. Valuation of property, plant and equipment**

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

#### **A9. Capital commitments**

There are no material capital commitments as at 30 June 2013.

#### **A10. Events subsequent to the balance sheet date**

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial statements under review.

#### **A11. Changes in composition**

There were no changes in the composition of the Company for the current quarter.

#### **A12. Changes in 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.

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### **Notes to the interim financial statements - cont'd**

#### **A13. Related party transactions**

There were no significant related party transactions of the Company for the current quarter.

#### **A14. Property, plant and equipment**

##### **(i) Acquisitions and Disposals**

During the current six months financial period, the Company acquired property, plant and equipment of RM0.52 million (£0.11 million).

During the current six months financial period, the Company did not dispose any property, plant and equipment.

##### **(ii) Impairment of property, plant and equipment**

There were no impairment nor reversal of such impairment during the current three months financial period.

##### **(iii) Valuations**

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

### **Additional information**

#### **B1. Review of performance**

The Company registered revenue of RM2,032,281 (£428,751) for the current financial period, a decrease of 49.6% as compared to the preceding year corresponding period.

This is mainly due to a drop in the average price of fresh fruit bunches (FFB) for the current period from RM690.39 to RM479.18 per metric tonne ("MT") as compared to the preceding year corresponding period. The FFB production for the current period has also reduced from 5,839 MT to 4,241 MT as compared to the preceding year corresponding period. The reduction in FFB production is mainly due to the reduction of FFB producing mature oil palm fields from an average of 533.85 Hectare to 423.08 Hectare due to replanting.

Replanting expenditure has also increased for the current financial period ended 30 June 2013 from RM23,595 (£4,845) to RM435,069 (£91,787) as compared to the preceding year corresponding period as oil palm fields of 25 years old and above are being cleared in stages for replanting in line with that reported in the Company's Annual Report 2012.

Despite the reduction in revenue, The Company has continued to maintain a strong financial position with a net assets of RM98,806,064 (£20,370,714) compared with RM99,677,243 (£20,175,593) at 31 December 2012. Cash and cash equivalents totalled RM12,833,931 (£2,646,171) compared with RM14,877,621 (£3,011,664) as at 31 December 2012. The Company does not have any borrowings.

Earnings per share were 0.34 sen [0.07 p] [2012: 17.79 sen (3.65 p)].

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### Additional information – cont'd

#### B2. Variation of results against preceding year corresponding quarter

The current quarter recorded a pre-tax profit of RM102,020 (£21,639) against pre-tax profit of RM1,626,492 (£330,213) in the preceding year corresponding quarter.

The pre-tax profit is lower primarily due to a decrease in the average price of FFB for the quarter by 30%, a reduction in FFB production for the quarter by 33% and an increase in replanting cost for the quarter of RM152,295 (£32,629) as compared to the preceding year corresponding quarter.

#### B3. Current year prospects

Barring any unforeseen circumstances, the directors expect the performance of the Company for the current financial year to be satisfactory.

#### B4. Profit forecast

Not applicable as no profit forecast was published.

#### B5. Tax expense

	6 months / Cumulative period ended	
	30.06.2013	30.06.2012
	RM'000	RM'000
Current tax expense of the company	90	738

	6 months / Cumulative period ended	
	30.06.2013	30.06.2012
	£'000	£'000
Current tax expense of the company	19	152

The tax residence of the Company is in Malaysia.

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**Additional information – cont’d**

**B5. Tax expense – cont’d**

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

	<b>% of Profit Before Taxation</b>	
	<b>30.06.2013</b>	<b>30.06.2012</b>
Malaysian income tax rate	25.0	25.0
(Decrease)/Increase resulting from:		
Foreign exchange (gain)/loss not subjected to tax	9.8	(0.4)
Non deductible expenses	30.7	1.7
Non taxable income	(25.1)	(2.4)
	<hr/>	<hr/>
	40.4	23.9
Deferred tax for the current period	26.2	-
Over provision in prior year	-	(0.2)
	<hr/>	<hr/>
Effective tax rate	<u>66.6</u>	<u>23.7</u>

**B6. Unquoted investments and properties**

There was no purchase or sales of unquoted investments or properties for the current financial year to-date.

**B7. Quoted investments**

There were no purchases of quoted securities for the current financial period.

**B8. Status of corporate proposal announced**

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

**B9. Borrowing and debt securities**

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

**B10. Off balance sheet financial instruments**

There were no financial instruments with off balance sheet risk as at the latest practicable date.

**B11. Changes in material litigation**

There was no pending material litigation as at the latest practicable date.

**B12. Dividends**

A Single Tier Interim Dividend of 15% amounting to RM916,049 (£199,749) for the year ending 31 December 2013 was announced on 14 May 2013 and paid on 14 June 2013 for the period under review.

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**Additional information – cont'd****B13. Earnings per share*****Basic earnings per share***

The earnings per share is calculated by dividing the net profit for the period attributable to equity holders of the Company by the weighted average number of shares of the Company in issue during the period.

	Individual period		Cumulative period	
	Current year quarter 30.06.2013	Preceding year corresponding quarter 30.06.2012	Current year to date 30.06.2013	Preceding year corresponding period 30.06.2012
Net profit / (loss) attributable to ordinary shareholders (RM)	71,956	1,245,190	44,870	2,368,894
<b>Basic earnings per share</b>				
Weighted average number of ordinary shares of 10 p each	13,316,590	13,316,590	13,316,590	13,316,590
Basic earnings per ordinary share of 10 p each (sen)	0.54	9.35	0.34	17.79

	Individual period		Cumulative period	
	Current year quarter 30.06.2013	Preceding year corresponding quarter 30.06.2012	Current year to date 30.06.2013	Preceding year corresponding period 30.06.2012
Net profit / (loss) attributable to ordinary shareholders (£)	15,403	252,831	9,509	486,467
<b>Basic earnings per share</b>				
Weighted average number of ordinary shares of 10 p each	13,316,590	13,316,590	13,316,590	13,316,590
Basic earnings per ordinary share of 10 p each (pence)	0.12 p	1.90 p	0.07 p	3.65 p

***Diluted earnings per shares***

Not applicable.



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### **Additional information – cont'd**

#### **B.14 Statement of Director' Responsibilities**

The Directors confirm that the above financial statements have been prepared in accordance with the applicable accounting standards as adopted by the European Union, and that the 2<sup>nd</sup> quarter financial report herein includes a fair review of the information required by the Disclosure and Transparency Rule issued by the Financial Service Authority (United Kingdom).

The financial statements are measured in Ringgit Malaysia, 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 Ringgit Malaysia (RM) and Pound Sterling for the benefit of the majority of shareholders who reside in the United Kingdom. The balance sheet is translated to Pound Sterling for presentation purpose at an exchange rate of RM1 = 20.62p (2012: RM1 = 20.08p) whereas the income statement is translated at an average exchange rate of RM1 = 21.10p (2012: RM1 = 20.53p).

The Unaudited Results of The Narborough Plantations, plc for the Interim Period Ended 30 June 2013 are also available on the Company's website at [www.narboroughplantations.com](http://www.narboroughplantations.com) and UKLA's National Storage Mechanism at <http://www.morningstar.co.uk/uk/nsm.aspx> .

On behalf of the Board

Adrian Tsen Keng Yam  
Executive Director

Dated : 25 July 2013  
Ipoh