Annual Report 2008

THE NARBOROUGH PLANTATIONS, plc

No. 99

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

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REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2008

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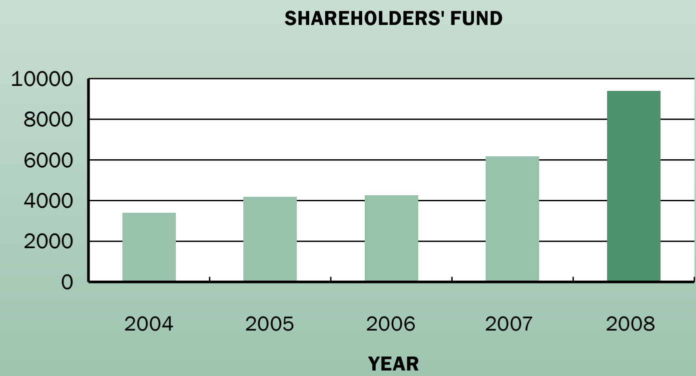
SPECIAL NOTE

Pursuant to the Disclosure and Transparency Rules of the Financial Services Authority in the United Kingdom ("UK"), Narborough, being a UK incorporated company whose shares are admitted to trading on the London Stock Exchange, is required to issue its Annual Report at the latest, 4 months after the end of each financial year. The Company's financial year end is 31 December.

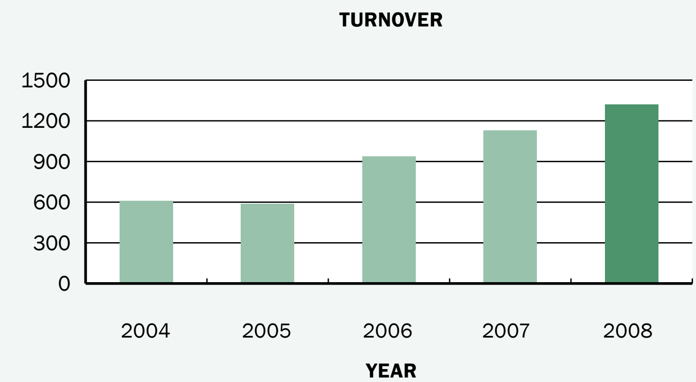
However, under the Companies Act 2006 of Great Britain, Narborough is required to convene an annual general meeting ("AGM") to lay its annual financial statements before its members within 6 months from the end of its financial year, by giving at least 21 days' notice. The Annual Report and the notice of AGM ("Notice") need not be issued at the same time.

In this respect, please note that the Notice of the Ninety-ninth Annual General Meeting of Narborough and the Form of Proxy for the meeting, will be sent to all shareholders separately in due course and, accordingly, are not appended in this Annual Report.

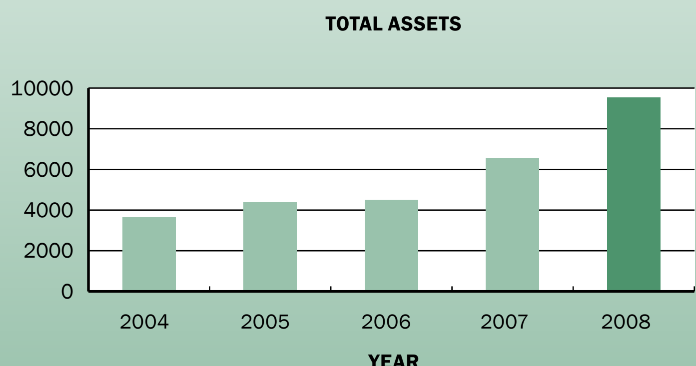
FIVE-YEAR HIGHLIGHTS



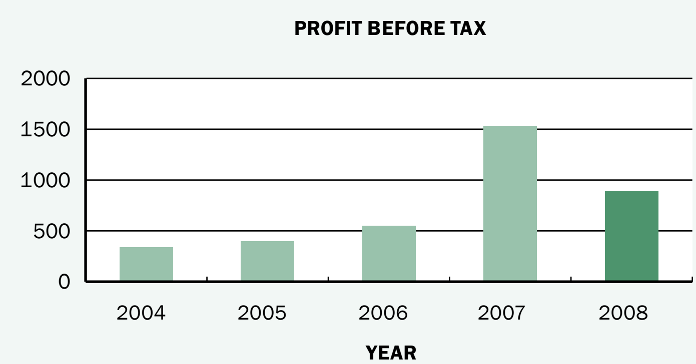
Shareholders' Funds	
Year	**£'000**
2004	3,390
2005	4,185
2006	4,250
2007	6,638
2008	9,405



Turnover	
Year	**£'000**
2004	611
2005	587
2006	939
2007	1,129
2008	1,322



Total Assets	
Year	**£'000**
2004	3,640
2005	4,396
2006	4,499
2007	7,025
2008	9,542



Profit Before Tax	
Year	**£'000**
2004	339
2005	399
2006	549
2007	1,532
2008	887

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	(Chairman)
Stephen William Huntsman	(Non-Independent Non-Executive Director)
Roslan Bin Hamir	(Senior Independent Director)
Jeraman @ Jayaraman A/L Narainan	(Independent Non-Executive Director)
Adrian Tsen Keng Yam	(Ceased as Alternate to William John Huntsman on 25 July 2008 and appointed as Non-Independent Executive Director on 25 July 2008)
William John Huntsman	(Retired on 25 July 2008)

Audit Committee

Roslan Bin Hamir	(Chairman)
Jeraman @ Jayaraman A/L Narainan	
Stephen William Huntsman	(Appointed on 25 July 2008)
Juliana Manohari Devadason	(Resigned on 25 July 2008)

Remuneration and Nomination Committee

Roslan Bin Hamir	(Chairman)
Jeraman @ Jayaraman A/L Narainan	
Stephen William Huntsman	(Appointed on 25 July 2008)
William John Huntsman	(Resigned on 25 July 2008)

Risk Management Committee

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

Secretary

Adrian Tsen Keng Yam

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.
Prospect House, 2 Athenaeum Road,
London N20 9YU
Switchboard: 0044-20 8492 8600
Fax: 0044-20 8492 8601

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 STOY HAYWARD 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

PROFILE OF DIRECTORS

JULIANA MANOHARI DEVADASON

Non-Independent Non-Executive Chairman

Malaysian, age 59. She was appointed to the Board in 1987 and has been Chairman of the Board since 1 July 1995. She has resigned from the Audit Committee of the Board on 25 July 2008. 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

Executive Director

Malaysian, aged 59. 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 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 51. He was first appointed to the Board on 1 August 2001 and redesignated as a Non-Independent Non-Executive Director on 24 July 2007.

On 25 July 2008, he was appointed as a member of the Audit Committee and Remuneration and Nomination Committee of the Board. He is also a Non-Independent Non-Executive Director of Riverview Rubber Estates, Berhad.

He has a Masters in Business Administration and is an Associate Member of the Chartered Institute of Secretaries. He joined Riverview Rubber Estates, Berhad in 1997 as a Manager and was appointed as the Managing Director in August 2001. He was redesignated as a Non-Independent Non-Executive Director of Riverview Rubber Estate on 24 July 2007. He was previously employed by the Automobile Association as a Manager from 1986 to 1996 and Plessey Plc as a Manager from 1980 to 1986.

He has not 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.

ROSLAN BIN HAMIR
Independent Non-Executive Director

Malaysian, age 41. 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 Deputy 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 60. 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 (First 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.

Presently he is a panel member of the Industrial Court representing the Employers (1 January 2007 to 31 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.

On behalf of the Board of Directors, I am pleased to present the Ninety-ninth Annual Report and Financial Statements of The Narborough Plantations, Public Limited Company for the financial year ended 31 December 2008.

FINANCIAL PERFORMANCE

	31.12.2008 RM	31.12.2007 RM	31.12.2008 £	31.12.2007 £
Revenue	8,141,446	7,768,861	1,321,663	1,129,195
Cost of sales	(2,323,354)	(1,897,879)	(377,168)	(275,855)
Gross profit	5,818,092	5,870,982	944,495	853,340
Gain arising on revaluation of biological asset	247,985	4,364,128	49,597	660,231
Profit before tax	5,298,673	10,335,473	887,186	1,532,357
Earnings per share	29.90 sen	66.51 sen	5.06 p	9.89 p

Year 2008 has been an eventful year for the Company and the world in general. The commodity industry has seen extreme volatility in commodity prices, adverse unpredictable weather conditions and mass speculation in the commodity exchanges which have driven the price of commodities such as Crude Palm Oil (CPO) to unprecedented highs. However, such high prices could not be sustained and the sharp decline was evident in the final six months of the financial year under review.

The sharp decline in CPO prices was reflected in the related price of Fresh Fruit Bunches (FFB) which in turn has affected the turnover of the Company. However, for the financial year ended 31 December 2008, the Company has still managed to register a turnover of RM8,141,446 (£1,321,663), an increase of 4.80% compared with the financial year ended 31 December 2007.

The Company achieved a profit on ordinary activities before tax of RM5,298,673 (£887,186) for the current financial year ended 31 December 2008 as compared to the amount of RM10,335,473 (£1,532,357) for the previous financial year. The significant reduction in profit on ordinary activities before tax was attributed to the following non-cash items which have a significant effect on the financial performance of the company as at 31 December 2008:-

	31.12.2008 RM	31.12.2007 RM	31.12.2008 £	31.12.2007 £
Unrealised foreign exchange loss	(883,072)	(174,928)	(143,356)	(25,426)
Share of profit in associate after tax	482,041	725,549	96,408	109,765
Gain arising on revaluation of biological assets	247,985	4,364,128	49,597	660,231

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 46.

Due to the significant reduction in profits, earnings per share has declined from 66.51 sen (9.89 pence) for the financial year ended 31 December 2007 to 29.90 sen (5.06 pence) for the year ended 31 December 2008.

FINANCIAL POSITION

The Company's balance sheet at 31 December 2008 showed a strong position, with net assets of RM47,035,306 (£9,404,870) compared with RM43,915,751 (£6,637,544) at 31 December 2007. Cash and short term deposits totalled RM9,515,438 (£1,903,087) compared with RM8,092,424 (£1,224,270) of the previous financial year. The company has no bank borrowings.

REVIEW OF OPERATIONS

The year witnessed extreme volatility in the commodity price for palm oil.

"The average Crude Palm Oil (CPO) price increased by 9.8% or RM247.00 to RM2,777.50 in 2008 against RM2,530.50 the previous year. However, the palm oil industry experienced extreme price fluctuations during the year with the highest monthly average CPO price recorded in March 2008 at RM3,695.00 and the lowest attained in November at RM1,520.50. CPO prices firmed during the first half of the year trading above RM3,500/tonne level supported by higher crude oil prices, demand for biodiesel, tight global vegetable oils situation and higher vegetable oils prices. However, during the second-half of the year bearish sentiments prevailed in the market influenced by the sharp decline in crude oil prices as well as other vegetable oils, high palm oil stocks, global financial crisis and fears of global recession. This resulted in the monthly average CPO price falling below the RM 2,000/tonne level since October 2008."*

Overall, foreign exchange has significantly affected the Company's operational profits, excluding gain arising from revaluation of biological assets, decreased by 16.90% in the current financial year as compared to the previous financial year. With the estate now fully matured, there was no replanting expenditure incurred.

(* Source: Malaysian Palm Oil Board)

CURRENT YEAR'S PROSPECTS

The world is now wrought by possibly the worst financial crisis it has ever seen, the subprime meltdown and the fallout on the commodity and foreign exchange markets has significantly raised the prospects of a global recession for Year 2009.

"The year 2009 is expected to be a challenging one for the industry in view of the high prevailing palm oil stocks, set-back in prices and concerns of a global recession. The Malaysian Government has taken various measures to stabilize palm oil prices at remunerative levels. Among the measures are the Oil Palm Replanting Incentive Scheme to accelerate replanting and reduce CPO production in the near term, the implementation of the 5% biodiesel mandate in the transport and industrial sector starting with government vehicles in February 2009 and increasing exports under the CPO export duty free scheme. In view of the prevailing CPO prices, the average price in 2009 is expected to soften compared to last year."*

(* Source: Malaysian Palm Oil Board)

Crop will be expected to increase in the foreseeable future, as matured plants have entered their prime production years. With no further replanting planned for the next few years, the plantation will enter a period of increasing production and falling costs. The Company should see another profitable year ahead given the stabilization of CPO price, improved cost efficiency through proper planning and favourable weather which will be beneficial to an increase in productivity of FFB.

DIVIDEND

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

	RM	£
In respect of financial year ended 31 December 2007:		
Interim dividend of 10% and Special dividend of 12% per ordinary share of 10 pence each, less tax of 27%, paid on 15 January 2008	1,413,642	213,864
In respect of financial year ended 31 December 2008:		
Interim dividend of 6% and Special dividend of 6% per ordinary share of 10 pence each, less tax of 26%, paid on 3 June 2008	744,983	118,251
2nd Interim dividend of 6% and 2nd Special dividend of 6% per ordinary share of 10 pence each, less tax of 26%, paid on 19 December 2008	636,192	118,252
	2,794,817	450,367

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.

On 25 July 2008, Mr William John Huntman retired from the board. He first joined the Narborough board in 1973 and was largely responsible for the prosperity and growth of the Company. His immense experience and contribution is duly acknowledged. It is pleasing to know that this will still be available to the other directors as he remains as our Senior Advisor.

On the same day, we were pleased to welcome Mr Adrian Tsen Keng Yam to the board. Mr Adrian Tsen brings a wealth of experience in accountancy and corporate strategy.

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

JULIANA MANOHARI DEVADASON
Chairman
2 March 2009

To be presented at the Ninety-ninth Annual General Meeting (AGM) of the Shareholders.

The directors present their report and the audited financial statements for the financial year ended 31 December 2008.

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:-

	2008	2007
Production - Oil Palm (FFB)	13,625 tonnes	14,872 tonnes

	2008		2007	
	RM	£	RM	£
Profit for the financial year	3,981,728	673,396	8,856,241	1,317,352

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 66.

PRINCIPAL RISK AND UNCERTAINTIES

The principal risks and uncertainties of the Company's business are:
- Unexpected variations in crop, principally caused by unusual weather
- Variations in commodity prices
- Input cost inflation, and
- Changes in the policy of the Malaysian government towards the plantation industry and towards foreign investment.

FINANCIAL RISK

Information on financial instruments and other risks is set out in Note 20 to the financial statements.

CORPORATE RESPONSIBILITY

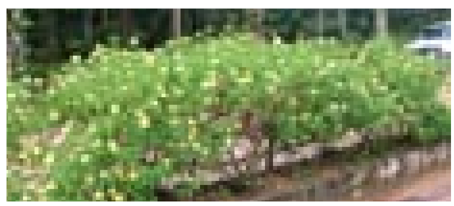
Employee Health and Safety

The Company is committed in providing a safe and healthy working environment for its workforce through effective and stringent implementation of the Occupational Safety and Health Act (OSHA) in its operations. The workforce is given the appropriate training and guidance on OSHA. These practices are regularly reviewed by external OSHA consultants to effectively develop, implement and continuously improve 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.

Environmental Management

The Company takes several measures to ensure that the natural biological system of its estate is preserved, such as the emphasis on the use of organic fertilisers i.e. waste product from the palm oil mills, 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. The oil palm plantation also acts as a water catchment area, assist to prevent soil erosion, provide oxygen to the air and employment to the local population.


Empty fruit bunches


Turnera subulata


Barn owl boxes

Corporate Contributions

During the current financial year, the Company has setup a Benevolent Fund which will make up of approximately 0.5% of its profit after tax for the purpose of contributing back to the community. As at the financial year ended 31 December 2008, a total amount of RM6,500 (£1,055) has been donated out from the said fund for educational and welfare purposes to the local organizations. Currently, more eligible candidates are being identified to receive contributions from the Benevolent Fund. The Company is committed to uphold 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 15 and 16 of the financial statements.

RESERVES AND PROVISIONS

All movements to or from provisions and reserves during the year under review are disclosed in Note 13 and Note 17 respectively to 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 2008 was RM29,207,756 (£5,841,551). Please refer to Note 8 and 9 of the financial statements.

DIVIDENDS

Dividends paid and proposed for the year are disclosed in Note 18 to the financial statements.

DIRECTORATE AND DIRECTORS' SHAREHOLDINGS

The present directors of the Company together with brief biographical details are listed on pages 6 to 7.

In accordance with Article 104 of the Company's Articles of Association, Mr Jeraman @ Jayaraman a/l Narainan retires by rotation at the forthcoming Ninety-ninth AGM and, being eligible, offers himself for re-election.

In accordance with Article 110 of the Company's Articles of Association, Mr Adrian Tsen Keng Yam who was appointed during the year, retires at the forthcoming Ninety-ninth 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 2008.

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 £21,500 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 10 p 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 (2007: 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

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 2008, the Board met seven (7) times and the details of the meeting attendance by each director are as follows:

Name of directors	Number of meetings held	Number of meetings attended
Juliana Manohari Devadason	7	7
Stephen William Huntsman	7	7
William John Huntsman (Retired on 25 July 2008)	4	3
Roslan Bin Hamir	7	6
Jeraman @ Jayaraman A/L Narainan	7	7
Adrian Tsen Keng Yam (Appointed on 25 July 2008)	3	3

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 (appointed on 25 July 2008), majority of whom are independent, meets at least four times a year. Mdm Juliana Manohari Devadason has resigned from the Committee on 25 July 2008 and Mr Stephen William Huntsman has been appointed as her replacement. 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 2008 are as follows:-

Audit Committee	**Number of meetings held**	**Number of meetings attended**
Roslan Bin Hamir	6	5
Juliana Manohari Devadason (Resigned on 25 July 2008)	3	3
Jeraman @ Jayaraman A/L Narainan	6	6
Stephen William Huntsman (Appointed on 25 July 2008)	3	3

BOARD COMMITTEES (continued)

Remuneration and Nomination Committee	Number of meetings held in relation to the financial year ended 31 December 2008	Number of meetings attended
Roslan Bin Hamir	1	1
William John Huntsman (Resigned on 25 July 2008)	-	-
Jeraman @ Jayaraman A/L Narainan	1	1
Stephen William Huntsman (Appointed on 25 July 2008)	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 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 page 12. 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 20 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 2008 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 19 June 2009 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 (appointed on 25 July 2008). On 25 July 2008, Mr William John Huntsman has resigned from the Committee and Mr Stephen William Huntsman has been appointed as his replacement. 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 RM30,000 (£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 pro-rated director's fee of RM12,500 (£2,500) for the financial year ended 31 December 2008.

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 RM6,500 (£1,300).

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.

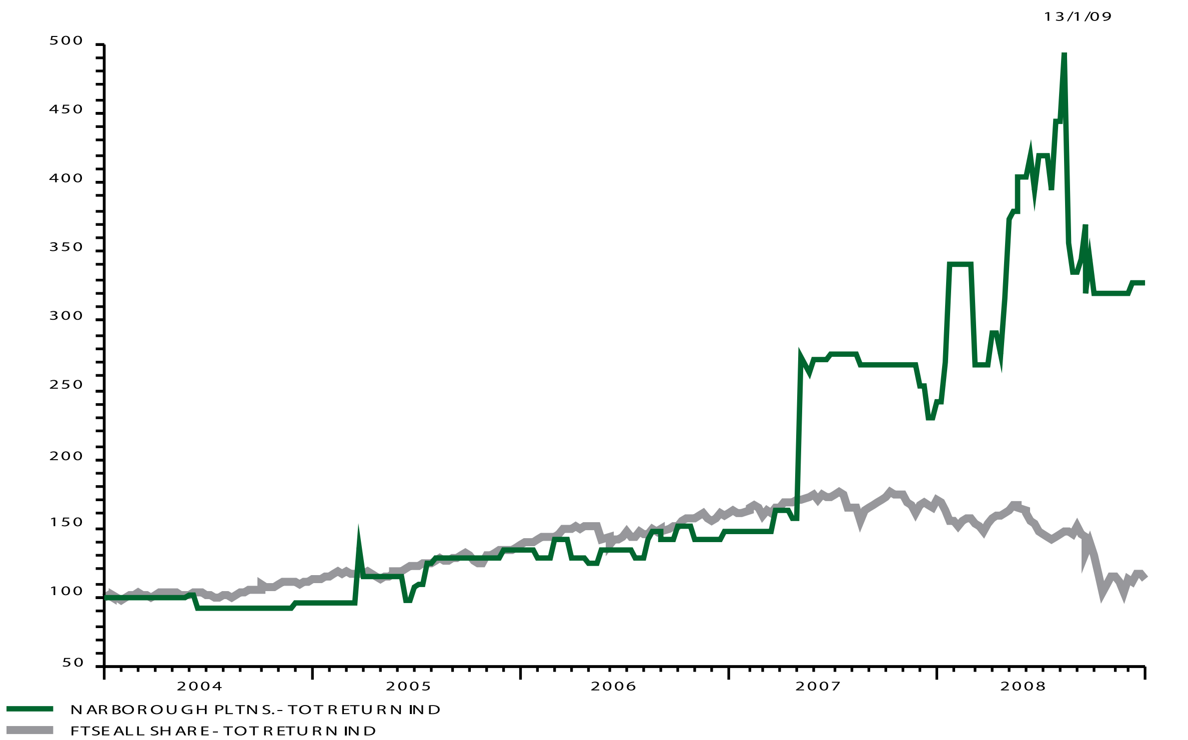
In recognition and appreciation of Mr William John Huntsman's past contributions and services, the Board has agreed to award him a gratuity for RM65,800 (£10,023) upon his retirement on 25 July 2008.

Total Shareholder Return

The Directors' Remuneration Report Regulation 2002 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, 2004 to 2008, 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.



Source: Thomson Datastream

AUDITED INFORMATION

The following part provides details of the remuneration and share interests of all the Directors for the year ended 31 December 2008. The numerical components of these disclosures have been audited in accordance with Schedule 7A of the UK Companies, Act 1985.

Directors' Individual Remuneration

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

	Salary/ Bonus/Fee	Gratuity	Benefit in Kind	Total 2008 (12 months)	Total 2007 (12 months)
	£	£	£	£	£
Executive					
Adrian Tsen Keng Yam *	2,500	-	-	2,500	-
Stephen William Huntsman***	-	-	-	-	8,190
Non-executive					
Juliana Manohari Devadason	6,000	-	1,300	7,300	6,983
William John Huntsman ** (retired on 25.07.2008)	3,500	10,023	-	13,523	6,000
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	2,617
	27,500	10,023	1,300	38,823	27,600
Grand total	30,000	10,023	1,300	41,323	35,790

* Mr Adrian Tsen Keng Yam received his director's fee on a pro-rata basis on his term as an Executive Non-Independent Director in 2008 of 153 days.

** 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.

*** Mr Stephen William Huntsman has been redesignated as a Non-Executive Non-Independent Director on 24 July 2007 and the payment was made in Ringgit Malaysia and translated at the equivalent of RM1 = 14.53 pence.

**** Mr Stephen William Huntsman received his director's fee on a pro-rata basis on his term as a Non-Executive Non-Independent Director in 2007 of 159 days.

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
2 March 2009

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 1985.

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 1985. 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 2009 and authorised for issue on 2 March 2009.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF THE NARBOROUGH PLANTATIONS, PLC

We have audited the Company financial statements (the ''financial statements'') of The Narborough Plantations plc for the year ended 31 December 2008 which comprise the Income Statement, the Statement of Total Recognised Income and Expense, the Balance Sheet, the Cash Flow Statement and the related Notes. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. Additionally we report to you whether the information given in the Directors' Report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statement on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the five year highlights, the Chairman's Statement, the Directors' Report, the Corporate Governance report, the unaudited part of the Directors' Remuneration Report and the Plantation Statistics. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;

- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the Directors' Report is consistent with the financial statements.

BDO STOY HAYWARD LLP
Chartered Accountants and Registered Auditors
55 Baker Street
London W1U 7EU

3 March 2009

INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

Continuing operations

		31.12.2008		31.12.2007	
	NOTE	RM	£	RM	£
Revenue	2	8,141,446	1,321,663	7,768,861	1,129,195
Cost of sales		(2,323,354)	(377,168)	(1,897,879)	(275,855)
Gross profit		5,818,092	944,495	5,870,982	853,340
Gain arising on revaluation of biological assets		247,985	49,597	4,364,128	660,231
Other operating income		147,837	24,000	28,627	4,161
Administrative expenses		(1,637,196)	(265,779)	(847,982)	(123,254)
Operating profit		4,576,718	752,313	9,415,755	1,394,478
Share of profit of associate after tax		482,041	96,408	725,549	109,765
Finance income	3	260,384	42,270	212,528	30,891
Finance costs	4	(20,470)	(3,805)	(18,359)	(2,777)
Profit before tax	5	5,298,673	887,186	10,335,473	1,532,357
Tax expense	6	(1,316,945)	(213,790)	(1,479,232)	(215,005)
Profit for the financial year		3,981,728	673,396	8,856,241	1,317,352
Earnings per share					
- basic and diluted (sen/pence)	7	29.90 sen	5.06 p	66.51 sen	9.89 p

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

STATEMENT OF TOTAL RECOGNISED INCOME AND EXPENSES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

		31.12.2008		31.12.2007	
	NOTE	RM	£	RM	£
Profit for the financial year	17	3,981,728	673,396	8,856,241	1,317,352
Net surplus/(deficit) arising on translation of balance sheet items at beginning of period and results of the year to year-end exchange rate	17				
- revaluation reserve		-	1,087,004	-	120,800
- capital reserve		-	116,204	-	16,231
- foreign exchange reserve		-	242,407	-	(107,220)
- general reserve		-	29,358	-	4,210
- retained profits		-	751,659	-	204,742
Reversal of deferred tax liabilities provided on prior years' revaluation surplus, due to exemption from real property gains tax	17	-	-	905,909	137,051
Total recognised income and expense for the year		3,981,728	2,900,028	9,762,150	1,693,166

The accompanying notes form an integral part of this statement of total recognised income and expenses.

BALANCE SHEET

AS AT 31 DECEMBER 2008

	NOTE	31.12.2008 RM	31.12.2008 £	Restated 31.12.2007 RM	Restated 31.12.2007 £
ASSETS					
Non-current assets					
Property, plant and equipment	8	14,685,063	2,937,013	16,177,006	2,447,353
Biological assets	8	14,473,005	2,894,601	14,225,020	2,152,045
Prepaid lease payments	9	115,625	23,125	134,375	20,329
Investment in associate	10	8,220,357	1,644,072	7,219,314	1,092,181
Total non-current assets		37,494,050	7,498,811	37,755,715	5,711,908
Current assets					
Inventories		7,144	1,429	8,134	1,231
Trade and other receivables	11	273,575	54,715	580,961	87,891
Short term deposits		9,262,572	1,852,514	7,575,741	1,146,103
Cash and bank balances		252,866	50,573	516,683	78,167
Tax recoverable		418,987	83,797	-	-
Total current assets		10,215,144	2,043,028	8,681,519	1,313,392
Total assets		47,709,194	9,541,839	46,437,234	7,025,300
Liabilities					
Current liabilities					
Trade and other payables	12	(502,305)	(100,461)	(1,943,428)	(294,013)
Current tax liabilities		-	-	(318,900)	(48,245)
Total current liabilities		(502,305)	(100,461)	(2,262,328)	(342,258)
Non-current liabilities					
Provision for retirement benefits	13	(29,023)	(5,805)	(26,444)	(4,001)
Deferred tax liabilities	14	(58,397)	(11,679)	(148,548)	(22,473)
Cumulative preference shares	15	(84,163)	(19,024)	(84,163)	(19,024)
Total non-current liabilities		(171,583)	(36,508)	(259,155)	(45,498)
Total liabilities		(673,888)	(136,969)	(2,521,483)	(387,756)
TOTAL NET ASSETS		47,035,306	9,404,870	43,915,751	6,637,544

The accompanying notes form an integral part of this balance sheet.

	NOTE	31.12.2008 RM	31.12.2008 £	Restated 31.12.2007 RM	Restated 31.12.2007 £
Capital and reserves attributable to equity holders of the Company					
Share capital	16	4,891,969	1,331,659	4,891,969	1,331,659
Other reserves	17	24,361,268	4,516,797	25,302,066	3,229,983
Retained profits	17	17,782,069	3,556,414	13,721,716	2,075,902
TOTAL EQUITY		47,035,306	9,404,870	43,915,751	6,637,544

These financial statements were approved by the Board of Directors and authorised for issue on 2 March 2009, and were signed on its behalf by:

JULIANA MANOHARI DEVADASON
Chairman

The accompanying notes form an integral part of this balance sheet.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	31.12.2008		31.12.2007	
	RM	£	RM	£
Operating activities				
Profit before tax	5,298,673	887,186	10,335,473	1,532,357
Adjustments for:				
Amortisation of prepaid lease payment	18,750	3,044	18,750	2,725
Depreciation of property, plant and equipment	64,210	10,423	88,789	12,906
Provision for retirement benefits	2,579	516	2,386	361
Gain arising on revaluation of biological assets	(247,985)	(49,597)	(4,364,128)	(660,231)
Gain on disposal of property, plant and equipment	(130,647)	(21,209)	-	-
Share of profit of associate after tax	(482,041)	(96,408)	(725,549)	(109,765)
Finance income	(260,384)	(42,270)	(212,528)	(30,891)
Finance costs	20,470	3,805	18,359	2,777
Operating cash flow before changes in working capital and provisions	4,283,625	695,490	5,161,552	750,239
Decrease/(Increase) in inventories	990	198	(740)	(112)
Decrease/(Increase) in trade and other receivables	307,386	61,477	(168,978)	(25,564)
(Decrease)/Increase in trade and other payables	(27,481)	(5,496)	44,615	6,749
Cash generated from operations	4,564,520	751,669	5,036,449	731,312
Tax paid	(2,144,983)	(348,212)	(1,192,082)	(173,268)
Net cash flow from operating activities	2,419,537	403,457	3,844,367	558,044
Investing activities				
Repayment from affiliated company	-	-	42,924	6,494
Purchases of property, plant and equipment	(27,600)	(5,520)	(5,284)	(799)
Proceeds from disposal of property, plant and equipment	1,585,980	257,464	-	-
Interest received	260,384	42,270	212,528	30,891
Net cash flow from investing activities	1,818,764	294,214	250,168	36,586

	31.12.2008		31.12.2007	
	RM	£	RM	£
Financing activities				
Dividends paid on equity shares	(2,794,817)	(450,367)	(1,035,296)	(145,817)
Dividends paid on preference shares	(20,470)	(3,805)	(18,359)	(2,777)
Net cash flow used in financing activities	(2,815,287)	(454,172)	(1,053,655)	(148,594)
Increase in cash and cash equivalents	1,423,014	243,499	3,040,880	446,036
Effects of exchange rate changes	-	435,318	-	49,296
Cash and cash equivalents at beginning of financial year	8,092,424	1,224,270	5,051,544	728,938
Cash and cash equivalents at end of financial year	9,515,438	1,903,087	8,092,424	1,224,270
Comprising:				
Cash and bank balances	252,866	50,573	516,683	78,167
Short term deposits	9,262,572	1,852,514	7,575,741	1,146,103
	9,515,438	1,903,087	8,092,424	1,224,270

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC) issued by the International Accounting Standards Board (IASB) as adopted by the EU and with those parts of the Companies Act, 1985 applicable to companies preparing their accounts under IFRS.

Standards, amendments and interpretations to published standards effective in 2008 but which are not relevant to the Company.

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2008 but are currently not relevant to the Company's operations:

IFRIC 7 Applying the restatement approach under IAS 29 Financial Reporting in Hyperinflationary Economies

IFRIC 8 Scope of IFRS 2

IFRIC 9 Reassessment of Embedded Derivatives

IFRIC 10 Interim Financial Reporting and Impairment

IFRIC 11, IFRS 2 Group and Treasury Share Transactions

*IFRIC 12, Service Concession Arrangements**

IFRIC 13 Customer Loyalty Programmes

IFRIC 14, IAS 1 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

*IFRIC 16, Hedges of a Net Investment in a Foreign Operation**

Amendment to IAS 39 and IFRS 7 - Reclassification of Financial Instruments

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.1 Basis of accounting (continued)

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 2009 or later periods and which the Company has decided not to adopt early. These are:

IFRS 8 Operating Segments

*IAS 23 Borrowing Costs (revised)**

*IFRIC 15 Agreements for the Construction of Real Estate**

*IFRIC 17 Distributions of Non-cash Assets to Owners**

*Revised IFRS 1 First time Adoption of International Financial Reporting Standards**

*Revised IFRS 3 Business Combination and complementary Amendments to IAS 27 'Consolidated and separate financial statements**

*Amendment to IFRS 2 Share-based payments: vesting conditions and cancellations**

*IAS 1 Presentation of Financial Statements (Amendment)**

*IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation (Amendment)**

*IAS 32 Financial Instruments: Presentation (Amendment)**

Amendment to IAS 39 - Eligible Hedged Items

IFRIC 18 Transfers of Assets from Customers

* 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.2 Property, Plant and Equipment and Depreciation

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

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

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

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

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

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 balance sheet 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

1.3.3 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 balance sheet 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.6 Associate (continued)

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

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

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

1.7 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 balance sheet 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 stated at the lower of cost (determined on a weighted average basis) and net realisable value.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.9 Receivables

Receivables are initially measured at fair value and subsequently at amortised cost less provision for any impairment. Known irrecoverable amounts are written off and allowance is made for receivables considered to be doubtful of collection.

1.10 Payables

Payables are initially measured at fair value and subsequently measured at amortised cost.

1.11 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 1.19.2 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.

1.12 Taxation

1.12.1 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 balance sheet date, and any adjustment to tax payable in respect of previous years.

1.12.2 Deferred tax

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

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

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 balance sheet 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.13 Foreign Currencies

1.13.1 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 balance sheet is translated to Pound Sterling for presentation purpose at an exchange rate of RM1 = 20.00p (2007: RM1 = 15.13p) whereas the income statement is translated at an average exchange rate of RM1 = 16.23p (2007: RM1 = 14.53p).

1.13.2 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 balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange rate differences are taken to the income statement.

1.13.3 Translation into sterling at year end

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

	2008 RM	2007 RM
Pound Sterling	5.00	6.61

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 2008 of RM1 = 20.00 p (2007: RM1 = 15.13 p). The Ringgit Malaysia equivalent of the share capital has been translated at the equivalent of RM1 = 27.14 p. Exchange differences on translation are dealt with through the exchange translation reserve.

1.14 Revenue

(i) Sale of goods

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

(ii) Interest income

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.15 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances and deposits with banks with an original maturity of less than three months and highly liquid investments which have an insignificant risk of changes in value.

1.16 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 and Note 14.

1.17 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.

1.18 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.

1.19 Employee Benefits

1.19.1 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.19 Employee Benefits (continued)

1.19.1 Short term employee benefits (continued)

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.

1.19.2 Defined contribution plans

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.

1.20 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 balance sheet and the preferential dividends are recognised as finance costs in profit or loss in the period in which they are incurred.

1.21 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's accounting policy for each category 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.22 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's accounting policy for each category is as follows:

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 balance sheet.

1.23 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 20, 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 balance sheet. 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:-

	31.12.2008		31.12.2007	
	RM	£	RM	£
Fresh fruit bunches (FFB)	8,141,446	1,321,663	7,768,861	1,129,195

3. FINANCE INCOME

	31.12.2008		31.12.2007	
	RM	£	RM	£
Interest from short term deposits	260,384	42,270	212,528	30,891

4. FINANCE COSTS

Finance costs represent dividends on cumulative preference shares as follows:

	31.12.2008		31.12.2007	
	RM	£	RM	£
Interim: Single tier 20% (2007: 20% less 27% tax)	20,470	3,805	18,359	2,777

5. PROFIT BEFORE TAX

	31.12.2008		31.12.2007	
	RM	£	RM	£
Profit before tax is arrived at after charging:-				
Amortisation of prepaid lease payment	18,750	3,044	18,750	2,725
Auditors' remuneration				
- audit services	87,500	14,205	111,650	16,228
Directors' fees	150,000	30,000	175,940	26,617
Depreciation on property, plant and equipment	64,210	10,423	88,789	12,906
Exchange loss	883,072	143,356	174,928	25,426
MPOB cess/Windfall tax levy	353,130	57,326	249,762	36,303
Provision for retirement benefits	2,579	516	2,386	361
Staff costs (Note 19)	794,211	128,930	775,930	112,781
and crediting:-				
Gain on disposal of property, plant and equipment	130,647	21,209	-	-

6. TAX EXPENSE

	31.12.2008		31.12.2007	
	RM	£	RM	£
Malaysian income tax:				
- current year	1,421,013	230,684	1,471,291	213,851
- (over)/under provision in prior year	(13,917)	(2,259)	7,941	1,154
Deferred tax for the year (Note 14)	(90,151)	(14,635)	-	-
	1,316,945	213,790	1,479,232	215,005

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	
	31.12.2008	31.12.2007
Malaysian income tax rate	26.0	27.0
(Decrease)/Increase resulting from:		
Non allowable expenses	5.7	1.0
Non taxable income	(4.7)	(12.6)
	27.0	15.4
Over provision in prior year	(2.0)	-
Effective tax rate	25.0	15.4

7. EARNINGS PER SHARE

The calculation of basic earnings per share at 31 December 2008 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	31.12.2008		31.12.2007	
	RM	£	RM	£
Profit for the financial year attributable to ordinary shareholders	3,981,728	673,396	8,856,241	1,317,352

	31.12.2008	31.12.2007
Weighted average number of ordinary shares of 10 p each	13,316,590	13,316,590
Basic and diluted earnings per share (sen)	29.90 sen	66.51 sen
Basic and diluted earnings per share (pence)	5.06 p	9.89 p

8. BIOLOGICAL ASSETS, PROPERTY, PLANT AND EQUIPMENT

2008	⊢ LAND AND BUILDINGS	⊣				
	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 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
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

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

2007	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 2007	1,535,225	220,573	1,422,928	68,210	3,246,936	22,501,261
Additions	-	-	-	799	799	5,284
Revaluation	580,313	38,290	660,231	-	1,278,834	8,453,100
Exchange difference	74,323	8,210	68,886	5,771	157,190	-
At 31 December 2007	2,189,861	267,073	2,152,045	74,780	4,683,759	30,959,645
Representing items at:						
Cost	-	66,983	-	74,780	141,763	937,050
Valuation	2,189,861	200,090	2,152,045	-	4,541,996	30,022,595
	2,189,861	267,073	2,152,045	74,780	4,683,759	30,959,645
Accumulated Depreciation						
At 1 January 2007	-	27,335	-	44,180	71,515	495,598
Charge for the year	-	3,237	-	9,669	12,906	88,789
Revaluation	-	(4,050)	-	-	(4,050)	(26,768)
Exchange difference	-	(313)	-	4,303	3,990	-
At 31 December 2007	-	26,209	-	58,152	84,361	557,619
Net Book Value						
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 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 (2007: RM1,850/mt) and average discount rate of 16.16% (2007: 13.40%) based on the Company's Return on Capital Employed.

9. PREPAID LEASE PAYMENT

2008	**Prepaid lease payment**	
	RM	**£**
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

9. PREPAID LEASE PAYMENT (continued)

2007

	Prepaid lease payment RM	Prepaid lease payment £
Cost/Valuation		
At 1 January 2007	200,000	28,860
Exchange difference	-	1,397
At 31 December 2007	200,000	30,257
Accumulated Amortisation		
At 1 January 2007	46,875	6,764
Charge for the year	18,750	2,725
Exchange difference	-	439
At 31 December 2007	65,625	9,928

	Prepaid lease payment RM	Prepaid lease payment £
Net Book Value		
At 31 December 2008	115,625	23,125
At 31 December 2007	134,375	20,329

10. INVESTMENT IN ASSOCIATE

	2008 RM	Restated 2007 RM
Investment in associate (Unlisted)		
At cost	118,301	118,301
Share of reserves of associate	8,102,056	7,101,013
	8,220,357	7,219,314
Other investment (Unlisted)		
At 1 January 2008/2007	-	42,924
Repayment	-	(42,924)
At 31 December 2008/2007	-	-
Total investments	8,220,357	7,219,314

10. INVESTMENT IN ASSOCIATE (continued)

	2008	Restated 2007
	£	£
Investment in associate (Unlisted)		
At cost		
At 1 January 2008/2007	17,898	17,071
Exchange adjustments	5,763	827
At 31 December 2008/2007	23,661	17,898
Share of reserves of associate	1,274,492	1,030,179
Exchange adjustments	345,919	44,104
	1,644,072	1,092,181
Other investment (Unlisted)		
At 1 January 2008/2007	-	6,194
Repayment	-	(6,494)
Exchange adjustments	-	300
At 31 December 2008/2007	-	-
Total investment	1,644,072	1,092,181

Other investment represents loan granted to the associate, which is interest free and repayable on demand.

The Company holds 33⅓% (2007: 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.

10. INVESTMENT IN ASSOCIATE (continued)

Aggregated amounts relating to the associate are as follows:-

	31.12.2008		31.12.2007	
	RM	£	RM	£
Non current assets	17,619,448	3,523,890	37,978,549	5,745,620
Current assets	7,259,249	1,451,850	4,363,940	660,203
Total assets	24,878,697	4,975,740	42,342,489	6,405,823
Current liabilities	214,724	42,945	19,379,087	2,931,783
Non current liabilities	2,899	580	1,305,458	197,497
Total liabilities	217,623	43,525	20,684,545	3,129,280
Revenue	5,258,049	1,051,610	5,108,232	772,804
Profit before tax	2,202,514	440,503	2,721,590	411,738
Tax expense	(756,389)	(151,278)	(544,725)	(82,409)
Profit after tax	1,446,125	289,225	2,176,865	329,329

11. TRADE AND OTHER RECEIVABLES

	2008		2007	
	RM	£	RM	£
Trade receivables	213,627	42,725	519,851	78,646
Other receivables	32,404	6,481	32,279	4,883
Deposits	13,390	2,678	12,009	1,817
Prepayments	14,154	2,831	16,822	2,545
	273,575	54,715	580,961	87,891

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

12. TRADE AND OTHER PAYABLES

	2008		2007	
	RM	£	RM	£
Trade payables	16,934	3,387	12,534	1,896
Other payables	26,553	5,310	54,570	8,256
Accruals	458,818	91,764	462,681	69,997
Dividend payable	-	-	1,413,643	213,864
	502,305	100,461	1,943,428	294,013

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

13. PROVISION FOR RETIREMENT BENEFITS

	2008		2007	
	RM	£	RM	£
At 1 January 2008/2007	26,444	4,001	24,058	3,472
Exchange adjustment	-	1,288	-	168
Provision for the year	2,579	516	2,386	361
At 31 December 2008/2007	29,023	5,805	26,444	4,001

14. DEFERRED TAX LIABILITIES

	2008		2007	
	RM	£	RM	£
At 1 January 2008/2007	148,548	22,473	1,054,457	152,158
Recognised in income statement (Note 6)	(90,151)	(14,635)	-	-
Reversal to revaluation reserve deferred tax provided on prior years' revaluation surplus due to exemption from real property gains tax	-	-	(905,909)	(137,051)
Exchange adjustment	-	3,841	-	7,366
At 31 December 2008/2007	58,397	11,679	148,548	22,473

14. DEFERRED TAX LIABILITIES (continued)

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

	2008		2007	
	RM	£	RM	£
Deferred tax liabilities				
Excess of capital allowances over corresponding depreciation	58,397	11,679	148,548	22,473

15. CUMULATIVE PREFERENCES SHARES

	2008		2007	
	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. SHARE CAPITAL

	2008		2007	
	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

17. SHARE CAPITAL AND RESERVES

	Share capital RM	Revaluation reserve net of attributable deferred tax RM	Capital reserve RM	General reserve RM	Retained profits RM	Total RM
At 1 January 2007						
As previously reported	4,891,969	17,292,317	-	-	7,314,413	29,498,699
Prior year adjustment (Note 23)	-	-	2,323,361	602,660	-	2,926,021
At 1 January 2007 (as restated)	4,891,969	17,292,317	2,323,361	602,660	7,314,413	32,424,720
Additional interest in an associate	-	-	62,079	-	-	62,079
Revaluation gains from revaluation of property, plant and equipment	-	4,115,740	-	-	-	4,115,740
Total recognised income and expense for the year	-	905,909	-	-	8,856,241	9,762,150
Dividends (Note 18)	-	-	-	-	(2,448,938)	(2,448,938)
At 31 December 2007 (as restated)	4,891,969	22,313,966	2,385,440	602,660	13,721,716	43,915,751
Additional interest in an associate	-	-	246,964	272,038	-	519,002
Realisation of revaluation surplus on disposal of property, plant and equipment	-	(1,459,800)	-	-	1,459,800	-
Total recognised income and expense for the year	-	-	-	-	3,981,728	3,981,728
Dividends (Note 18)	-	-	-	-	(1,381,175)	(1,381,175)
At 31 December 2008	4,891,969	20,854,166	2,632,404	874,698	17,782,069	47,035,306

17. SHARE CAPITAL AND RESERVES (continued)

	Share capital £	Revaluation reserve net of attributable deferred tax £	Capital reserve £	Foreign exchange reserve £	General reserve £	Retained profits £	Total £
At 1 January 2007							
As previously reported	1,331,659	2,495,284	-	(490,644)	-	913,489	4,249,788
Prior year adjustment (Note 23)	-	-	335,261	-	86,964	-	422,225
At 1 January 2007 (as restated)	1,331,659	2,495,284	335,261	(490,644)	86,964	913,489	4,672,013
Additional interest in an associate	-	-	9,392	-	-	-	9,392
Revaluation gains from revaluation of property, plant and equipment	-	622,654	-	-	-	-	622,654
Total recognised income and expense for the year	-	257,851	16,231	(107,220)	4,210	1,522,094	1,693,166
Dividends (Note 18)	-	-	-	-	-	(359,681)	(359,681)
At 31 December 2007 (as restated)	1,331,659	3,375,789	360,884	(597,864)	91,174	2,075,902	6,637,544
Additional interest in an associate	-	-	49,393	-	54,408	-	103,801
Realisation of revaluation surplus on disposal of property, plant and equipment	-	(291,960)	-	-	-	291,960	-
Total recognised income and expense for the year	-	1,087,004	116,204	242,407	29,358	1,425,055	2,900,028
Dividends (Note 18)	-	-	-	-	-	(236,503)	(236,503)
At 31 December 2008	1,331,659	4,170,833	526,481	(355,457)	174,940	3,556,414	9,404,870

17. SHARE CAPITAL AND RESERVES (continued)

The following describes the nature and purpose of each reserve above:

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 profits	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

18. DIVIDENDS ON EQUITY SHARES

	31.12.2008		31.12.2007	
	RM	£	RM	£
Dividends on equity shares:				
Ordinary dividends:				
Interim: 6% less 26% tax (2007: 10% less 27% tax)	372,492	59,126	642,565	97,211
2nd Interim: 6% less 26% (2007: Nil)	318,096	59,126	-	-
Special: 6% less 26% tax (2007: 12% less 27% tax)	372,491	59,125	771,077	116,653
2nd Special: 6% less 26% tax (2007: Nil)	318,096	59,126	-	-
Final: Nil (2007: 10% less 27% tax)	-	-	690,198	97,211
Special: Nil (2007: 5% less 27% tax)	-	-	345,098	48,606
	1,381,175	236,503	2,448,938	359,681

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

19. STAFF COSTS

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

	31.12.2008	31.12.2007
	No.	No.
Management	7	6
Administration	3	3
Field workers	47	45
Total number of employees	57	54

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

	31.12.2008		31.12.2007	
	RM	£	RM	£
Wages and salaries	761,868	123,680	741,944	107,841
Contributions to a defined contribution plan	26,374	4,281	28,424	4,131
Social security costs	3,390	550	3,176	462
Retirement benefits	2,579	419	2,386	347
	794,211	128,930	775,930	112,781

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. An executive director who was appointed on 25 July 2008 was considered to be the key management personnel. The General Manager who was appointed on 1 January 2008 has assumed the role of key management personnel under the supervision of the Board of Directors.

	31.12.2008		31.12.2007	
	RM	£	RM	£
Salary and bonus	67,500	10,958	49,000	7,122
Contributions to defined contribution plan	2,486	404	7,350	1,068
	69,986	11,362	56,350	8,190

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 page 23 has been audited.

20. 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:

20. FINANCIAL INSTRUMENTS (continued)

	Loans and receivables				Financial liabilities measured at amortised cost			
	2008		2007		2008		2007	
	RM	£	RM	£	RM	£	RM	£
Current financial assets								
Trade and other Receivables	259,421	51,884	564,139	85,346	-	-	-	-
Cash and cash Equivalents	9,515,438	1,903,087	8,092,424	1,224,270	-	-	-	-
Current financial liabilities								
Trade and other Payables	-	-	-	-	502,305	100,461	1,943,428	294,013
Non-current financial liability								
Cumulative preference shares	-	-	-	-	84,163	19,024	84,163	19,024
Total	9,774,859	1,954,971	8,656,563	1,309,616	586,468	119,485	2,027,591	313,037

20. 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 2008 and 2007 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 balance sheet date was 3.2% (2007: 3.2%).

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

	2008		2007	
	RM	£	RM	£
Financial assets				
Fixed rate				
Short term deposits	9,262,572	1,852,514	7,575,741	1,146,103
Floating rate				
Cash and bank balances	252,866	50,573	516,683	78,167
Interest free				
Trade and other receivables	259,421	51,884	564,139	85,346
Financial liabilities				
Fixed rate				
Cumulative preference shares	84,163	19,024	84,163	19,024
Interest free				
Trade and other payables	502,305	100,461	1,943,428	294,013

20. 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 balance sheet 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.

20. FINANCIAL INSTRUMENTS (continued)

Currency Risk (continued)

As at 31 December 2008, these exposures were as follows:

Net foreign currency financial assets

	RM	£
Pound Sterling	2,760,828	552,166

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

Capital

As described in Note 1.22, 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 balance sheet.

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:

	2008		2007	
	RM	£	RM	£
Ordinary share capital	4,891,969	1,331,659	4,891,969	1,331,659
Retained earnings	17,782,069	3,556,414	13,721,716	2,075,902
Cumulative preference shares	84,163	19,024	84,163	19,024
	22,758,201	4,907,097	18,697,848	3,426,585

21. RELATED PARTY TRANSACTIONS

Details of Directors remuneration are given in the Remuneration Report on pages 20 to 24 and Notes 5 and 19. Other related party transactions are as follows:

Party	Related party relationship	Type of transaction	Transaction amount 31.12.2008		Transaction amount 31.12.2007		Amount owing (to)/by 2008		Amount owing (to)/by 2007	
			RM	£	RM	£	RM	£	RM	£
Riverview Rubber Estates Berhad	A company with significant influence over the Company	Interest-free advances received	73,782	11,978	87,780	12,759	-	-	-	-
Rivaknar Holdings Sdn. Bhd.	Associate	Loan repayment	-	-	(42,924)	(6,494)	-	-	-	-

22. SEGMENT INFORMATION

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

23. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to accounting for share of reserves of associate amounting to RM2,988,100 (£452,058), comprising capital and general reserves, previously not recognised from an overseas associate. The share of reserves is now adjusted retrospectively in the financial statements of the Company in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

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

	As previously reported	Prior year adjustment	As restated
Balance sheet			
	RM	**RM**	**RM**
Non-current assets			
Investment in associate	4,231,214	2,988,100	7,219,314
	£	**£**	**£**
Investment in associate	640,123	452,058	1,092,181

Capital and reserves attributable to equity holders of the Company			
	RM	**RM**	**RM**
Other reserves			
- capital reserve	-	2,385,440	2,385,440
- general reserve	-	602,660	602,660
	-	2,988,100	2,988,100

23. PRIOR YEAR ADJUSTMENT (continued)

	As previously reported	Prior year adjustment	As restated
Capital and reserves attributable to equity holders of the Company (continued)			
	£	**£**	**£**
Other reserves			
- capital reserve	-	344,653	344,653
- general reserve	-	86,964	86,964
	-	431,617	431,617
Statement of total recognised income and expense			
	£	**£**	**£**
Net surplus arising on translation of balance sheet items at beginning of period and results of the year to year-end exchange rate			
- capital reserve	-	16,231	16,231
- general reserve	-	4,210	4,210
	-	20,441	20,441
	-	452,058	452,058

PLANTATION STATISTICS

	Financial Year Ended				
	31 Dec			30 June	
Oil Palm	**2008**	**2007**	**2006 18 months**	**2005**	**2004**
Average area in production (hectares)	555	555	555	555	522
Crop (tonnes FFB)	13,625	14,872	21,965	13,775	12,396
Yield per hectare (tonnes FFB)	25	27	40	25	24
Average price realised (RM per tonne FFB)	598	522	296	293	339
Operating profit per mature hectare (RM)	7,800	9,102	5,942	3,535	4,228

Area Statement At 31 December

	2008	2007	2006	2005	2004
Oil palm - mature	555	555	555	555	555
- immature	-	-	-	-	-
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.

Registered Office in Malaysia
33A Jalan Tun Sambanthan
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