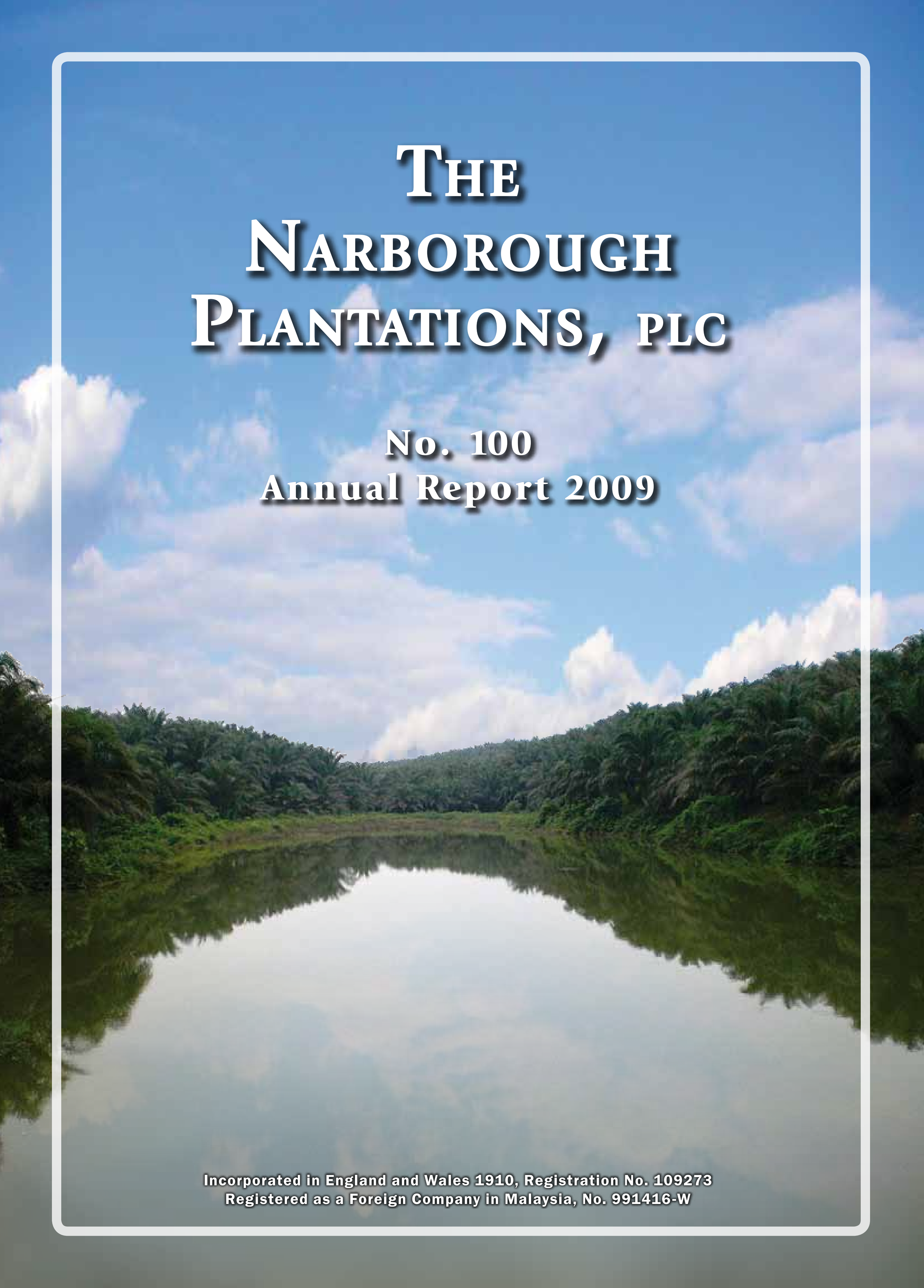


The Narborough Plantations, plc

No. 100
Annual Report 2009

Incorporated in England and Wales 1910, Registration No. 109273
Registered as a Foreign Company in Malaysia, No. 991416-W

No. 100

Annual Report 2009

The Narborough Plantations, plc

Incorporated in England and Wales 1910, Registration No. 109273
Registered as a Foreign Company in Malaysia, No. 991416-W

Reports and Financial Statements

31 DECEMBER 2009

Page	*Contents*

Cover photo: Reservoir found between Field 1994 & Field 1999 of Narborough Estate. Content page: Field 1997

Corporate Information

Domicile and Legal Form

A public company domiciled in Malaysia and listed on the London Stock Exchange in the United Kingdom.

Authorised Capital

£1,500,000
Divided into 190,237 20% Cumulative Preference Shares of 10 pence each and 14,809,763 Ordinary Shares of 10 pence each.

Issued Capital

£1,350,683
Divided into 190,237 20% Cumulative Preference Shares of 10 pence each and 13,316,590 Ordinary Shares of 10 pence each.

Board of Directors

Juliana Manohari Devadason	(Non-Independent Non-Executive Chairman)
Stephen William Huntsman	(Non-Independent Non-Executive Director)
Roslan Bin Hamir	(Independent Non-Executive Director)
Jeraman @ Jayaraman A/L Narainan	(Independent Non-Executive Director)
Adrian Tsen Keng Yam	(Non-Independent Executive Director)

Audit Committee

Roslan Bin Hamir	(Chairman)
Jeraman @ Jayaraman A/L Narainan	
Stephen William Huntsman	

Remuneration and Nomination Committee

Roslan Bin Hamir	(Chairman)
Jeraman @ Jayaraman A/L Narainan	
Stephen William Huntsman	

Risk Management Committee

Stephen William Huntsman	(Chairman)
Adrian Tsen Keng Yam	
Neoh Keng Huei	

Secretary

Adrian Tsen Keng Yam

CORPORATE INFORMATION (continued)

Registered Office

33A Jalan Tun Sambanthan
30000 Ipoh, Perak Darul Ridzuan, Malaysia
Telephone: 006-05-2559015
Fax: 006-05-2559016

Principal Place of Business

Narborough Estate, 35600 Sungkai
Perak Darul Ridzuan, Malaysia
Telephone: 006-05-4386185
Fax: 006-05-4386185

London Registrars

SMITH & WILLIAMSON LTD.
25 Moorgate
London EC2R 6AY
Switchboard: 0044-20 7131 4000
Fax: 0044-20 7131 4013

Malaysian Registrars

BUSINESS PROCESS OUTSOURCING SDN. BHD.
33A Jalan Tun Sambanthan
30000 Ipoh, Perak Darul Ridzuan, Malaysia
Telephone: 006-05-2559015
Fax: 006-05-2559016

Auditors

BDO LLP
55 Baker Street, London W1U 7EU

Bankers

NATIONAL WESTMINSTER BANK PLC
21, Lombard Street, London EC3P 3AR

HSBC BANK PLC
2, Market Place, Cirencester, Gloucestershire GL7 2NS

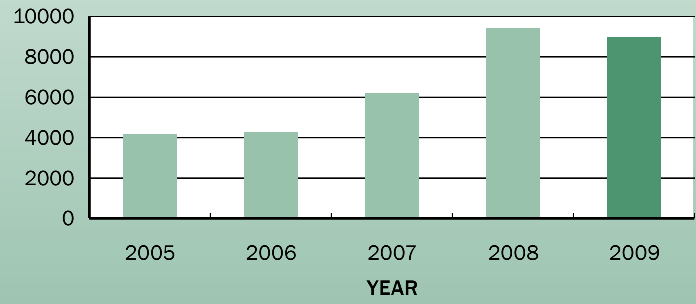
HSBC BANK MALAYSIA BERHAD
138 Jalan Sultan Yussuf, 30000 Ipoh, Perak Darul Ridzuan, Malaysia

RHB BANK BERHAD
18 & 19, Jalan Besar, 35600 Sungkai, Perak Darul Ridzuan, Malaysia

UBS AG
One Raffles Quay, #50-01 North Tower, Singapore 048583

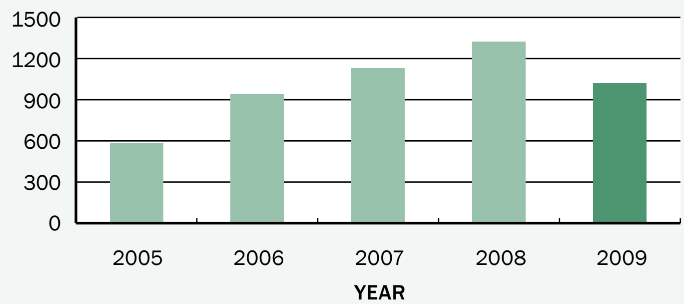
Five-year Highlights

SHAREHOLDERS' FUND



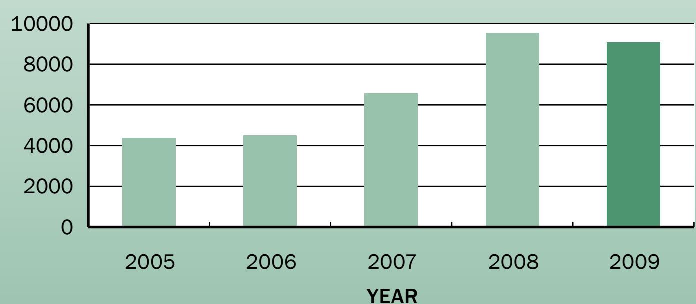
Shareholders' Funds	
Year	£'000
2005	4,185
2006	4,250
2007	6,638
2008	9,405
2009	8,945

TURNOVER



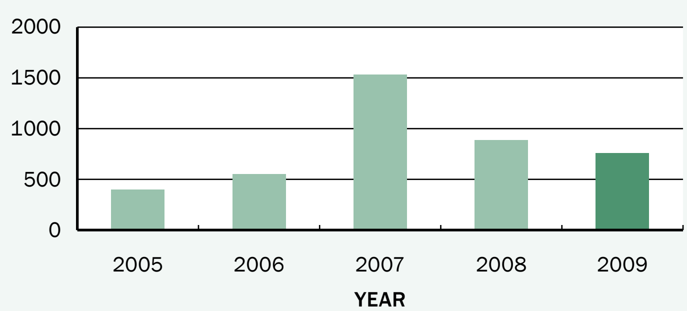
Turnover	
Year	£'000
2005	587
2006	939
2007	1,129
2008	1,322
2009	1,020

TOTAL ASSETS



Total Assets	
Year	£'000
2005	4,396
2006	4,499
2007	7,025
2008	9,542
2009	9,081

PROFIT BEFORE TAX



Profit Before Tax	
Year	£'000
2005	399
2006	549
2007	1,532
2008	887
2009	756

Profile of Directors

JULIANA MANOHARI DEVADASON
Non-Independent Non-Executive Chairman

Malaysian, age 60. She was appointed to the Board in 1987 and has been Chairman of the Board since 1 July 1995. She is also the Chairman of the Board of Riverview Rubber Estates, Berhad, a company listed on Bursa Malaysia Securities Berhad in Malaysia.

She holds a Bachelor of Arts (Honours) degree in Law and is a Barrister-at-Law, Grays Inn. She was a partner at Maxwell, Kenion, Cowdy & Jones from 1984 to 2003. She has been in practice as an advocate and solicitor for 28 years.

She is not related to any Director or major shareholder of the Company. She has not entered into any transaction which has a conflict of interest with the Company. She has no conviction for any offences within the past 10 years.

ADRIAN TSEN KENG YAM
Non-Independent Executive Director

Malaysian, aged 60. He was appointed to the Board on 17 March 2006 as an alternate to Mr William John Huntsman. On 25 July 2008, he ceased to be an alternate to Mr William John Huntsman and was appointed as an Executive Director of the Company. He is also Secretary to the Company.

He is a Fellow of the Institute of Chartered Accountants in England & Wales, a Chartered Accountant under the Malaysian Institute of Accountants and a Certified Public Accountant under the Malaysian Institute of Certified Public Accountants. He was a former partner of Arthur Andersen & Co from 1988 to June 2003.

He currently holds a Directorship in Talam Corporation Berhad, a company listed on Bursa Malaysia Securities Berhad.

He has been appointed to the Board of Riverview Rubber Estates, Berhad on 26 February 2007.

He is neither related to any Director or major shareholder of the Company nor has entered into any transaction which has a conflict of interest with the Company. He has no conviction for any offences within the past 10 years.

STEPHEN WILLIAM HUNTSMAN
Non-Independent Non-Executive Director

Malaysian, age 52. He was appointed to the Board on 1 August 2001 and was redesignated as a Non-Independent Non-Executive Director in July 2007. In July 2008, he was appointed as a member of the Audit Committee and Remuneration and Nomination Committee of the Board.

Mr Huntsman joined Riverview Rubber Estates, Berhad in 1997 as a Manager and was appointed that company's Managing Director in August 2001. He was redesignated as a Non-Independent Non-Executive Director of Riverview Rubber Estate in July 2007. Prior to his employment with Riverview Rubber Estates, Berhad, he was employed by the Automobile Association as a Manager from 1986 to 1996 and Plessey Plc as a Manager from 1980 to 1986. He has a Masters in Business Administration and is an Associate Member of the Chartered Institute of Secretaries.

Mr Huntsman has not entered into any transaction which has a conflict of interest with the Company. He has not been convicted of any offences within the last 10 years.

ROSLAN BIN HAMIR
Independent Non-Executive Director

Malaysian, age 42. He was appointed to the Board on 7 August 2002. He is an ACCA graduate with Bachelor of Arts (Honours) in Accounting and Finance. He is the Chairman of both the Audit Committee and Remuneration and Nomination Committee of the Board.

He was previously with Ernst & Young Consultants Sdn Bhd in Malaysia as an auditor as well as a management consultant from 1993 until 1998 when he joined Kumpulan Fima Berhad, as Senior Vice President, Corporate Services. He was appointed to the Board of Kumpulan Fima Berhad on 11 October 2002 and he is currently the Group Managing Director. He is also the Managing Director of Fima Corporation Berhad of which he was appointed to the Board on 8 December 1998. Kumpulan Fima Berhad and Fima Corporation Berhad are companies listed on Bursa Malaysia Securities Berhad.

On 25 July 2008, he was appointed as an Independent Non-Executive Director of Riverview Rubber Estates, Berhad, a company listed on Bursa Malaysia Securities Berhad.

He is neither related to any Director or major shareholder of the Company nor has entered into any transaction which has a conflict of interest with the Company. He has no conviction for any offences within the past 10 years.

JERAMAN @ JAYARAMAN A/L NARAINAN
Independent Non-Executive Director

Malaysian, age 61. He was appointed to the Board on 1 January 2005. He is a member of the Audit Committee and Remuneration and Nomination Committee of the Board. He is also a Director of Riverview Rubber Estates, Berhad.

He has a Master in Business Administration from The Kensington College and University and holds a Bachelor of Science (1st Class Honours) degree in Agriculture from Tamil Nadu Agricultural University in Coimbatore. He is also an Associate Member of The Incorporated Society of Planters. He was the Plantation Management Executive of National Land Finance Co-operative Society from 1972 to 1992. He joined Plantation Agencies Sdn Berhad as Planting Adviser in 1993 and was appointed as Managing Director in 2001.

He was a panel member of the Industrial Court representing the Employers (1st January 2007 to 31st December 2009), appointed by the Minister of Human Resources, Malaysia. He is also a Council member of the Malaysian Agricultural Producers Association (MAPA) and Malaysian Palm Oil Association (MPOA).

He is neither related to any Director or major shareholder of the Company nor has entered into any transaction which has a conflict of interest with the Company. He has no conviction for any offences within the past 10 years.

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the One Hundredth Annual Report and Financial Statements of The Narborough Plantations, Public Limited Company for the financial year ended 31 December 2009.

FINANCIAL PERFORMANCE

	31.12.2009 RM	31.12.2008 RM	31.12.2009 £	31.12.2008 £
Revenue	5,638,523	8,141,446	1,019,624	1,321,663
Cost of sales	(2,061,529)	(2,323,354)	(372,790)	(377,168)
Gross profit	3,576,994	5,818,092	646,834	944,495
Gain arising on revaluation of biological assets	74,346	247,985	13,517	49,597
Profit before tax	4,178,988	5,298,673	756,500	887,186
Earnings per share	25.25 sen	29.90 sen	4.57 pence	5.06 pence

The Company faced many challenges in the Year 2009 mainly due to the lingering effects of a weak global economy and sustainability and environmental issues associated with oil palm cultivation. Crude Palm Oil ("CPO") prices recovered in the 1st half of the financial year, however declined in the 2nd half mostly due to bearish sentiments brought on by lower crude oil and vegetable oils prices. Adverse weather conditions continued throughout the financial year under review together with pest attack on the oil palms has put further stress on their productivity.

The stress on the oil palms has resulted in reduced productivity by approximately 6% when compared with the previous financial year and together with lower CPO prices, which are reflected in the price of Fresh Fruit Bunches ("FFB") has reduced the Company's turnover. The Company recorded a turnover of RM5,638,523 (£1,019,624) for the financial year ended 31 December 2009, a reduction of 30.7% compared with the financial year ended 31 December 2008.

However, the Company has managed to achieve a profit before tax of RM4,178,988 (£756,500) for the financial year ended 31 December 2009 as compared to the amount of RM5,298,673 (£887,186) for the previous financial year.

Cross cut

FINANCIAL PERFORMANCE (continued)

The 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 on Page 52.

Due to the reduction in profits, earnings per share has declined from 29.90 sen (5.06 pence) for the financial year ended 31 December 2008 to 25.25 sen (4.57 pence) for the year ended 31 December 2009.

FINANCIAL POSITION

The Company has maintained a strong financial position as at 31 December 2009, with net assets of RM48,841,757 (£8,876,598) compared with RM47,035,306 (£9,404,870) at 31 December 2008. Cash and short term deposits totalled RM11,197,760 (£2,035,956) compared with RM9,515,438 (£1,903,087) 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 mostly satisfactory given the adverse external and internal factors faced by the Company.

"CPO prices traded at RM2,241.50/tonne during the first half of the year, supported by positive sentiments related to higher crude oil prices and supply tightness of vegetable oils. However, during the second-half of the year bearish sentiments prevailed in the market influenced by the sharp decline in both crude oil prices as well as that of other vegetable oils, coupled with high palm oil stocks and fears of a continued global recession. This resulted in the monthly average CPO price declining below the RM2,200/tonne level since September, 2009. The average CPO price in 2009 decreased by 19.2% or RM533.00 to RM2,244.50 against RM2,777.50 in the previous year. Palm oil prices traded quite widely during the year, with the highest monthly average CPO price recorded in May at RM2,743.50 and the lowest attained in January at RM1,842.00."*

The Company has applied to the Malaysian Palm Oil Board ("MPOB") to participate in the Replanting Incentive Scheme effective on 1 December 2008 offered by the Government of Malaysia for plantations with trees over 25 years old. An incentive of RM1,000 (£181) per hectare has been offered to eligible applicants.


Internal transport


Ready for harvest

REVIEW OF OPERATIONS (continued)

Replanting has been scheduled to begin in Year 2010 on 10.4 hectares of the Company's field planted with oil palms that are approximately 30 years old. The effect on the revenue of the Company in the coming year will be minimal by participating in this scheme as the field to be replanted only contributed 193.13MT out of 12,835.50MT of FFB amounting to RM84,840 (£15,342) of the total revenue of RM5,638,523 (£1,019,624) for the financial year ended 31 December 2009.

(* Source: Malaysian Palm Oil Board)

CURRENT YEAR'S PROSPECTS

The economy of the world is on a slow recovery and the prospects of the palm oil industry look set to recover with it.

"CPO production is forecast to rise by 3.1% to 18.1 million tonnes in 2010 because of a recovery in FFB yields and an expansion in matured area. The outlook for palm oil prices continues to remain strong in view of the global oils and fats tightness, coupled with the increase in vegetable oils demand amid improving global economic situation."*

(* Source: Malaysian Palm Oil Board)

The Company has set up various measures in Year 2009 to ensure the oil palms reach their maximum production potential in the current year. With pest affliction under control and improvement in weather, crop will be expected to increase in the foreseeable future. The Company should see another profitable year ahead given the stabilisation of CPO price, improved cost efficiency through proper planning and favourable weather which will be beneficial to an increase in productivity of FFB.

Turnera subulata plants as a habitat for wasps, predator of bagworms

Estate office

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 2009:		
Interim dividend of 7% and Special dividend of 5% per ordinary share of 10 pence each, less tax of 25%, paid on 26 June 2009	697,519	119,849
2nd Interim dividend of 7% and 2nd Special dividend of 5% per ordinary share of 10 pence each, less tax of 25%, paid on 17 December 2009	675,707	119,849
	1,373,226	239,698

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
23 February 2010

Directors' visit to the plantations

Directors' Report

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

The directors present their report and the audited financial statements for the financial year ended 31 December 2009.

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:-

	2009	2008
Production - Oil Palm (FFB)	12,835 tonnes	13,625 tonnes

	2009		2008	
	RM	£	RM	£
Profit for the financial year	3,362,537	608,860	3,981,728	673,396

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 on page 65 with appropriate discussion in the review of operations.

EFB application

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, and
- Changes in the policy of the Malaysian government towards the plantation industry and towards foreign investment.

FFB awaiting collection

FINANCIAL RISK

Information on financial instruments and other risks is set out in Note 21 to the financial statements.

CORPORATE RESPONSIBILITY

Employee Health and Safety

A safe and healthy working environment for the Company's workforce is enforced through effective and stringent implementation of the Occupational Safety and Health Act (OSHA) in its operations. The workforce is given the appropriate training and guidance 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 estate staff and plantation workers are provided with housing that are supplied with the necessary amenities such as pipe water, electricity and basic furnishing which are regularly maintained together with medical facilities.

"Safety First"

Staff quarters

Environmental Management

The Company practices sustainable oil palm cultivation as its estate was converted from former rubber plantation and not on virgin forest land. Several measures are taken to ensure that the natural biological system of its estate is preserved, such as the emphasis on the use of organic fertilisers ie. waste product from the palm oil mills such as empty fruit bunches and decanter cake. Pest control through natural means such as building of barn owl boxes to attract owls for rat control and planting of *Turnera subulata* plants as a habitat for wasp which is a predator of bagworms are also given priority to ensure minimum disruption to the natural environment. Pesticides and inorganic fertilizers are applied under stringent controls according to professional agronomist recommendations. The oil palm plantation also acts as a water catchment area, assist to prevent soil erosion and provide oxygen to the air.

Rat skull found at base of Barn Owl House

Empty fruit bunches

Frond mulching

Irrigation drains for water conservation

Corporate Contributions

The Company setup a Benevolent Fund in Year 2008 which will consist of approximately 0.5% of its yearly profit after tax for the purpose of contributing back to the community. As at the financial year ended 31 December 2009, a total amount of RM19,700 (£3,562) has been donated out from the said fund for educational, health and welfare purposes to the local welfare organizations and the less fortunate. The Company will strive to continue identifying more eligible candidates which can benefit from the Benevolent Fund. The Company will also continue to strive for further improvement in its role as a responsible corporate citizen.

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 17 and 18 of the financial statements.

RESERVES AND PROVISIONS

All movements to or from provisions are disclosed in Note 13 of the financial statements. The reserves during the year under review are disclosed in the Statement of Changes in Equity and Note 18 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 2009 was RM29,286,874 (£5,324,887). Please refer to Note 8 and 9 of the financial statements.

DIVIDENDS

Dividends paid and proposed for the year are disclosed in Note 19 to the financial statements.

DIRECTORATE AND DIRECTORS' SHAREHOLDINGS

The present directors of the Company together with brief biographical details are listed on pages 5 to 6.

In accordance with Article 104 of the Company's Articles of Association, Mr Stephen William Huntsman retires by rotation at the forthcoming One Hundredth 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 2009.

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 91 of the Articles of Association, the Board recommends that the non-executive directors' fees encompassing the Chairman's emoluments and the other Directors' fees be £6,000 and £18,000 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 on pages 16 to 19.

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 (2008: 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.

By Order of the Board,

JULIANA MANOHARI DEVADASON
Chairman

Corporate Governance

The Board is satisfied that it has put in place 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 Combined Code ("the Code") on corporate governance and the guidance for directors 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. A General Manager has also been appointed to oversee 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 General Manager to ensure a balance of power and authority. The Executive Director and the General Manager is subject to the control of the Board of Directors. This is to ensure a balance of power and authority, such that no one 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 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.

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

During the financial year ended 31 December 2009, the Board met five (5) 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	5	5
Stephen William Huntsman	5	5
Roslan Bin Hamir	5	5
Jeraman @ Jayaraman A/L Narainan	5	4
Adrian Tsen Keng Yam	5	5

Five of the directors retire by rotation at intervals of no more than three years in accordance with the Articles of Association of the Company. The General Manager has a one year rolling service contract with the Company.

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 Jeraman @ Jayaraman A/L Narainan and Mr Stephen William Huntsman, 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 internal audit report, which highlighted the audit issues and findings, recommendations and management's responses thereto;
5. Reviewed the audited financial statements and annual report; and
6. Conducted informal high-level risk assessment and review of the business operations.

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 Directors' Remuneration Report is set out on pages 20 to 24.

The details of meeting attendance of the Audit Committee and the Remuneration and Nomination Committee during the financial year ended 31 December 2009 are as follows:-

	Number of meetings held	Number of meetings attended
Audit Committee		
Roslan Bin Hamir	4	4
Jeraman @ Jayaraman A/L Narainan	4	4
Stephen William Huntsman	4	4

BOARD COMMITTEES (continued)

Remuneration and Nomination Committee	Number of meetings held in relation to the financial year ended 31 December 2009	Number of meetings attended
Roslan Bin Hamir	1	1
Jeraman @ Jayaraman A/L Narainan	1	1
Stephen William Huntsman	1	1

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:

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. The Risk Management Committee, comprising a Director, the Company Secretary and the General Manager, has been 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.

INTERNAL CONTROL (continued)

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, a non-executive director conducts regular field and office inspections and submits to the Board his written reports on the effectiveness and control procedures of estate operations. The Audit Committee and the Board also review the plantation visit reports submitted by the independent Visiting Agent, whose main duties are to assess the operations and condition of the estates twice a year. The Audit Committee is of the opinion that the internal audit activities are adequately covered.

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 progresses 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. 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 Business Review on pages 11. The financial position of the Company, its cash flows and liquidity position is shown in the Financial Statements and Notes to Financial statements on page 28 to page 65. In addition note 21 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 a yearly renewable contract with a major oil mill. Suppliers of fertilizers 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 current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company have 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 on page 25.

Directors' Remuneration Report

The Board presents its Directors' Remuneration Report for the year ended 31 December 2009 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 18 June 2010 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 Jeraman @ Jayaraman A/L Narainan and Mr Stephen William Huntsman. 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 Combined 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.

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. 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, bonus, fee and benefits in kind.

Non-executive directors' fees

All non-executive directors received a director's fee of RM33,000 (£6,000) each in keeping with other listed companies of similar size and organisation.

Executive directors' Service Contract

The Executive Director, Mr Adrian Tsen Keng Yam is not under a service contract. He is remunerated with a director's fee of RM33,000 (£6,000) for the financial year ended 31 December 2009.

Benefits in kind

Each director is provided with partial medical benefits. Mdm 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 RM4,000 (£727).

Other emoluments

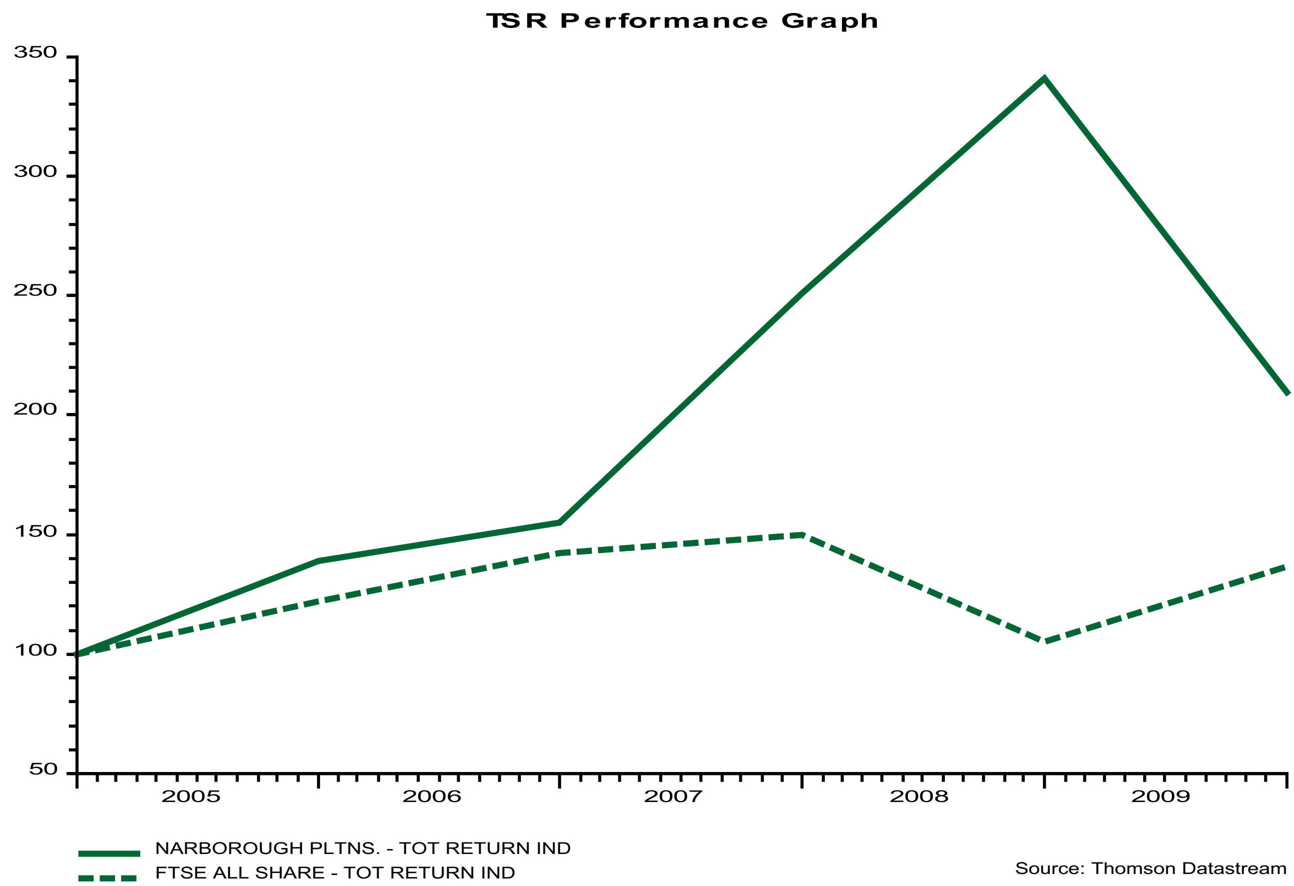
All directors serve the Company by appointment in which they have given their consent to act in the capacity as director with the approval of the shareholders; they do not have any service contracts. It is the policy of the Company that all directors do not participate in incentive or pension schemes.

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, 2005 to 2009, 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 2009. 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 2009 (12 months)	Total 2008 (12 months)
	£	£	£	£
Executive				
Adrian Tsen Keng Yam	6,000	–	6,000	2,500
Non-executive				
Juliana Manohari Devadason	6,000	757	6,757	7,300
William John Huntsman *	–	–	–	13,523
Roslan Bin Hamir	6,000	–	6,000	6,000
Jeraman @ Jayaraman A/L Narainan	6,000	–	6,000	6,000
Stephen William Huntsman	6,000	–	6,000	6,000
	24,000	757	24,757	38,823
Grand total	30,000	757	30,757	41,323

* Mr William John Huntsman who retired on 25 July 2008, received his director's fee on a pro-rata basis on his term as a Non-Executive Non-Independent Director and a gratuity payment was made in Ringgit Malaysia which was translated at the equivalent of RM1 = 15.24 pence.

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
23 February 2010

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.

The report of the auditors can be found on pages 26 and 27.

This statement is made in accordance with the resolution of the Board of Directors dated 23 February 2010 and authorised for issue on 23 February 2010.

Independent Auditors' Report

TO THE SHAREHOLDERS OF THE NARBOROUGH PLANTATIONS, PLC

We have audited the financial statements of The Narborough Plantations plc for the year ended 31 December 2009 which comprise the statement of financial position, the statement of comprehensive income, the statement of cash flow, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company; or
- the company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 19, in relation to going concern; and
- the part of the corporate governance statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Nicholas Taylor (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
Date: 23 February 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

Continuing operations

		31.12.2009		31.12.2008	
	NOTE	**RM**	**£**	**RM**	**£**
Revenue	2	5,638,523	1,019,624	8,141,446	1,321,663
Cost of sales		(2,061,529)	(372,790)	(2,323,354)	(377,168)
Gross profit		3,576,994	646,834	5,818,092	944,495
Gain arising on revaluation of biological assets		74,346	13,517	247,985	49,597
Other operating income		90,939	16,445	147,837	24,000
Administrative expenses		(406,992)	(73,597)	(1,637,196)	(265,779)
Operating profit		3,335,287	603,199	4,576,718	752,313
Share of profit of associate after tax		668,851	121,609	482,041	96,408
Finance income	3	196,301	35,497	260,384	42,270
Finance costs	4	(21,451)	(3,805)	(20,470)	(3,805)
Profit before tax	5	4,178,988	756,500	5,298,673	887,186
Tax expense	6	(816,451)	(147,640)	(1,316,945)	(213,790)
Profit for the financial year		3,362,537	608,860	3,981,728	673,396
Profit for the year attributable to:					
– Owners of the parent		3,362,537	608,860	3,981,728	673,396
Earnings per share					
– basic and diluted (sen/pence)	7	25.25 sen	4.57 pence	29.90 sen	5.06 pence

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

Statement Of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	NOTE	31.12.2009 RM	31.12.2009 £	31.12.2008 RM	31.12.2008 £
Profit for the financial year		3,362,537	608,860	3,981,728	673,396
Other comprehensive income					
Net (deficit)/surplus arising on translation of statement of financial position items at beginning of period and results of the year to year-end exchange rate					
– revaluation reserve		–	(379,166)	–	1,087,004
– capital reserve		–	(47,862)	–	116,204
– foreign exchange reserve		–	(90,475)	–	242,407
– general reserve		–	(15,904)	–	29,358
– retained earnings		–	(330,780)	–	751,659
Reversal of deferred taxation to revaluation reserve due to changes in tax rate		2,354	428	–	–
Share of associates' other comprehensive income					
– Capital reserves		(185,214)	(33,675)	246,964	49,393
– General reserves		–	–	272,038	54,408
Total other comprehensive income		(182,860)	(897,434)	519,002	2,330,433
Total comprehensive income for the year		3,179,677	(288,574)	4,500,730	3,003,829
Total comprehensive income attributable to:					
– Owners of the parent		3,179,677	(288,574)	4,500,730	3,003,829

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2009

	NOTE	31.12.2009 RM	31.12.2009 £	31.12.2008 RM	31.12.2008 £
ASSETS					
Non-current assets					
Property, plant and equipment	8	14,642,648	2,662,300	14,685,063	2,937,013
Biological assets	8	14,547,351	2,644,973	14,473,005	2,894,601
Prepaid lease payments	9	96,875	17,614	115,625	23,125
Investment in associate	10	8,703,994	1,582,544	8,220,357	1,644,072
Total non-current assets		37,990,868	6,907,431	37,494,050	7,498,811
Current assets					
Inventories		13,056	2,374	7,144	1,429
Trade and other receivables	11	324,903	59,073	273,575	54,715
Cash and cash equivalents	12	11,197,760	2,035,956	9,515,438	1,903,087
Tax recoverable		45,728	8,314	418,987	83,797
Total current assets		11,581,447	2,105,717	10,215,144	2,043,028
Total assets		49,572,315	9,013,148	47,709,194	9,541,839
Liabilities					
Non-current liabilities					
Provision for retirement benefits	13	(27,356)	(4,974)	(29,023)	(5,805)
Deferred tax liabilities	14	(32,572)	(5,922)	(58,397)	(11,679)
Cumulative preference shares	15	(84,163)	(19,024)	(84,163)	(19,024)
Total non-current liabilities		(144,091)	(29,920)	(171,583)	(36,508)
Current liabilities					
Trade and other payables	16	(586,467)	(106,630)	(502,305)	(100,461)
Total current liabilities		(586,467)	(106,630)	(502,305)	(100,461)
Total liabilities		(730,558)	(136,550)	(673,888)	(136,969)
TOTAL NET ASSETS		48,841,757	8,876,598	47,035,306	9,404,870

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

STATEMENT OF FINANCIAL POSITION (continued)

	NOTE	31.12.2009 RM	31.12.2009 £	31.12.2008 RM	31.12.2008 £
Issued capital and reserves attributable to equity holders of the Company	18				
Share capital	17	4,891,969	1,331,659	4,891,969	1,331,659
Other reserves		24,178,408	3,950,143	24,361,268	4,516,797
Retained earnings		19,771,380	3,594,796	17,782,069	3,556,414
TOTAL EQUITY		48,841,757	8,876,598	47,035,306	9,404,870

The financial statements were approved and authorised for issue by the Board of Directors on 23 February 2010 and were signed on its behalf by:

JULIANA MANOHARI DEVADASON
Chairman

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	Share capital RM	Revaluation reserve net of attributable deferred tax RM	Capital reserve RM	General reserve RM	Retained earnings RM	Total RM
At 1 January 2008	4,891,969	22,313,966	2,385,440	602,660	13,721,716	43,915,751
Dividends (Note 19)	–	–	–	–	(1,381,175)	(1,381,175)
Realisation of revaluation surplus on disposal of property, plant and equipment	–	(1,459,800)	–	–	1,459,800	–
Total comprehensive income	–	–	246,964	272,038	3,981,728	4,500,730
At 31 December 2008	4,891,969	20,854,166	2,632,404	874,698	17,782,069	47,035,306
Dividends (Note 19)	–	–	–	–	(1,373,226)	(1,373,226)
Total comprehensive income	–	2,354	(185,214)	–	3,362,537	3,179,677
At 31 December 2009	4,891,969	20,856,520	2,447,190	874,698	19,771,380	48,841,757

STATEMENT OF CHANGES IN EQUITY (continued)

	Share capital £	Revaluation reserve net of attributable deferred tax £	Capital reserve £	Foreign exchange reserve £	General reserve £	Retained earnings £	Total £
At 1 January 2008	1,331,659	3,375,789	360,884	(597,864)	91,174	2,075,902	6,637,544
Dividends (Note 19)	–	–	–	–	–	(236,503)	(236,503)
Realisation of revaluation surplus on disposal of property, plant and equipment	–	(291,960)	–	–	–	291,960	–
Total comprehensive income	–	1,087,004	165,597	242,407	83,766	1,425,055	3,003,829
At 31 December 2008	1,331,659	4,170,833	526,481	(355,457)	174,940	3,556,414	9,404,870
Dividends (Note 19)	–	–	–	–	–	(239,698)	(239,698)
Total comprehensive income	–	(378,738)	(81,537)	(90,475)	(15,904)	278,080	(288,574)
At 31 December 2009	1,331,659	3,792,095	444,944	(445,932)	159,036	3,594,796	8,876,598

Cash Flow Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	31.12.2009		31.12.2008	
	RM	£	RM	£
Operating activities				
Profit before tax	4,178,988	756,500	5,298,673	887,186
Adjustments for:				
Amortisation of prepaid lease payment	18,750	3,391	18,750	3,044
Depreciation of property, plant and equipment	45,014	8,140	64,210	10,423
Provision for retirement benefits	2,166	392	2,579	516
Gain arising on revaluation of biological assets	(74,346)	(13,517)	(247,985)	(49,597)
Gain on disposal of property, plant and equipment	–	–	(130,647)	(21,209)
Share of profit of associate after tax	(668,851)	(121,609)	(482,041)	(96,408)
Finance income	(196,301)	(35,497)	(260,384)	(42,270)
Finance costs	21,451	3,805	20,470	3,805
Operating cash flow before changes in working capital	3,326,871	601,605	4,283,625	695,490
(Increase)/Decrease in inventories	(5,912)	(1,075)	990	198
(Increase)/Decrease in trade and other receivables	(51,328)	(9,332)	307,386	61,477
Increase/(Decrease) in trade and other payables	84,162	15,302	(27,481)	(5,496)
Retirement benefits paid	(3,833)	(697)	–	–
Cash generated from operations	3,349,960	605,803	4,564,520	751,669
Tax paid	(466,663)	(84,387)	(2,144,983)	(348,212)
Net cash flow from operating activities	2,883,297	521,416	2,419,537	403,457
Investing activities				
Purchases of property, plant and equipment	(2,599)	(473)	(27,600)	(5,520)
Proceeds from disposal of property, plant and equipment	–	–	1,585,980	257,464
Interest received	196,301	35,497	260,384	42,270
Net cash flow from investing activities	193,702	35,024	1,818,764	294,214

	31.12.2009		31.12.2008	
	RM	£	RM	£
Financing activities				
Dividends paid on equity shares	(1,373,226)	(239,698)	(2,794,817)	(450,367)
Dividends paid on preference shares	(21,451)	(3,805)	(20,470)	(3,805)
Net cash flow used in financing activities	(1,394,677)	(243,503)	(2,815,287)	(454,172)
Increase in cash and cash equivalents	1,682,322	312,937	1,423,014	243,499
Effects of exchange rate changes	–	(180,068)	–	435,318
Cash and cash equivalents at beginning of financial year	9,515,438	1,903,087	8,092,424	1,224,270
Cash and cash equivalents at end of financial year (Note 12)	11,197,760	2,035,956	9,515,438	1,903,087

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"), and are in accordance with IFRS as issued by the IASB.

(a) *New standards, interpretations and amendments effective from 1 January 2009*

The following new standards, interpretations and amendments, applied for the first time from 1 January 2009, have had an effect on the financial statements:

- ***Amendments to IAS 1 Presentation of Financial Statements: A Revised Presentation:*** As a result of the application of this Amendment the Company have elected to present an income statement and a statement of comprehensive income; previously it presented an income statement and the statement of recognised income and expense. In addition, a statement of changes in equity is now presented as a primary statement where previously the information was included in a note. The Amendment does not change the recognition or measurement of transactions and balances in the financial statements.

The following new standards, interpretations and amendments, also effective for the first time from 1 January 2009, have not had a material effect on the financial statements:

- ***IFRS 8 Operating Segments***
- ***IFRIC 13 Customer Loyalty Programmes***
- ***IFRIC 15 Agreements for the Construction of Real Estate***
- ***IFRIC 16 Hedges of a Net Investment in A Foreign Operation***
- ***Amendments to IFRIC 9 and IAS 39 Embedded Derivatives***
- ***Amendments to IFRS 1 and IAS 27 Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate***

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.1 Basis of accounting (continued)

(a) *New standards, interpretations and amendments effective from 1 January 2009 (continued)*

- ***Amendment to IAS 23 Borrowing Costs***
- ***Amendment to IFRS 2 Share-Based Payment: Vesting Conditions and Cancellations***
- ***Amendments to IFRS 7 Improving Disclosures about Financial Instruments***
- ***Amendments to IAS 32 and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation***
- ***Amendment to IAS 39 Reclassification of Financial Assets: Effective Date and Transition***
- ***Amendments to IAS 39 and IFRS 7: Reclassification of Financial Instruments***
- ***Improvements to IFRSs (2008)***

(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 2010 or later periods and which the Company has decided not to adopt early. These are:

- ***IFRS 9 Financial Instruments****
- ***IFRIC 17 Distributions of Non-Cash Assets to Owners***
- ***IFRIC 18 Transfers of Assets from Customers***
- ***IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments****
- ***Amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement****
- ***Amendments to IFRS 1 Additional Exemptions for First-time Adopters****
- ***Amendments to IAS 27 Consolidated and Separate Financial Statements***

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.1 Basis of accounting (continued)

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

- ***Amendment to IAS 32 Financial Instruments: Presentation: Classification of Rights Issues***
- ***Amendment to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items***
- ***Amendment to IFRS 1 Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters****
- ***Amendments to IFRS 2 Group Cash-settled Share-based Payment Transactions****
- ***Amendments to IFRIC 14 IAS 19 The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction***
- ***Revised IAS 24 Related Party Disclosures****
- ***Revised IFRS 1 First Time Adoption of IFRS***
- ***Revised IFRS 3 Business Combinations***
- ***Improvements to IFRSs (2009)****

* 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.

Except as noted above, the following principal accounting policies have been applied consistently in the preparation of these financial statements:

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 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.2 Property, plant and equipment and depreciation (continued)

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

At each reporting date, 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 assets).

The residual values, useful life and depreciation method are reviewed at each financial year end 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.

1.3 Leases

1.3.1 Finance lease

A lease is recognised as a finance lease if it transfers substantially to the Company all the risks and rewards incidental to ownership. Leases of land are classified as operating or finance leases in the same way as leases of other assets.

1.3.2 Operating lease

All leases that do not transfer substantially all the risks and the rewards are classified as operating leases.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.3 Leases (continued)

1.3.3 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 11 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 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.6 Associate (continued)

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.

1.7 Impairment of non-financial assets

The carrying amounts of the Company's assets, other than biological assets, inventories, deferred tax asset and financial assets (other than investment in associate), are reviewed at each reporting date 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 reporting date, and any adjustment to tax payable in respect of previous years.

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:

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 reporting date. 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.

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 = 18.18p (2008: RM1 = 20.00p) whereas the income statement is translated at an average exchange rate of RM1 = 18.08p (2008: RM1 = 16.23p).

1.11.2 Transactions during the 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 reporting date are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange rate differences are taken to the income statement.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.11 Foreign currencies (continued)

1.11.3 Translation into sterling at year end

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

	2009 RM	2008 RM
Pound Sterling	5.50	5.00

The opening balances of reserves (excluding the exchange translation reserve and revaluation reserve) at the year end are translated from Ringgit Malaysia into Pound Sterling at the rate of exchange at 31 December 2009 of RM1 = 18.18p (2008: RM1 = 20.00p). 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 exchange translation 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.

1.13 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

1.16.2 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 21, 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 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:-

	31.12.2009		31.12.2008	
	RM	£	RM	£
Fresh fruit bunches (FFB)	5,638,523	1,019,624	8,141,446	1,321,663

3. FINANCE INCOME

	31.12.2009		31.12.2008	
	RM	£	RM	£
Interest from short term deposits	196,301	35,497	260,384	42,270

4. FINANCE COSTS

Finance costs represent dividends on cumulative preference shares as follows:

	31.12.2009		31.12.2008	
	RM	£	RM	£
Interim: Single tier 20% (2008: 20% less 26% tax)	21,451	3,805	20,470	3,805

5. PROFIT BEFORE TAX

	31.12.2009		31.12.2008	
	RM	£	RM	£
Profit before tax is arrived at after charging:-				
Amortisation of prepaid lease payments	18,750	3,391	18,750	3,044
Auditors' remuneration				
– audit services	101,625	18,377	87,500	14,205
Directors' fees	165,000	30,000	150,000	30,000
Depreciation on property, plant and equipment	45,014	8,140	64,210	10,423
Foreign exchange loss	–	–	883,072	143,356
MPOB cess/Windfall tax levy	7,179	1,298	353,130	57,326
Staff costs (Note 20)	869,969	157,318	794,211	129,027
and crediting:-				
Foreign exchange gain	276,090	49,926	–	–
Gain on disposal of property, plant and equipment	–	–	130,647	21,209

6. TAX EXPENSE

	31.12.2009		31.12.2008	
	RM	£	RM	£
Malaysian income tax:				
- current year	847,483	153,252	1,421,013	230,684
- under/(over) provision in prior year	(7,561)	(1,368)	(13,917)	(2,259)
Deferred tax for the year (Note 14)	(23,471)	(4,244)	(90,151)	(14,635)
	816,451	(147,640)	1,316,945	213,790

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	
	31.12.2009	31.12.2008
Malaysian income tax rate	25.0	26.0
(Decrease)/Increase resulting from:		
Non allowable expenses	1.5	5.7
Non taxable income	(2.5)	(4.7)
Crystallisation of deferred tax liabilities on revaluation reserves	(0.2)	–
	23.8	27.0
Over provision in prior year	(0.5)	(2.0)
Effective tax rate	23.3	25.0

7. EARNINGS PER SHARE

The calculation of basic earnings per share at 31 December 2009 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	31.12.2009		31.12.2008	
	RM	£	RM	£
Profit for the financial year attributable to ordinary shareholders	3,362,537	608,860	3,981,728	673,396

7. EARNINGS PER SHARE (continued)

	31.12.2009	31.12.2008
Weighted average number of ordinary shares of 10p each	13,316,590	13,316,590
Basic and diluted earnings per share (sen)	25.25 sen	29.90 sen
Basic and diluted earnings per share (pence)	4.57 pence	5.06 pence

8. BIOLOGICAL ASSETS, PROPERTY, PLANT AND EQUIPMENT

	LAND AND BUILDINGS					
2009	**Freehold estate**	**Freehold residential land, building and estate building**	**Biological assets**	**Vehicles, machinery and field equipment**	**Total**	**Total**
	£	**£**	**£**	**£**	**£**	**RM**
At Cost or Valuation						
At 1 January 2009	2,894,996	66,590	2,894,601	98,859	5,955,046	29,775,230
Additions	–	–	–	473	473	2,599
Revaluation	–	–	13,517	–	13,517	74,346
Disposal	–	–	–	–	–	–
Exchange difference	(263,181)	(6,053)	(263,145)	(8,988)	(541,367)	–
At 31 December 2009	2,631,815	60,537	2,644,973	90,344	5,427,669	29,852,175
Representing items at:						
Cost	–	60,537	–	90,344	150,881	829,844
Valuation	2,631,815	–	2,644,973	–	5,276,788	29,022,331
	2,631,815	60,537	2,644,973	90,344	5,427,669	29,852,175

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

2009	LAND AND BUILDINGS Freehold estate	LAND AND BUILDINGS Freehold residential land, building and estate building	Biological assets	Vehicles, machinery and field equipment	Total	Total
	£	£	£	£	£	RM
Accumulated depreciation						
At 1 January 2009	–	37,761	–	85,671	123,432	617,162
Charge for the year	–	2,794	–	5,346	8,140	45,014
Disposal	–	–	–	–	–	–
Exchange difference	–	(3,417)	–	(7,759)	(11,176)	–
At 31 December 2009	–	37,138	–	83,258	120,396	662,176

2008	LAND AND BUILDINGS Freehold estate	LAND AND BUILDINGS Freehold residential land, building and estate building	Biological assets	Vehicles, machinery and field equipment	Total	Total
	£	£	£	£	£	RM
At Cost or Valuation						
At 1 January 2008	2,189,861	267,073	2,152,045	74,780	4,683,759	30,959,645
Additions	–	5,520	–	–	5,520	27,600
Revaluation	–	–	49,597	–	49,597	247,985
Disposal	–	(292,000)	–	–	(292,000)	(1,460,000)
Exchange difference	705,135	85,997	692,959	24,079	1,508,170	–
At 31 December 2008	2,894,996	66,590	2,894,601	98,859	5,955,046	29,775,230
Representing items at:						
Cost	–	66,590	–	98,859	165,449	827,245
Valuation	2,894,996	–	2,894,601	–	5,789,597	28,947,985
	2,894,996	66,590	2,894,601	98,859	5,955,046	29,775,230

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

2008	LAND AND BUILDINGS: Freehold estate	LAND AND BUILDINGS: Freehold residential land, building and estate building	Biological assets	Vehicles, machinery and field equipment	Total	Total
	£	£	£	£	£	RM
Accumulated depreciation						
At 1 January 2008	–	26,209	–	58,152	84,361	557,619
Charge for the year	–	3,285	–	7,138	10,423	64,210
Disposal	–	(933)	–	–	(933)	(4,667)
Exchange difference	–	9,200	–	20,381	29,581	–
At 31 December 2008	–	37,761	–	85,671	123,432	617,162

	LAND AND BUILDINGS: Freehold estate	LAND AND BUILDINGS: Freehold residential land, building and estate building	Biological assets	Vehicles, machinery and field equipment	Total	Total
	£	£	£	£	£	RM
Net book value						
At 31 December 2009	2,631,815	23,399	2,644,973	7,086	5,307,273	29,189,999
At 31 December 2008	2,894,996	28,829	2,894,601	13,188	5,831,614	29,158,068
At 31 December 2007	2,189,861	240,864	2,152,045	16,628	4,599,398	30,402,026

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

	£	RM
Freehold estate land - cost and net book value		
At 31 December 2009	664,713	3,655,920
At 31 December 2008	731,184	3,655,920
At 31 December 2007	553,089	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 are 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. The fair value 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. The major assumptions underlying the calculation were an assumed average CPO selling price of RM2,150/mt (2008: RM2,150/mt) and average discount rate of 16.75% (2008: 16.16%) based on the Company's Return on Capital Employed.

9. PREPAID LEASE PAYMENTS

2009	**Prepaid lease payments**	
	RM	**£**
Cost/Valuation		
At 1 January 2009	200,000	40,000
Exchange difference	–	(3,636)
At 31 December 2009	200,000	36,364
Accumulated amortisation		
At 1 January 2009	84,375	16,875
Charge for the year	18,750	3,391
Exchange difference	–	(1,516)
At 31 December 2009	103,125	18,750

9. PREPAID LEASE PAYMENTS (continued)

2008

	Prepaid lease payments RM	Prepaid lease payments £
Cost/Valuation		
At 1 January 2008	200,000	30,257
Exchange difference	–	9,743
At 31 December 2008	200,000	40,000
Accumulated amortisation		
At 1 January 2008	65,625	9,928
Charge for the year	18,750	3,044
Exchange difference	–	3,903
At 31 December 2008	84,375	16,875

	Prepaid lease payments RM	Prepaid lease payments £
Net book value		
At 31 December 2009	96,875	17,614
At 31 December 2008	115,625	23,125

10. INVESTMENT IN ASSOCIATE

	2009 RM	2008 RM
Investment in associate (Unquoted)		
At cost	118,301	118,301
Share of reserves of associate	8,585,693	8,102,056
	8,703,994	8,220,357

	2009 £	2008 £
Investment in associate (Unquoted)		
At cost		
At 1 January 2009/2008	23,661	17,898
Exchange adjustments	(2,152)	5,763
At 31 December 2009/2008	21,509	23,661
Share of reserves of associate	1,708,345	1,274,492
Exchange adjustments	(147,310)	345,919
	1,582,544	1,644,072

10. INVESTMENT IN ASSOCIATE (continued)

The Company holds 33⅓% (2008: 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. Rivaknar Holdings Sdn. Bhd. has issued ordinary share capital of 355,200 shares of RM1 each.

Aggregated amounts relating to the associate are as follows:-

	31.12.2009		31.12.2008	
	RM	£	RM	£
Non current assets	16,809,462	3,056,266	17,619,448	3,523,890
Current assets	9,518,060	1,730,556	7,259,249	1,451,850
Total assets	26,327,522	4,786,822	24,878,697	4,975,740
Current liabilities	207,614	37,748	214,724	42,945
Non current liabilities	10,345	1,881	2,899	580
Total liabilities	217,959	39,629	217,623	43,525
Revenue	3,875,283	704,597	5,258,049	1,051,610
Profit before tax	2,615,423	475,531	2,202,514	440,503
Tax expense	(608,871)	(110,704)	(756,389)	(151,278)
Profit after tax	2,006,552	364,827	1,446,125	289,225

11. TRADE AND OTHER RECEIVABLES

	2009		2008	
	RM	£	RM	£
Trade receivables	281,820	51,240	213,627	42,725
Other receivables	24,686	4,488	32,404	6,481
Deposits	7,274	1,323	13,390	2,678
Prepayments	11,123	2,022	14,154	2,831
	324,903	59,073	273,575	54,715

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

12. NOTES SUPPORTING THE STATEMENT OF CASH FLOWS

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

	31.12.2009		31.12.2008	
	RM	£	RM	£
Comprising:				
Cash and bank balances	428,636	77,934	252,866	50,573
Short term deposits	10,769,124	1,958,022	9,262,572	1,852,514
	11,197,760	2,035,956	9,515,438	1,903,087

13. PROVISION FOR RETIREMENT BENEFITS

	2009		2008	
	RM	£	RM	£
At 1 January 2009/2008	29,023	5,805	26,444	4,001
Exchange adjustment	–	(526)	–	1,288
Provision for the year	2,166	392	2,579	516
Payments	(3,833)	(697)	–	–
At 31 December 2009/2008	27,356	4,974	29,023	5,805

14. DEFERRED TAX LIABILITIES

	2009		2008	
	RM	£	RM	£
At 1 January 2009/2008	58,397	11,679	148,548	22,473
Deferred tax arising from excess of capital allowance over corresponding depreciation	(15,997)	(2,893)	(90,151)	(14,635)
Crystallisation of deferred tax arising from revaluation surplus	(7,474)	(1,351)	–	–
Recognised in income statement (Note 6)	(23,471)	(4,244)	(90,151)	(14,635)
Effect of changes in tax rate on deferred tax	(2,354)	(428)		
Exchange adjustment	–	(1,085)	–	3,841
At 31 December 2009/2008	32,572	5,922	58,397	11,679

14. DEFERRED TAX LIABILITIES (continued)

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

	2009		2008	
	RM	£	RM	£
Deferred tax liabilities				
Excess of capital allowances over corresponding depreciation	32,572	5,922	58,397	11,679

15. CUMULATIVE PREFERENCES SHARES

	2009		2008	
	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.

16. TRADE AND OTHER PAYABLES

	2009		2008	
	RM	£	RM	£
Trade payables	47,086	8,561	16,934	3,387
Other payables	57,001	10,364	26,553	5,310
Accruals	482,380	87,705	458,818	91,764
	586,467	106,630	502,305	100,461

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

17. SHARE CAPITAL

	2009		2008	
	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

18. 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 estates.
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 and surplus on revaluation of property in associate.
General	Share of profit on sale of estate land and mining lease in associate

19. DIVIDENDS ON EQUITY SHARES

	31.12.2009		31.12.2008	
	RM	£	RM	£
Dividends on equity shares:				
Ordinary dividends:				
Interim: 7% less 25% tax (2008: 6% less 26% tax)	406,886	69,912	372,492	59,126
2nd Interim: 7% less 25 tax% (2008: 6% less 26% tax)	394,162	69,912	318,096	59,126
Special: 5% less 25% tax (2008: 6% less 26% tax)	290,633	49,937	372,491	59,125
2nd Special: 5% less 25% tax (2008: 6% less 26% tax)	281,545	49,937	318,096	59,126
	1,373,226	239,698	1,381,175	236,503

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

20. STAFF COSTS

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

	31.12.2009	31.12.2008
	No.	No.
Management	7	7
Administration	4	3
Field workers	48	47
Total number of employees	59	57

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

	31.12.2009		31.12.2008	
	RM	£	RM	£
Wages and salaries	828,638	149,844	761,868	123,680
Contributions to a defined contribution plan	35,182	6,362	26,374	4,281
Social security costs	3,983	720	3,390	550
Retirement benefits	2,166	392	2,579	516
	869,969	157,318	794,211	129,027

20. STAFF COSTS (continued)

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 on page 23, the remuneration of key management personnel during the financial year comprised the remuneration of the General Manager as follows:

	31.12.2009		31.12.2008	
	RM	£	RM	£
Salary and bonus	70,920	12,825	67,500	10,958
Contributions to defined contribution plan	2,604	471	2,486	404
	73,524	13,296	69,986	11,362

The information required by the Companies Act and the listing rules of the financial services authorities is contained in the Directors' Report on Remuneration, pages 20 to 24, of which the information on pages 23 and 24 has been audited.

21. 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.

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:

21. FINANCIAL INSTRUMENTS (continued)

Principal financial instruments (continued)

	Loans and receivables				Financial liabilities measured at amortised cost			
	2009		2008		2009		2008	
	RM	£	RM	£	RM	£	RM	£
Current financial assets								
Trade and other receivables	313,780	57,051	259,421	51,884	–	–	–	–
Cash and cash equivalents	11,197,760	2,035,957	9,515,438	1,903,087	–	–	–	–
Current financial liabilities								
Trade and other payables	–	–	–	–	586,467	106,630	502,305	100,461
Non-current financial liability								
Cumulative preference shares	–	–	–	–	84,163	19,024	84,163	19,024
Total	11,511,540	2,093,008	9,774,859	1,954,971	670,630	125,654	586,468	119,485

21. 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 2009 and 2008 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 reporting date was 1.8% per annum (2008: 3.2% per annum).

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

	2009		2008	
	RM	£	RM	£
Financial Assets				
Fixed rate				
Short term deposits	10,769,124	1,958,023	9,262,572	1,852,514
Floating rate				
Cash and bank balances	428,636	77,934	252,866	50,573
Interest free				
Trade and other receivables	313,780	57,051	259,421	51,884
Financial Liabilities				
Fixed rate				
Cumulative preference shares	84,163	19,024	84,163	19,024
Interest free				
Trade and other payables	586,467	106,630	502,305	100,461

21. FINANCIAL INSTRUMENTS (continued)

Credit Risk

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

The Company has only one customer who 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 has no borrowings.

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.

21. FINANCIAL INSTRUMENTS (continued)

Currency Risk (continued)

As at 31 December 2009, these exposures were as follows:

Foreign currency financial assets

	RM	£
Pound Sterling	3,075,653	559,603

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:

	2009		2008	
	RM	£	RM	£
Ordinary share capital	4,891,969	1,331,659	4,891,969	1,331,659
Retained earnings	19,771,380	3,594,796	17,782,069	3,556,414
Cumulative preference shares	84,163	19,024	84,163	19,024
	24,747,512	4,945,479	22,758,201	4,907,097

22. RELATED PARTY TRANSACTIONS

Details of Directors remuneration are given in the Remuneration Report on pages 20 to 24 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 31.12.2009 RM	Transaction amount 31.12.2009 £	Transaction amount 31.12.2008 RM	Transaction amount 31.12.2008 £	Amount owing (to)/by 2009 RM	Amount owing (to)/by 2009 £	Amount owing (to)/by 2008 RM	Amount owing (to)/by 2008 £
Riverview Rubber Estates Berhad	A company with significant influence over the Company	Interest-free advances received	50,576	9,146	73,782	11,978	–	–	–	–
CG Plantations Sdn. Bhd.	Associate	Empty fruit bunches subsidy received on behalf from mill	52,852	9,557	–	–	–	–	–	–

23. 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.

Plantation Statistics

(UNAUDITED INFORMATION)

OIL PALM	FINANCIAL YEAR ENDED 31 DEC 2009	31 DEC 2008	31 DEC 2007	31 DEC 2006 18 months	JUNE 2005
Average area in production (hectares)	555	555	555	555	522
Crop (tonnes FFB)	12,835	13,625	14,872	21,965	13,775
Yield per hectare (tonnes FFB)	23	25	27	40	25
Average price realised (RM per tonne FFB)	439	598	522	296	293
Operating profit per mature hectare (RM)	5,876	7,800	9,102	5,942	3,535

AREA STATEMENT AT 31 DECEMBER

Oil palm					
– mature	555	555	555	555	555
– mmature	–	–	–	–	–
Total planted hectarage	555	555	555	555	555
Estate building sites	4	4	4	4	4
Reserve land and swamps	5	5	5	5	5
Total area (hectares)	564	564	564	564	564

The Company's estate is located in the State of Perak Darul Ridzuan.

Incorporated in England and Wales 1910, Registration No. 109273 • Registered as a Foreign Company in Malaysia, No. 991416-W

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Registered Office in Malaysia

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