INCH KENNETH KAJANG RUBBER PLC

GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

CONTENTS

Corporate Information

BOARD OF DIRECTORS	
Dato' Adnan bin Maaruf	Independent Non-Executive Director/ Chairman
Datuk Kamaruddin bin Awang	Independent Non-Executive Director
Dato' Haji Muda bin Mohamed	Independent Non-Executive Director
Dato' Tik bin Mustaffa	Independent Non-Executive Director
Dr. Radzuan bin A. Rahman	Independent Non-Executive Director
AUDIT COMMITTEE	
Datuk Kamaruddin bin Awang	Chairman
Dato' Haji Muda bin Mohamed	Member
Dato' Tik bin Mustaffa	Member
UK COMPANY NUMBER	SC007574
MALAYSIA COMPANY NUMBER	990261M
COMPANY SECRETARY	Lee Thai Thye (LS 0000737)
REGISTERED OFFICE IN UK	No. 2 Lochrin Square, 96 Fountainbridge Edinburgh EH3 9QA, Midlothian, United Kingdom Tel: 44 0131 226 5541 Fax: 44 0131 226 2278
PRINCIPAL OFFICE IN MALAYSIA	22nd Floor Menara Promet (KH) Jalan Sultan Ismail 50250 Kuala Lumpur, Malaysia Tel: 603-2144 4446 Fax: 603-2141 8463
PRINCIPAL REGISTRAR IN UK	Computershare Investor Services PLC PO Box 82, The Pavillions, Bridgwater Road Bristol BS99 7NH, United Kingdom Tel: 44 0870 702 0003 Fax: 44 0870 703 6101
REGISTRAR IN MALAYSIA	Mestika Projek (M) Sdn Bhd (225545V) 22nd Floor Menara Promet (KH) Jalan Sultan Ismail 50250 Kuala Lumpur, Malaysia Tel: 603-2144 4446 Fax: 603-2141 8463
AUDITORS	UHY Hacker Young LLP Quadrant House 4 Thomas More Square London E1W 1YW, United Kingdom
MANAGING AGENTS	Akem Links Sdn Bhd (790623D) d/a Narsco Berhad Km 0.5 Jalan Air Hitam 43800 Dengkil Selangor Malaysia
WEBSITE	www.ikkr.com.my

PRINCIPAL BANKERS	Bank Islam Malaysia Berhad Aminvestment Bank Berhad Agrobank Berhad CIMB Bank Berhad Affin Hwang Investment Bank Berhad Bank Kerjasama Rakyat Malaysia Berhad
STOCK EXCHANGE LISTINGS	Bursa Malaysia Securities Berhad – Main Board London Stock Exchange plc Singapore Exchange Securities Trading Limited

The Directors have pleasure in presenting their report, together with the audited financial statements of Inch Kenneth Kajang Rubber Public Limited Company ("the Company" or "the Parent") and its subsidiaries (together "the Group") for the financial year ended 31 December 2014.

Principal activities

The Company is incorporated in Scotland with company number SC007574, as a public company limited by shares.

The Company is involved in investment holding and carries on the business of an oil palm grower in Selangor, Malaysia.

The subsidiary undertakings are engaged in the operations of a block rubber manufacturer, tourist resort, retailing building supplies, property development and leasing of properties in Malaysia.

A more detailed review of the Group's operations is set out in the Chairman's Statement.

Group structure

The Group operates through its Parent and subsidiary companies, details of which are set out in note 15 to these financial statements.

Results and dividends

The Group's results for the year are set out on page 12. The Group's loss attributable to shareholders of the Company for the financial year ended 31 December 2014 amounted to RM7,127,000 (2013: loss of RM28,497,000).

On 23 April 2014, the Directors approved and declared a 2% interim dividend for the financial year ended 31 December 2013. The total amount of RM4.431 million was paid on 23 May 2014. The interim dividend was under the single tier system of 1.099 sen per share, on 403,209,200 ordinary shares A dividend of 2% is proposed for the financial year ended 31 December 2014.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

The Board plays an active role in the development of the Company's strategy. It has in place a strategy planning process, whereby the Management presents to the Board its recommended strategy annually, together with its proposed business and regulatory plans for the ensuing year at a dedicated session, for the Board's review and approval. At this session, the Board deliberates both the Management's and its own perspectives, and challenges the Management's views and assumptions, to ensure the best outcome. In conjunction with this, the Board also reviews and approves the annual budget for the ensuing year, and sets the Key Performance Indicators (KPIs) under the Corporate Balanced Scorecard (CBS), ensuring that the targets correspond to the Company's strategy and business plan, reflect competitive industry trends and internal capabilities as well as provide sufficient stretch for the Management.

The following table indicates the areas that may be looked at for improvement:

Department	**Areas**
Finance	Return on Investment Cash Flow Return on Capital Employed Financial Results (Quarterly/Yearly)
Internal Business Processes	Number of activities per function Duplicate activities across functions Process alignment (is the right process in the right department) Process bottlenecks Process automation
Learning & Growth	Is there the correct level of expertise for the job Employee turnover Job satisfaction Training/Learning opportunities
Customer	Delivery performance to customer Quality performance for customer Customer satisfaction rate Customer percentage of market Customer retention rate

Post balance sheet events

No other events have occurred since the reporting period end which significantly affects the Company or the Group.

Directors

The Directors of the Company who held office during the year and at the date of this report are:

Dato’ Adnan bin Maaruf
Datuk Kamaruddin bin Awang
Dato’ Haji Muda bin Mohamed
Dato’ Tik bin Mustaffa
Dr. Radzuan bin A. Rahman

In accordance with Malaysian Companies Act, 1965, Dato’ Adnan bin Maaruf, Dato’ Haji Muda bin Mohamed and Dr. Radzuan bin A.Rahman, and in accordance with Article 86 of the Company’s Articles of Association, Dato’ Muda bin Mohamed retire from the Board at the forthcoming AGM, and being eligible, offer themselves for re-election.

Directors' interests

Neither at the end of the financial year ended 31 December 2014, nor at any time during that year, was there any arrangement to which the Company was a party, whereby the Directors could acquire benefits by means of the acquisition of shares in or debentures of, the Company or Group undertakings.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received by the Directors as shown in the financial statements) by reason of a contract made by the Company or Group undertakings with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

None of the Directors who held office during the financial year and to the date of this report, together with their immediate families, had any interests in the shares of the Company or Group undertakings.

Substantial shareholders

The Company has been notified, in accordance with Rule 5 of the United Kingdom’s FCA’s Disclosure and Transparency Rules, of the following interests in its ordinary shares as at 2 March 2015 by shareholders holding 3% or more of the share capital:

Name	Number of shares of 10p each	% of issued capital
Concrete Engineering Products Berhad	58,088,000	14.41
Ng Ah Chai	50,283,200	12.47
Hamptons Property Sdn Bhd	49,327,700	12.23
FA Securities Sdn Bhd	29,672,500	7.36
Euston Technologies Sdn Bhd	22,662,066	5.62

No other person has notified an interest in the ordinary shares of the Company required to be disclosed to the Company in accordance with the United Kingdom’s Companies Act 2006 (“UK Companies Act 2006”).

No shareholders have any special rights or restrictions on voting rights attached to their shares.

Creditor payment policy and practice

It is the Group’s policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Group and its suppliers, provided that all trading terms and conditions have been complied with.

At 31 December 2014, the Group had an average of 2 days (2013: 11 days) purchases outstanding in trade creditors.

Health and Safety

All aspects of health and safety at the Group’s plantations are handled by our agent, Akem Links Sdn Bhd, and reviewed by the Board. The Company also places a high level of importance on health and safety aspects at its principal trading subsidiaries, Perhentian Island Resort Sdn Bhd, Motel Desa Sdn Bhd and Supara Company Limited. Any health and safety issues at these subsidiaries may be detrimental to its image and hence may affect revenues achieved.

Employees

The number of staff employed by the Group at the year end was 192 (2013: 177). At the resort, factory and estates, we provide employees with full quarters and required facilities, to provide a conductive environment, both for work and entertainment.

Political and charitable donations

There were no political or charitable donations made by the Group during the year ended 31 December 2014 except for community support by the subsidiary, Perhentian Island Resort Sdn Bhd, to the village committee, as and when the need arose.

Environment

The Group’s business is situated within areas that are subject to environmental conditions imposed by the local government authorities. All conditions have been fulfilled throughout the year. There have been no issues raised by the authorities pertaining to the day to day operation in relation to these conditions.

Financial instruments

Details of the Group financial instruments and risks management are disclosed in note 28.

Information to shareholders

The Group has its own website (http://www.ikkr.com.my) for the purposes of improving information flow to shareholders and potential investors.

Going concern

After making appropriate enquiries and examining those areas which could give rise to financial exposure, the Directors are satisfied that no material or significant exposures exist and that the Group has adequate resources to continue its operations for the foreseeable future. For this reason, and as further discussed in note 2.1, the Directors continue to adopt the going concern basis in preparing the Company’s and Group’s financial statements.

Auditors

In accordance with Section 489 of the UK's Companies Act 2006, a resolution proposing that UHY Hacker Young be re-appointed as auditors of the Company and that the Directors be authorised to fix their remuneration will be put to the next AGM.

On behalf of the Board

Dato' Adnan bin Maaruf
Director

Datuk Kamaruddin bin Awang
Director

Kuala Lumpur, Malaysia
28 April 2015

STATEMENT OF RESPONSIBILITIES OF THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom company law and International Financial Reporting Standards as adopted by the European Union ("IFRS").

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company and of the profit or loss and cash flows of the Group and of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business;
- 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; and
- state that the Group and the Company has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the UK's Companies Act 2006 and Article 4 of the International Accounting Standards (IAS) Regulation. The Directors are also responsible for safeguarding the assets of the Group and of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditors
The Directors who were members of the Board at the time of approving this report are listed on page 1. Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no relevant audit information of which the Company's auditors are unaware; and

- each Director has taken all the steps a Director might reasonably be expected to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The UK Corporate Governance Statement
The Financial Conduct Authority in the UK ("the FCA") requires the Company to comply with the FCA's Listing Rules 14.3.24 and 18.4.3(2) and Disclosure and Transparency Rule 7.2. The Annual Report contains in the Statements of Corporate Governance and Internal Control the information required by these rules.

Disclosures in respect of the Malaysian Code on Corporate Governance 2012
As required by the Main LR of Bursa Securities, the Annual Report contains a Corporate Governance Statement pursuant to the MCCG 2012.

STATUTORY DECLARATION
PURSUANT TO SECTION 169 (16) OF THE MALAYSIAN COMPANIES ACT, 1965

I, **HUSSAIN AHMAD BIN ABDUL KADER**, being the officer primarily responsible for the financial management of **Inch Kenneth Kajang Rubber Public Limited Company**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 12 to 50 are in my opinion correct and make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
The above named **HUSSAIN AHMAD BIN ABDUL KADER**
at Kuala Lumpur in the Federal Territory on
28 April 2015

HUSSAIN AHMAD BIN ABDUL KADER

Before me

PESURUHJAYA SUMPAH
No. W 521
MOHAN A.S. MANIAM
MALAYSIA

Commissioner for Oaths

Kuala Lumpur
28 April 2015

No. 50, Jalan Hang Lekiu
50100 Kuala Lumpur

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2014

We have audited the financial statements of Inch Kenneth Kajang Rubber Public Limited Company for the year ended 31 December 2014 which comprise of the Group and Company Statement of Profit or Loss, Group and Company Statement of Profit or Loss and Other Comprehensive Income, Group and Company Statement of Financial Position, Group and Company Statement of Changes in Equity, Group and Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Responsibilities of those Charged with Governance set out on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2014 and of the Group's and the Parent Company’s loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the UK Companies Act 2006; and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the UK Companies Act 2006

In our opinion:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2014

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Julie Zhuge Wilson (Partner)
Senior Statutory Auditor
for and on behalf of UHY Hacker Young
Chartered Accountants and Statutory Auditors

Quadrant House
4 Thomas More Square
London E1W 1YW

28 April 2015

The maintenance and integrity of the Inch Kenneth Kajang Rubber Public Limited Company website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website; and legislation governing the preparation and dissemination of financial statements may differ from one jurisdiction to another.

GROUP AND COMPANY STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2014

		GROUP		COMPANY	
	Notes	**2014 RM'000**	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Revenue	4	23,639	14,073	696	1,199
Cost of sales		(18,520)	(10,626)	(445)	(677)
Gross profit		5,119	3,447	251	522
Other income	5	5,450	596	4,402	1,683
Administrative expenses		(16,122)	(16,295)	(7,417)	(14,956)
Selling and marketing expenses		(948)	(371)	-	-
Operating loss	6	(6,501)	(12,623)	(2,764)	(12,751)
Finance income	7	4,759	5,136	4,576	5,044
Finance costs	7	-	(1)	-	-
Other gains and losses	5	424	832	413	734
Impairment of investment in subsidiary	15	-	-	-	(5,338)
Impairment losses on goodwill	18	-	(4,502)	-	-
Share of results of associate	16	(1,170)	559	-	-
Impairment of investment in associate	16	(4,500)	(17,590)	(4,500)	(17,590)
Loss before taxation		(6,988)	(28,189)	(2,275)	(29,901)
Taxation	8	(139)	(308)	-	-
Loss for the year		(7,127)	(28,497)	(2,275)	(29,901)
Attributable to:					
Equity holders of the Company		(7,127)	(28,497)	(2,275)	(29,901)
Loss per share (Sen):	9				
Basic		(1.77)	(7.05)		
Diluted		(1.77)	(7.05)		
Net dividend per share (Sen)		1.090	1.080		

The results for 2014 and 2013 relate entirely to continuing operations.

GROUP AND COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Loss for the year	(7,127)	(28,497)	(2,275)	(29,901)
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	1,000	24,800	-	9,000
Items that may be reclassified subsequently to profit or loss				
Revaluation of available-for-sale investments and short term investments	(412)	(468)	(368)	(488)
Reclassification adjustments on short term investments	15	(734)	14	(734)
Exchange differences on translating foreign operations	(58)	(11)	-	-
Other comprehensive income, net of tax	545	23,587	(354)	7,778
Total comprehensive loss for the year	(6,582)	(4,910)	(2,629)	(22,123)

GROUP AND COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

		GROUP		COMPANY	
	Notes	**2014**	**2013**	**2014**	**2013**
ASSETS		**RM'000**	**RM'000**	**RM'000**	**RM'000**
Non-current assets					
Property, plant and equipment	12	441,712	469,158	111,080	110,041
Investment property	13	72	-	-	-
Intangible assets	14	20	19	18	16
Investments in subsidiaries	15	-	-	231,116	215,077
Investment in associate	16	20,142	25,812	18,146	22,646
Available-for-sale investments	17	57	61	20	19
Goodwill	18	71	71	-	-
		462,074	495,121	360,380	347,799
Current assets					
Assets held for sale	19	29,654	-	-	-
Inventories	20	3,410	17,976	-	-
Trade and other receivables	21	44,026	30,533	1,148	1,934
Short term investments	22	123,719	146,609	119,263	142,786
Cash and cash equivalents	23	43,738	28,593	29,843	26,415
		244,547	223,711	150,254	171,135
TOTAL ASSETS		706,621	718,832	510,634	518,934
EQUITY AND LIABILITIES					
Equity attributable to shareholders of the Company					
Share capital	24	287,343	287,343	287,343	287,343
Share premium		8	8	8	8
Property revaluation reserve		287,371	286,371	86,600	86,600
Investment revaluation reserve		12,312	12,709	(3,265)	(2,911)
Foreign currency translation reserve		(1,303)	(1,245)	-	-
Retained earnings		133,043	144,601	154,931	161,637
		718,774	729,787	525,617	532,677
Less : Treasury shares	25	(15,980)	(15,980)	(15,980)	(15,980)
Total Equity		702,794	713,807	509,637	516,697
Current liabilities					
Trade and other payables	26	3,737	4,892	982	2,222
Taxation payable		75	118	-	-
		3,812	5,010	982	2,222
Non-current liabilities					
Employee entitlements	27	15	15	15	15
		15	15	15	15
Total Liabilities		3,827	5,025	997	2,237
TOTAL EQUITY AND LIABILITIES		706,621	718,832	510,634	518,934

The financial statements of Inch Kenneth Kajang Rubber Public Limited Company [registered numbers: SC007574 (Scotland) and 990261-M (Malaysia)] were approved by the Board of Directors on 28 April 2015 and signed on its behalf by:

Dato' Adnan bin Maaruf	**Datuk Kamaruddin bin Awang**
Director	Director

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

	Share Capital RM'000	Share Premium RM'000	Property Revaluation Reserve RM'000	Investment Revaluation Reserve RM'000	Foreign Currency Translation RM'000	Retained Earnings RM'000	Treasury Shares RM'000	Total Equity RM'000
Year ended 31 December 2014								
At 1 January 2014	287,343	8	286,371	12,709	(1,245)	144,601	(15,980)	713,807
Total comprehensive loss for year	-	-	1,000	(397)	(58)	(7,127)	-	(6,582)
Dividends paid	-	-	-	-	-	(4,431)	-	(4,431)
At 31 December 2014	287,343	8	287,371	12,312	(1,303)	133,043	(15,980)	702,794
Year ended 31 December 2013								
At 1 January 2013	287,343	8	261,571	13,911	(1,234)	178,983	(2,727)	737,855
Total comprehensive loss for year	-	-	24,800	(1,202)	(11)	(28,497)	-	(4,910)
Dividends paid	-	-	-	-	-	(5,885)	-	(5,885)
Purchase of treasury shares	-	-	-	-	-	-	(13,253)	(13,253)
At 31 December 2013	287,343	8	286,371	12,709	(1,245)	144,601	(15,980)	713,807

Share capital represents the nominal value of ordinary shares issued to shareholders of the company. The amount of share capital a company reports on its statement of financial position only accounts for the initial amount for which the original shareholders purchased the shares from the issuing company. Any price differences arising from price appreciation/depreciation as a result of transactions in the secondary market are not included.

Share premium is a contribution made by a shareholder when shares are issued and paid-in above the par value of such shares.

Property revaluation reserve is the capital reserve where changes in the value of the properties are recognised when they are revalued.

Investment revaluation reserve is the change in the value of investments recognised when they are revalued.

Foreign currency translation reserve represents the exchange differences resulting from the retranslation of net investments in subsidiary undertakings.

Retained earnings are net earnings not paid out as dividends, but retained by the company to be reinvested in its core business.

Treasury shares are those issued but re-purchased by the company. They are considered as issued but not outstanding and are not therefore included when calculating earnings per share and are not entitled to receive dividends. Treasury shares are treated as a reduction from equity.

INCH KENNETH KAJANG RUBBER PLC

SC007574 (Scotland)
990261-M (Malaysia)

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

	Share Capital RM'000	Share Premium RM'000	Property Revaluation Reserve RM'000	Investment Revaluation Reserve RM'000	Retained Earnings RM'000	Treasury Shares RM'000	Total Equity RM'000
Year ended 31 December 2014							
At 1 January 2014	287,343	8	86,600	(2,911)	161,637	(15,980)	516,697
Total comprehensive loss for year	-	-	-	(354)	(2,275)	-	(2,629)
Dividends paid	-	-	-	-	(4,431)	-	(4,431)
At 31 December 2014	287,343	8	86,600	(3,265)	154,931	(15,980)	509,637
Year ended 31 December 2013							
At 1 January 2013	287,343	8	77,600	(1,689)	197,423	(2,727)	557,958
Total comprehensive loss for year	-	-	9,000	(1,222)	(29,901)	-	(22,123)
Dividends paid	-	-	-	-	(5,885)	-	(5,885)
Purchase of treasury shares	-	-	-	-	-	(13,253)	(13,253)
At 31 December 2013	287,343	8	86,600	(2,911)	161,637	(15,980)	516,697

GROUP AND COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash flows from operating activities				
Operating loss	(6,501)	(12,623)	(2,764)	(12,751)
Adjustments for items not requiring an outflow of funds:				
Dividend income	(1)	(4)	(1)	-
Fixed assets written off	135	-	12	-
Provision for diminution in value of stocks	925	2,639	-	-
Allowance for doubtful debts	-	-	-	6,969
Depreciation and amortisation	1,656	2,094	32	142
Operating loss before changes in working capital	(3,786)	(7,894)	(2,721)	(5,640)
Changes in working capital:				
Decrease/(increase) in inventories	13,640	(1,119)	-	-
(Increase)/decrease in trade and other receivables	(13,511)	(3,508)	787	(261)
(Decrease)/increase in trade and other payables	(1,155)	620	(1,241)	1,191
Taxation refund	23	17	-	-
Taxation paid	(272)	(341)	-	-
Net cash used in operating activities	(5,061)	(12,225)	(3,175)	(4,710)
Investing activities				
Proceeds from disposal of assets	12	98	-	-
Proceeds from disposal of investment	25	-	25	-
Interest and dividends received	4,760	6,244	4,576	5,045
Acquisition of subsidiary	-	(3)	-	-
Loans granted to subsidiaries	-	-	(16,038)	(8,261)
Short term investments	22,886	20,254	23,556	22,017
Assets under construction	(1,054)	-	(1,054)	-
Payments to acquire intangible assets	(9)	-	(9)	-
Payments to acquire property, plant and equipment	(1,983)	(764)	(22)	(4)
Net cash generated from investing activities	24,637	25,829	11,034	18,797
Financing activities				
Interest paid	-	(1)	-	-
Repayments of finance leases	-	(24)	-	-
Dividends paid	(4,431)	(5,885)	(4,431)	(5,885)
Shares repurchase at cost	-	(13,253)	-	(13,253)
Net cash used in financing activities	(4,431)	(19,163)	(4,431)	(19,138)
Increase/(decrease) in cash and cash equivalents	15,145	(5,559)	3,428	(5,051)
Cash and cash equivalents at 1 January	28,593	34,152	26,415	31,466
Cash and cash equivalents at 31 December	43,738	28,593	29,843	26,415
Cash and cash equivalents comprise of:				
Short term deposits	29,629	26,754	28,680	26,167
Cash and bank balances	14,109	1,839	1,163	248
	43,738	28,593	29,843	26,415

1. Corporate information

The consolidated financial statements of Inch Kenneth Kajang Rubber Public Limited Company ("the Company") and its subsidiaries (together "the Group") for the year ended 31 December 2014 were authorised for issue by the Directors on 28 April 2015. Inch Kenneth Kajang Rubber Public Limited Company is a public limited company incorporated in Scotland. Its shares are publicly traded on Bursa Securities, SGX-ST and LSE. The principal activities of the Group are oil palm plantation owners, tourism resort operators, manufacturers of constant viscosity (CV) block rubber and property development. Further information on the Company's subsidiaries is in note 15.

2. Accounting policies

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

2.1 Basis of preparation and going concern

The Group's financial statements are prepared on a going concern basis and in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS") and in accordance with those parts of the UK's Companies Act 2006 applicable to companies preparing their accounts in accordance with IFRS.

The Company's financial statements have also been prepared in accordance with IFRS and the UK Companies Act 2006.

The financial statements of the Group and Company are prepared on an historical cost basis as modified by the revaluation of freehold lands and available-for-sale investments.

The Group's financial statements are presented in Ringgit Malaysia and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated. The exchange rate of Ringgit Malaysia to Pounds Sterling at 31 December 2014 was £1: RM5.4454 (RM1: £0.1836) and 31 December 2013 was £1: RM5.4128 (RM1: £0.1847).

Going concern

During the year ended 31 December 2014 the group made a loss of RM7.127 million (2013: loss of RM28.497 million) and at the year end date the Group had net current assets of RM240.735 million (2013: RM218.701 million) and net assets of RM702.794 million (2013: RM713.807 million). The operations of the Group are currently being financed by funds raised from the Group's operations and proceeds from disposal of land. The Group has adequate resources to continue its operations for the foreseeable future as there are assets available that could be converted to cash or cash equivalents, should the need arise. The financial statements have, therefore, been prepared on the going concern basis.

2.2 New IFRS Standards and Interpretations

The Group has adopted all relevant standards effective for accounting periods beginning on or after 1 January 2014 from the beginning of the reporting period.

As at end of the reporting period, the Group has not adopted the following standards as it is either not effective or not applicable to the group's business.

Standards, amendments and interpretations

- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) – EU effective date 1 February 2015, early adoption is permitted effective date 1 July 2014;
- Annual Improvements to IFRSs 2010-2012 Cycle (2013) – EU effective date 1 February 2015, early adoption is permitted effective date 1 July 2014;
- Annual Improvements to IFRSs 2011-2013 Cycle (2013) – EU effective date 1 February 2015, early adoption is permitted effective date 1 July 2014

Standards, amendments and interpretations (not yet endorsed by EU at 18 March 2015)

- IFRS 9 Financial Instruments (July 2014);
- IFRS 14 Regulatory Deferral Accounts (January 2014);

2.2 New IFRS Standards and Interpretations (continued)

- IFRS 15 Revenue from Contracts with Customers (May 2014);
- Annual improvements to IFRSs 2012 – 2014 Cycle (September 2014);
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (September 2014);
- Amendments to IAS 27: Equity Method in Separate Financial Statements (August 2014);
- Amendments to IAS 16 and IAS 41: Bearer Plants (June 2014);
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (May 2014);
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (May 2014);
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (December 2014);
- Amendments to IAS 1: Disclosure Initiative (December 2014).

Except for those in issue but not yet adopted above that the Directors anticipate will have material effect on the reported income or net assets of the Group.

2.3 Basis of consolidation and goodwill

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company: has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its return.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The consolidated financial statements have been prepared by using the principles of acquisition accounting ("the purchase method") which includes the results of the subsidiaries from their date of acquisition.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated fully on consolidation.

Goodwill is the difference between the amount paid on the acquisition of a subsidiary company or a business and the aggregate fair value of the identifiable assets and liabilities acquired. Goodwill is capitalised as an intangible asset. In accordance with IFRS 3 'Business Combinations', goodwill is not amortised but tested for impairment annually or when there are any other indications that its carrying value is not recoverable.

Goodwill is therefore stated at cost less any provision for impairment in value. If a subsidiary undertaking is subsequently sold, goodwill arising on acquisition is taken into account in determining the profit and loss on sale. Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

2.4 Investment in associated undertaking

Companies, other than subsidiary undertakings, in which the Group has an investment and over which it exerts significant influence but does not control, are treated as associated undertakings.

Investments in associated undertakings are equity accounted and carried in the Group statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate, less any impairment in value.

Any goodwill arising on the acquisition of an associate, representing the excess of the cost of the investment compared to the Group's share of the net fair value of the associate's identifiable assets and liabilities, is included in the carrying amount of the associate. Goodwill on the acquisition of associates is not amortised.

The Group statement of profit or loss includes the Group's share of the associate's profit after tax. To the extent that losses of an associate exceed the carrying amount of the investment, the Group discontinues including its share of further losses and the investment is reported at nil value. Additional losses are only provided if the Group has an obligation to a third party.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss of the Group's investment in its associate at each period end date. The Group calculates the amount of impairment as being the difference between the fair value of the associate and the carrying value and recognises the amount in the profit or loss.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associate are changed where necessary to ensure consistency with the accounting policies of the Group.

The Parent Company's investment in its associate is included in the Company statement of financial position at cost, less any provision for impairment.

2.5 Intangible assets

Intangible assets of the Group consist of computer software and are capitalised at their cost and are amortised through administrative expenses on a straight-line basis over their expected useful lives of 5 years.

The carrying value of intangible assets is tested for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

2.6 Property, plant and equipment

Freehold lands are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period. Fair value is based on periodic valuations made at least once in every five years and an interim valuation every three years. Valuations are carried out by an independent external licensed valuer on an open market value basis. Any surplus or deficit arising on valuation is transferred directly to equity as a revaluation surplus in the property revaluation reserve, except for those deficits expected to be permanent, which are charged to profit or loss. Freehold lands are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on a straight-line basis to write off the costs, less estimated residual values of each asset over its estimated useful lives, as follows:

Buildings	10 – 50 years
Land improvements	5 – 20 years
Other assets	5 – 10 years

2.6 Property, plant and equipment (continued)

The carrying values of property, plant and equipment are tested for impairment if events or changes in circumstances indicate the carrying values may not be recoverable. Any impairment losses are recognised in the profit or loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each period end date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the statement of profit or loss.

When revalued assets are sold, the amounts included in property revaluation reserves are transferred to retained earnings.

2.7 Biological assets

The Group's biological assets consist of oil palm tree plantations. According to IAS 41 'Agriculture', biological assets should be valued annually at their fair values. The gain or loss in fair value of biological assets is to be included in the profit or loss.

The Group has used IAS 41's cost model to value the biological assets because the Directors believe that fair values cannot be measured reliably as the trees on the plantations are mature (greater than 25 years old). At 31 December 2014 the costs of the biological assets have been fully depreciated. Even though the plantations are still producing income the Directors believe that any attempt to revalue the plantations to their fair values would not be reliable as market-determined prices or values are not readily available and alternative estimates of fair value are unreliable. The biological assets (i.e. the oil palm trees) are therefore carried in the Company's and Group's financial statements at a nil net book value.

The freehold estate land is carried at its fair value as discussed in note 2.6 above.

The harvested produce (fresh fruit bunches) are sold immediately after being harvested. Therefore the requirement under IAS 41 to value agricultural produce at market value as inventories does not apply.

2.8 Investment property

Investment property consists of investment in building that is held for long-term rental yield and/or for capital appreciation and is not occupied by the Group.

Investment property is stated at cost less accumulated depreciation and impairment losses. Depreciation for investment property is calculated using the straight-line method to allocate their cost over their estimated economic lives as follows:

Leasehold building	remaining lease period

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Gains and losses on disposal are determined by comparing the net disposal proceeds with the carrying amount and are included in the profit or loss.

2.9 Non-current asset held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale, which should be expected to qualify for recognition as a completed sale within a year from date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

2.10 Financial assets

The Group classifies its financial assets in the following categories: fair value through profit or loss, held-to-maturity, short term investments, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. At the end of the reporting period, the Group had all of the above except for assets with fair value through profit or loss and held-to-maturity.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intent and ability to hold the assets to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method less any impairment.

Short term investments

Short term investments are investments in unquoted unit trust with licensed investment banks. After initial recognition, short term investments are measured at fair value with gains or losses being recognised in other comprehensive income and accumulated under fair value adjustment reserve until the investment is derecognised or until the investment is determined to be impaired at which time the accumulate gain or loss previously reported in equity is included in the profit or loss. The fair value of the investments is measured at mark to market based on the net asset value at each reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost using the effective interest method less any impairment and are included in current assets, except for maturities greater than twelve months after the reporting period date. These are classified as non-current assets. The Group's loans and receivables comprise “trade and other receivables” and “cash and cash equivalents” in the statement of financial position.

Interest income is recognised by applying the effective interest rate except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months after the period end date.

Purchases and sales of financial assets are recognised on the trade-date; the date on which the Group commits to purchase or sell the assets. Investments are initially recognised at fair value plus transaction costs. Available-for-sale financial assets are subsequently carried at fair value with gains or losses being recognised in other comprehensive income and accumulated under investment revaluation reserve until the investment is derecognised or until the investment is determined to be impaired at which time the accumulate gain or loss previously reported in equity is included in the profit or loss. The fair value of investments that are traded in active market at the end of each reporting period is determined by reference to the relevant stock exchange’s quoted market bid prices at the close of business on the reporting period date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm’s length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

2.11 Parent Company investments in subsidiaries and associates

The Parent Company’s investments in subsidiaries and associated undertakings are included in the Company statement of financial position at cost less any provisions for impairments.

2.12 Inventories

Inventories are being held at the lower of cost and net realisable value.

No harvested fresh fruit bunches are held at year end, therefore, the requirement under IAS 41 ‘Agriculture’ to value agricultural produce at market value does not apply.

2.13 Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject an insignificant risk of changes in value. The amount in the statement of financial position is stated at cost, which is approximately equal to the fair value, and comprises cash in hand, cash at bank, short term deposits and short term investments.

2.14 Impairment of non-current assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

2.15 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities include trade and other payables and bank borrowings.

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

All borrowings and overdrafts are recorded at the amount of the proceeds received, net of direct issue costs. Finance charges are charged to the statement of profit or loss on an accruals basis using the effective interest rate method.

Equity instruments are recorded at the fair value of the consideration received, net of direct issue costs

2.16 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable net of value added tax, returns, rebates or discounts and after eliminating sales with the Group.

Revenue derived from plantation activities represents the sale of oil palm fresh fruit bunches and is recognised on the accruals basis.

Revenue derived at manufacturing activities is recognised from sales when the goods are delivered, and the risks and rewards of ownership of the goods are transferred to buyers.

Revenue derived from resort activities represents room rentals, net of hotel room tax, and the sale of food and beverages. Accommodation revenue is recognised on the arrival of customers. Payments received in advance of the arrival of guests are included in current liabilities as accommodation rental received in advance.

Dividend income is recognised when the right to receive payments is established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Group's policy for recognition of revenue from operating leases is described in note 2.17 below.

2.17 Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

The Group as lessor
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging as operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee
Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.18 Employee entitlements

The liability for employees' compensation for unutilised leave is accrued in relation to services rendered by employees and relates to rights which have been vested. These amounts are not discounted.

The Group's contribution to a defined contribution plan is charged to the profit or loss in the period to which the contribution relates.

2.19 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance policy, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. Where discounting is used, the increase in the provision due to unwinding of discount is recognised as a finance cost.

2.20 Dividend distributions

Dividend distributions proposed by the Board of Directors and unpaid at the year end are not recognised in the financial statements as a liability until they have been approved by the Company's shareholders at the AGM.

2.21 Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

2.22 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the period end date and any adjustments to tax payable in respect of previous years.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the period end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax liabilities are recognised for the temporary timing differences associated with subsidiaries, joint ventures and associates, but only where the Group is able to control the timing of the reversal of the temporary difference.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

2.23 Foreign currency translation

Functional and presentational currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Ringgit Malaysia' ('RM'), which is the Company's and the Group's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. .

The assets, liabilities and the results of the foreign subsidiary undertakings are translated into Ringgit Malaysia at the rates of exchange ruling at the year end. Exchange differences resulting from the retranslation of net investments in subsidiary undertakings are treated as movements on reserves.

3. Significant accounting judgements and estimates

In the process of applying the Group's accounting policies, which are described in note 2 above, the Directors have made the following judgments and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom exactly equal the related actual results. The estimates and assumptions that have a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Carrying value of associate
The directors assess the fair value of the Group's investment in its associated undertaking, Concrete Engineering Products Berhad ("Cepco") is less than the carrying value and resulted in an impairment of RM4.5 million. The assessment was made by reference to the value-in-use of the associate to the Group.

The value-in-use calculation includes a discounted cash flow assessment model; the primary assumptions underlying the model were:

o Sales growth rate	5.50%
o Terminal value equal to Price Earnings ratio	18

Additional assumptions utilised include:

o Duration of assessment period	5 years
o Discount rate of	7%

If the impairment was made by reference only to the market price of the shares of the associate, the Group would suffer an additional loss of RM2.086 million, being the difference between the carrying value and the market price at 31 December 2014.

Depreciation, useful lives and residual values of property, plant & equipment
The Directors estimate the useful lives and residual values of property, plant & equipment in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the statement of profit or loss and the carrying values of the property, plant and equipment in the statement of financial position.

Fair value measurements
A number of the group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The group has an established control framework with respect to the measurement of fair values. When measuring the fair value of an asset or a liability, the management uses market observable data as far possible. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are included in the relevant notes.

3. Significant accounting judgements and estimates (continued)

Deferred tax asset
Deferred tax assets are recognised for all unutilised tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgment and measurement is required to determine the amount of deferred tax asset that can be recognised, based on the likely timing of future taxable profit together with future tax planning strategies. The carrying value of deferred tax assets recognised as at 31 December 2014 is RM Nil (2013: RM Nil) and the unrecognised tax losses as at 31 December 2014 is RM4,259,000 (2013: RM3,769,000) in respect of which the future economic benefit is uncertain. Further details are shown in note 8.

4. Segmental information

The Group applies IFRS 8 ‘Operating Segments’. The accounting policy for identifying segments is based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In identifying its operating segments, management generally follows the Group’s service lines, which represent the main products and services provided by the Group.

The Group’s operating businesses are organised and managed separately according to the nature of products produced and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

At 31 December 2014, the Group was organised into four operating segments as follows:

- Plantations – sale of fresh fruit bunches;
- Manufacturing – producing constant viscosity (CV) rubber blocks;
- Tourism – operation of two tourist resorts, sale of rooms and sale of food and beverages;
- Others being:
    i) Property development and leasing – development and sale of land and properties and leasing of buildings;
    ii) Trading – trading of building materials; and
    iii) Investment – holding of equity interests in quoted shares.

4. Segmental information (continued)

The segment results for the year ended 31 December 2014 are as follows:

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Others RM'000	Total RM'000
Revenue					
From external customers	696	8,396	14,385	162	23,639
Segment revenues	696	8,396	14,385	162	23,639
Finance income	-	183	-	4,576	4,759
Other gains and losses	-	(1)	12	413	424
Fixed assets written off	-	(123)	-	(12)	(135)
Share of loss of Cepco	-	-	-	(1,170)	(1,170)
Depreciation and amortisation	(32)	(1,101)	(149)	(374)	(1,656)
Provision for diminution in value of stocks	-	-	(925)	-	(925)
Impairment of Cepco	-	-	-	(4,500)	(4,500)
Tax expenses	-	(100)	-	(39)	(139)
Other expenses	(446)	(7,404)	(16,084)	(3,490)	(27,424)
Segment profit/(loss)	218	(150)	(2,761)	(4,434)	(7,127)
Segment assets	114,429	24,990	19,075	548,127	706,621
Segment liabilities	997	1,445	101	1,284	3,827
Other disclosures					
Investment in Cepco	-	-	-	20,142	20,142
Capital expenditure					
Tangible	22	692	32	1,237	1,983
Assets under construction	1,054	-	-	-	1,054
Intangible	9	-	-	-	9

4. Segmental information (continued)

The segmented results for the year ended 31 December 2013 are as follows:

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Others RM'000	Total RM'000
Revenue					
From external customers	1,199	7,843	4,848	183	14,073
Segment revenues	1,199	7,843	4,848	183	14,073
Finance income	-	92	-	5,044	5,136
Finance expenses	-	(1)	-	-	(1)
Other gains and losses	-	98	-	734	832
Share of profit of Cepco	-	-	-	559	559
Depreciation and amortisation	(141)	(1,103)	(149)	(701)	(2,094)
Provision for diminution in value of stocks	-	-	(2,639)	-	(2,639)
Impairment losses on goodwill	-	-	(4,502)	-	(4,502)
Impairment of Cepco	-	-	-	(17,590)	(17,590)
Tax expenses	-	(226)	-	(82)	(308)
Other expenses	(677)	(6,430)	(6,975)	(7,881)	(21,963)
Segment profit/(loss)	381	273	(9,417)	(19,734)	(28,497)
Segment assets	118,596	24,537	22,093	553,606	718,832
Segment liabilities	2,237	1,314	79	1,395	5,025
Other disclosures					
Investment in Cepco	-	-	-	25,812	25,812
Capital expenditure					
Tangible	4	460	11	289	764

Geographic information

The Group operates in two principal geographical areas – Malaysia and Thailand.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets* by location of assets are detailed below.

	Revenue from external customers		Non-current assets	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Malaysia	13,281	10,727	459,491	492,446
Thailand	10,358	3,346	2,583	2,675
	23,639	14,073	462,074	495,121

*non-current assets for this purpose consist of property, plant and equipment, investment property and intangible assets.

4. Segmental information (continued)

Information about major customers

Included in revenues arising from manufacturing are revenues of approximately RM2.7 million (2013: RM0.7 million) which arose from sales to the Group's largest customer. No other single customers contributed 10% or more to the Group's revenue for both 2014 and 2013.

5. Other income and other gains and losses

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Other income				
Interest received *	3,523	-	3,523	-
Rebates from investment in unit trust	373	327	373	327
Sundry income	43	37	31	1,102
Rental income	207	207	-	-
Management fee to subsidiary	-	-	300	240
Gain on foreign exchange	1,122	-	-	-
Bad debt recovered	-	11	-	-
Insurance claim	7	-	-	-
Compensation received	175	14	175	14
	5,450	596	4,402	1,683

* Interest received for late settlement by government on compulsory acquisition of the Company's land.

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Other gains and losses				
Gain on sale of assets	12	98	-	-
Gain on sale of investment	7	-	7	-
Realised gain on redemption of short term investments	405	734	406	734
	424	832	413	734

6. Operating loss

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
The operating loss is stated after charging/(crediting):				
Auditors' remuneration:				
- Parent Company auditor	200	170	200	170
- Subsidiaries' auditor	93	101	-	-
Depreciation	1,648	2,086	24	135
Amortisation of intangible assets	8	8	7	7
Operating leases	565	357	360	204
Staff costs (note 10)	6,211	5,576	3,129	2,756
Bad debts written off	13	9	-	-
Allowance for doubtful debts	-	3	-	6,969
Loss/(gain) on foreign exchange	-	93	-	(1)
Provision for impairment loss on investment in subsidiary	-	-	-	5,338
Provision for contingent liability	(64)	1,113	(64)	1,113
Fixed assets written off	135	-	12	-
Loss from diminution in value of stocks	925	2,639	-	-

The non-audit fees paid to the Company's external auditors amounted to RM28,240 for the financial year 2014 (2013: RM20,872).

Direct operating expenses from investment property that generated rental income for the Group during the financial year amounted to RM2,517 (2013: RM3,953).

7. Finance income and costs

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Finance income				
Short term deposits	798	801	786	773
Short term investments	3,961	4,335	3,790	4,271
	4,759	5,136	4,576	5,044
Finance costs				
Finance lease charges	-	1	-	-

8. Taxation

The tax charge is made up as follows:

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
In Malaysia				
- Current taxation	180	296	-	-
- (Over)/under provision in respect of prior years	(41)	12	-	-
	139	308	-	-

Other than the subsidiary in Thailand which is a tax resident there, the Company and the Group are tax resident in Malaysia. The Group is liable to corporation tax in Malaysia and Thailand but is not subject to United Kingdom corporation tax. The Group's effective tax rate differs from the standard rate of corporation tax in Malaysia of 25% (2013: 25%) as follows:

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Loss before taxation	(6,988)	(28,189)	(2,275)	(29,901)
Tax credit at standard corporation tax rate in Malaysia of 25% (2013: 25%)	(1,747)	(7,047)	(569)	(7,475)
Tax effects of:				
Expenses not deductible for tax purposes	2,219	6,977	1,556	8,170
Income not subject to tax	(1,464)	(1,109)	(1,061)	(1,080)
Utilisation of business losses	798	-	-	-
Temporary timing differences not recognised	374	1,475	74	385
(Over)/under provision in respect of prior years	(41)	12	-	-
Total tax charge for year	139	308	-	-

8. Taxation (continued)

The estimated deferred tax assets at 25% (2013: 25%) not recognised in these financial statements are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Arising from:				
Unused tax losses	4,259	3,769	3,965	3,491
Unutilised capital allowances	132	115	46	44
	4,391	3,884	4,011	3,535

The key factors that may affect future tax charges include the ability to claim capital allowances in excess of depreciation, utilisation of unrelieved tax losses and changes in tax legislation. The Group expects to be able to claim capital allowances in excess of depreciation in future years based on its capital investment plans. The Group also has unutilised tax losses estimated to be RM17,036,000 (2013: RM15,076,000) which arise mainly in relation to activities in Malaysia and which may generally be carried forward without time limits applying. The availability of the unused tax losses for offsetting against future taxable profits of the Company and its subsidiaries are subject to there being no substantial changes in shareholdings of the Company and its subsidiaries under Section 44 (5A) & (5B) of Income Tax Act, 1967 in Malaysia.

As disclosed in note 12, freehold lands have been revalued, and a revaluation surplus arises. No deferred tax has been provided in respect of the revaluation surplus, as had the freehold lands been sold, no liability to Real Property Gains Tax or corporation tax would have arisen.

The revaluation of available-for-sale investments and short term investments that has been reported as part of other comprehensive income on page 13 of these financial statements is not shown net of taxation. This is on the basis that the Group and the Company have unutilised losses which exceed the revalued amount. Unused tax losses carried forward at the end of reporting period, which is disclosed above, have been reduced correspondingly.

9. Loss per share

The calculation of loss per share is based on the Group's loss for the year and the weighted average number of shares in issue after adjusting for movement in treasury shares during the financial year. There are no potential dilutive shares or share options outstanding and therefore, the diluted loss per share is the same as basic loss per share.

	2014	2013
Net loss attributable to the owners of the Company (RM'000)	(7,127)	(28,497)
Weighted average number of ordinary shares in issue after adjusting for movement in treasury shares [Number of shares ('000)]	403,209	404,480
Basic and diluted loss per share (Sen)	(1.77)	(7.05)

10. Employee information

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Staff costs comprises:				
Wages and salaries	5,819	5,240	2,975	2,635
Contribution to a statutory employees' provident fund	392	336	154	121
	6,211	5,576	3,129	2,756

The increase of Group wages and salaries in 2014 is due to an upward salary adjustment, increase in staff and bonus payment.

The statutory employees' provident fund is a defined contribution scheme funded by a government body in Malaysia.

The average monthly number of employees employed by the Group during the year was as follows:

	Group		Company	
	2014 Number	2013 Number	2014 Number	2013 Number
Plantation	20	20	20	20
Tourism	130	121	-	-
Manufacturing	36	32	-	-
Property development and leasing	4	2	-	-
Investment	2	2	2	2
	192	177	22	22

11. Directors' emoluments

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Directors' fees & allowances	193	193	193	193
Highest paid Director	46	47	46	47

The above emoluments are made up as follows:

	Basic Salary & Fees (RM)	Meeting Allowances (RM)	Total 2014 (RM)	Total 2013 (RM)
Non-Executive Directors				
Dato' Adnan bin Maaruf	40,000	6,000	46,000	47,000
Datuk Kamaruddin bin Awang	30,000	8,250	38,250	38,250
Dato' Haji Muda bin Mohamed	30,000	7,000	37,000	36,500
Dato' Tik bin Mustaffa	30,000	7,000	37,000	37,750
Dr. Radzuan bin A. Rahman	30,000	4,500	34,500	33,750
	160,000	32,750	192,750	193,250

12. Property, plant and equipment

Group	Freehold lands	Prepaid land and land improvements	Buildings	Assets under construction	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost or valuation						
At 1 January 2013	406,079	3,567	50,670	-	11,451	471,767
Additions	-	-	82	-	682	764
Revaluations	24,800	-	-	-	-	24,800
Disposals	-	(1)	-	-	-	(1)
Exchange differences	-	(1)	(3)	-	(3)	(7)
At 1 January 2014	430,879	3,565	50,749	-	12,130	497,323
Additions	958	-	178	1,054	847	3,037
Revaluations	1,000	-	-	-	-	1,000
Transfer to investment property (note 13)	-	-	(100)	-	-	(100)
Transfer to assets held for sale (note 19)	-	-	(31,034)	-	(522)	(31,556)
Disposals	-		-	-	(3,870)	(3,870)
Exchange differences	15	25	128	-	190	358
At 31 December 2014	432,852	3,590	19,921	1,054	8,775	466,192
Accumulated depreciation						
At 1 January 2013	-	1,004	15,642	-	9,445	26,091
Charge for the year	-	51	1,438	-	597	2,086
Exchange differences	-	(1)	(6)	-	(5)	(12)
At 1 January 2014	-	1,054	17,074	-	10,037	28,165
Charge for the year	-	51	981	-	616	1,648
Transfer to investment property (note 13)	-	-	(28)	-	-	(28)
Transfer to assets held for Sale (note 19)	-	-	(1,840)	-	(62)	(1,902)
On disposals	-	-	-	-	(3,735)	(3,735)
Exchange differences	-	24	124	-	184	332
At 31 December 2014	-	1,129	16,311	-	7,040	24,480
Carrying amount						
At 31 December 2014	432,852	2,461	3,610	1,054	1,735	441,712
At 31 December 2013	430,879	2,511	33,675	-	2,093	469,158

12. Property, plant and equipment (continued)

Fair value measurement of the Group's and Company's freehold lands

The Group's freehold lands are stated at their revalued amounts, being the fair value at the date of revaluation. In order to establish the 31 December 2014 valuation of the Group's freehold lands, valuations were obtained.

- On 19 January 2015 by Nilai Properties Consultants Sdn Bhd (V(1) 0065), an independent valuer not related to the Group, using the open market basis method. The total valuation of the land in Kajang and Bangi at 31 December 2014 remains the same with year 2013 at RM413.8 million. The Group's lands are currently being used for the Group's plantation activities for growing of oil palm fresh fruit bunches. The Group has been given consent for the change of use of the lands. Further commentary on the Group's plans for its land is included in the Chairman's Statement.

- On 11 January 2015, Azmi & Co Sdn Bhd (V(1) 0011), an independent valuer not related to the Group, has valued the freehold land at Mukim of Bukit Besar, Kuala Terengganu at RM19 million, using the open market basis method. There is a surplus of RM1 million as compared to the carrying amount of the land.

There is no indication of any significant difference between the carrying amount and market values of land and buildings shown above at 31 December 2014 except freehold lands which are held under Inch Kenneth Kajang Rubber Public Limited Company, Inch Kenneth Development (M) Sdn Bhd and Motel Desa Sdn Bhd. The historical cost of the above freehold lands of the Group is RM107.242 million and of the Company is RM0.407 million. There are no restrictions on the title of the Group's property, plant and equipment.

The fair values of all the freehold lands of the Group and Company are classified as Level 2. There were no transfers between Levels 1 and 2 during the year.

Assets under construction

This represents 22 units of low cost terrace houses under construction at Dunedin estate, Mukim of Semenyih. The total contract sum is approximate RM4 million. The construction is expected to be completed in second half of year 2015.

12. Property, plant and equipment (continued)

Company	Freehold lands RM'000	Buildings RM'000	Assets under construction RM'000	Others RM'000	Total RM'000
Cost or valuation					
At 1 January 2013	101,000	477	-	916	102,393
Additions	-	-	-	4	4
Revaluations	9,000	-	-	-	9,000
At 1 January 2014	110,000	477	-	920	111,397
Additions	-	-	1,054	22	1,076
Revaluations	-	-	-	-	-
Disposals	-	-	-	(536)	(536)
At 31 December 2014	110,000	477	1,054	406	111,937
Accumulated depreciation					
At 1 January 2013	-	387	-	834	1,221
Charge for the year	-	90	-	45	135
At 1 January 2014	-	477	-	879	1,356
Charge for the year	-	-	-	24	24
On disposals	-	-	-	(523)	(523)
At 31 December 2014	-	477	-	380	857
Carrying amount					
At 31 December 2014	110,000	-	1,054	26	111,080
At 31 December 2013	110,000	-	-	41	110,041

13. Investment Property

Group	Leasehold building RM'000
Cost	
At 1 January 2013 and 1 January 2014	-
Transfer from property, plant & equipment	100
At 31 December 2014	100
Accumulated depreciation	
At 1 January 2013 and 1 January 2014	-
Transfer from property, plant & equipment	28
At 31 December 2014	28
Carrying amount	
At 31 December 2014	72
At 31 December 2013	-

Included in investment property is apartment at Amber Tower Seri Mas Condominium, Cheras, Kuala Lumpur.

The investment property is valued at cost less accumulated depreciation. The fair value of the investment property is estimated at RM0.3 million.

14. Intangible assets

Computer software and corporate website creation

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cost				
At 1 January	68	68	64	64
Additions	9	-	9	-
Disposals	(2)	-	(2)	-
At 31 December	75	68	71	64
Accumulated amortisation				
At 1 January	49	41	48	41
Amortisation for the year	8	8	7	7
On disposals	(2)	-	(2)	-
At 31 December	55	49	53	48
Carrying amount				
At 31 December	20	19	18	16

15. Investment in subsidiaries

	Company	
	2014	2013
	RM'000	RM'000
Cost		
Shares in subsidiary undertakings	6,338	6,338
Provision for impairment loss on investment in subsidiary	(5,338)	(5,338)
Loans to subsidiary undertakings	237,085	221,046
Allowance for doubtful debts	(6,969)	(6,969)
	231,116	215,077

The loans to subsidiary undertakings are interest free and have no fixed repayment terms.

The subsidiaries of the Group are as follows:

Name of company	Country of incorporation	Nature of business	Type of holding	Percentage of share capital held 2014 %	2013 %
Inch Kenneth Hotels & Resorts (M) Sdn Bhd	Malaysia	Investment holding	Ordinary shares	100	100
Perhentian Island Resort Sdn Bhd #	Malaysia	Operation of tourist resort	Ordinary shares	100	100
Inch Kenneth Development (M) Sdn Bhd	Malaysia	Property development and leasing	Ordinary shares	100	100
Inch Kenneth Trading (M) Sdn Bhd #	Malaysia	Dormant	Ordinary shares	100	100
IKK Property (M) Sdn Bhd#	Malaysia	Dormant	Ordinary shares	100	100
Inch Kenneth Plantations (M) Sdn Bhd	Malaysia	Dormant	Ordinary shares	100	100
Inch Kenneth Sea Sports Adventure (M) Sdn Bhd #	Malaysia	Dormant	Ordinary shares	100	100
IKK Rubber International (M) Sdn Bhd	Malaysia	Trading of rubber blocks	Ordinary Shares	100	100
Supara Company Limited #	Thailand	Manufacturing of rubber blocks	Ordinary Shares	100	100
Motel Desa Sdn Bhd #	Malaysia	Operation of a motel	Ordinary shares	100	100
Inch Kenneth Tours (M) Sdn Bhd #	Malaysia	Dormant	Ordinary shares	100	100

These subsidiaries are held indirectly by the Company.

16. Investments in associated undertaking

Group

The Group's investment in its associated undertaking represents a 22.40% (2013: 22.40%) interest in Concrete Engineering Products Berhad ("Cepco"), a public company incorporated in Malaysia. The principal activity of Cepco is the manufacture and distribution of prestressed spun concrete piles and poles. The Group's investment in Cepco is accounted for under the equity accounting method as follows:

	2014 RM'000	2013 RM'000
Shares		
At 1 Jan and 31 December	40,914	40,914
Share of retained profits		
At 1 January	12,013	11,454
Share of (loss)/profit	(1,170)	559
At 31 December	10,843	12,013
Share of dividend		
At 1 January	(1,104)	-
Share of dividend	-	(1,104)
At 31 December	(1,104)	(1,104)
Impairment of goodwill		
At 1 January	(26,011)	(8,421)
Impairment charge	(4,500)	(17,590)
At 31 December	(30,511)	(26,011)
Carrying amount	20,142	25,812

The Group's share of the net assets of Cepco is as follow:	2014 RM'000	2013 RM'000
Share of assets		
Share of non-current assets	19,917	21,588
Share of current assets	21,195	19,570
	41,112	41,158
Share of liabilities		
Share of non-current liabilities	(2,122)	(2,544)
Share of current liabilities	(17,341)	(15,795)
	(19,463)	(18,339)
Share of net assets	21,649	22,819
Goodwill (net of impairment) arising on the acquisition of Cepco	(1,507)	2,993
Carrying value of Cepco	20,142	25,812

16. Investments in associated undertaking (continued)

Group (continued)

The Group's share of the results of Cepco is as follow:

	2014 RM'000	2013 RM'000
Share of revenue	37,616	41,043
Share of operating (loss)/profit	(286)	1,422
Share of finance costs	(641)	(698)
Share of taxation	(243)	(165)
Share of (loss)/profit which included in Group statement of profit or loss	(1,170)	559

Cepco's shares are quoted on the Bursa Securities and the market value of the Group's investment in Cepco at the end of reporting period was RM18.056 million (2013: RM18.256 million).

The financial year end for Concrete Cepco is 31 August while for the Group it is 31 December. In order to equity account for the associate as at 31 December the result from 1 September to 31 December is added to the results for the year ended 31 August 2014 while the results for the period in the prior year are deducted. Accordingly the accounting period used to equity account for Cepco is the same as the financial year for the Group.

Company

The movement in the Company's investment in Cepco is as follows:

	2014 RM'000	2013 RM'000
Cost		
At 1 January and 31 December	40,236	40,236
Accumulated impairment		
At 1 January	17,590	-
Impairment charge	4,500	17,590
	22,090	17,590
Carrying amount	18,146	22,646

17. Available-for-sale investments

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Quoted shares:				
At 1 January	61	58	19	15
Disposal of investments	(18)	-	(18)	-
Fair value adjustments	14	3	19	4
At 31 December	57	61	20	19

The above available-for-sale investments are stated at their fair values. The historical cost of the above investments of the Group is RM45.875 million and of the Company is RM45.785 million.

18. Goodwill

Group

	2014 RM'000	2013 RM'000
At cost		
At 1 January	4,573	4,504
Arising from acquisition of new subsidiary	-	69
At 31 December	4,573	4,573
Accumulated impairment		
At 1 January	(4,502)	-
Impairment charge	-	(4,502)
At 31 December	(4,502)	(4,502)
Carrying amount	71	71

The Group has tested goodwill for impairment in accordance with IAS 36. The Group provided for impairment losses on goodwill of RM4.502 million in respect of the investment in IKK Rubber International (M) Sdn Bhd (and its subsidiary Supara Company Limited) during the financial year ended 31 December 2013.

19. Assets held for sale

The directors have intentions to dispose of a leasehold property with Lot No. 27327, Mukim Kuala Lumpur and a freehold property with Lot No. 46010, Mukim Kuala Lumpur in year 2015. At the end of the reporting period, the total estimated market value of the both properties is RM32 million and estimated cost to sell is RM0.950 million.

20. Inventories

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Resort stores	57	40	-	-
Rubber blocks	3,353	17,936	-	-
	3,410	17,976	-	-

No harvested fresh fruit bunches are shown as inventory at the year end because they are all sold immediately after being harvested.

The amount stated at the estate and the resort is within the normal inventories level.

The cost of rubber block recognised as an expense include RM0.925 million (2013: RM2.639 million) in respect of write down of rubber block to net realisable value.

21. Trade and other receivables

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade receivables	220	457	9	42
Other receivables and prepayments	42,776	29,046	109	862
Corporation tax recoverable	1,030	1,030	1,030	1,030
	44,026	30,533	1,148	1,934

Included in other receivables amount of approximate RM41 million (2013: RM27 million) are deposits paid for the proposed acquisition of various lands and buildings. Out of this, a deposit of approximately RM8.2 million was paid to a company where a key management personnel of the Group is a Director.

At 31 December 2014 the trade and other receivables balances are mainly incurred during the normal course of business. The receivables outside their payment terms yet not provided for are as follows:

Within credit terms	15,679	15,916	9	42
Outside credit terms but not impaired:				
0-1 month	57	102	19	58
1-2 months	-	-	-	-
More than 2 months	27,260	13,485	90	804
	42,996	29,503	118	904

The directors are of the opinion that the receivables, both within and outside the credit terms, are creditworthy and there should be no issues on its recoverability.

22. Short term investments

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Investments on unit trusts with:				
Licensed investment banks	123,719	146,609	119,263	142,786

Unquoted unit trusts are measured at mark to market based on the net asset value at each reporting date. The time weighted rate of return of these investments at the reporting date were between 2.50% and 3.41% (2013: 2.50% to 3.67%).

23. Cash and cash equivalents

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash at bank	14,053	1,818	1,161	247
Cash in hand	56	21	2	1
Deposits with licensed banks	27,704	24,495	26,917	24,459
Investments with licensed banks	1,925	2,259	1,763	1,708
	43,738	28,593	29,843	26,415

23. Cash and cash equivalents (continued)

The effective interest rates of deposits at the reporting date were between 1.5% and 3.25% (2013: 1.5% to 2.80%). Included in deposits with licensed banks is the short term deposits totalling to RM24,278 which was pledged with commercial banks as collateral for issuing letters of guarantee.

The investments with licensed banks are qualified as a cash equivalent as they are readily convertible to a known amount of cash with an insignificant risk of changes in value.

24. Share capital

Group and Company

	2014 GBP'000	2013 GBP'000
Authorised		
1,000,000,000 ordinary shares of 10p each	100,000	100,000

	2014 RM'000	2013 RM'000	2014 GBP'000	2013 GBP'000
Allotted, called up and fully paid				
420,750,000 ordinary shares of 10p each	287,343	287,343	42,075	42,075

No ordinary shares were allotted during the year and the Company does not have any share options or share warrants in issue at 31 December 2014.

25. Treasury shares

Group and Company

	2014		2013	
	Number of shares	Amount RM	Number of shares	Amount RM
At 1 January	17,540,800	15,979,529	3,264,800	2,726,885
Shares repurchased	-	-	14,276,000	13,252,644
At 31 December	17,540,800	15,979,529	17,540,800	15,979,529

The shareholders of the Company approved an ordinary resolution at the One Hundred and Fourth AGM held on 29 May 2014 for the Company to repurchase its own shares up to a maximum of 10% of the issued and paid-up capital of the Company ("Share Buy Back"). The Directors of the Company are committed to enhancing the value of the Company and believe that the purchase plan is being implemented in the best interest of the Company and its shareholders.

During the financial year, the Company did not repurchase any of its issued share capital. Pursuant to the provisions of Section 67A of the Companies Act, 1965 (the "Act"), the Company may either retain the repurchased shares as treasury shares or cancel the repurchased shares or a combination of both. The repurchased shares held as treasury shares may either be distributed as share dividends, resold on Bursa Securities in accordance with the relevant rules of Bursa Securities, subsequently cancelled or any combination of the three.

As treasury shares, the rights attached as to voting, dividends and participation in other distribution and otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares for any purposes including substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

26. Trade and other payables

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade payables	102	175	22	51
Other payables	3,635	4,717	960	2,171
	3,737	4,892	982	2,222

The normal trade credit terms granted to the Group ranges from 7 to 90 days.

27. Employee entitlements

Group and Company	Provision for employee entitlements RM'000
At 1 January 2014 and 31 December 2014	15

28. Financial instruments

28.1 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

28.2 Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies of the Group described how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised, The following table analysed the financial assets and liabilities at the reporting date by the classes of financial instruments to which they are assigned, and therefore by the measurement basis.

Group

31 December 2014	Loans and receivables RM'000	Available-for-sale investment RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial Assets				
Available-for-sale investments	-	57	-	57
Trade and other receivables	44,026	-	-	44,026
Short term investments	-	123,719	-	123,719
Cash and cash equivalents	43,738	-	-	43,738
	87,764	123,776	-	211,540
Financial Liabilities				
Trade and other payables	-	-	3,737	3,737
	-	-	3,737	3,737

28. Financial instruments (continued)

28.2 Classification of financial instruments (continued)

Group

31 December 2013	Loans and receivables RM'000	Available-for-sale investment RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial Assets				
Available-for-sale investments	-	61	-	61
Trade and other receivables	30,533	-	-	30,533
Short term investments	-	146,609	-	146,609
Cash and cash equivalents	28,593	-	-	28,593
	59,126	146,670	-	205,796
Financial Liabilities				
Trade and other payables	-	-	4,892	4,892
	-	-	4,892	4,892

Company

31 December 2014	Loans and receivables RM'000	Available-for-sale investment RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial Assets				
Available-for-sale investments	-	20	-	20
Trade and other receivables	1,148	-	-	1,148
Short term investments	-	119,263	-	119,263
Cash and cash equivalents	29,843	-	-	29,843
	30,991	119,283	-	150,274
Financial Liabilities				
Trade and other payables	-	-	982	982
	-	-	982	982
31 December 2013				
Financial Assets				
Available-for-sale investments	-	19	-	19
Trade and other receivables	1,934	-	-	1,934
Short term investments	-	142,786	-	142,786
Cash and cash equivalents	26,415	-	-	26,415
	28,349	142,805	-	171,154
Financial Liabilities				
Trade and other payables	-	-	2,222	2,222
	-	-	2,222	2,222

28. Financial instruments (continued)

28.3 Financial risk management objectives and policies

The Group's principal financial instruments consist of cash, short-term deposits and short term investments. The main purpose of these financial instruments is to finance the Group's operations and investments. The Group has other financial instruments such as receivables and payables that arise directly from its operations.

The Directors recognise that financial risk management is an area in which they may need to develop specific policies should the Group become exposed to further financial risks as the business develops.

The main risks arising from the Group's financial instruments are credit risk and market risk which include foreign exchange rates and equity prices. The Board reviews and agrees policies for managing each of these risks as and when they arise. Currently, the Group does not expose to interest rate risk and liquidity risk.

Credit risk
The Group and the Company trade only with recognised creditworthy third parties. The Group and the Company manages the exposures to credit risk by performing credit evaluations on all of their major customers requiring credit.

The Group's maximum exposure to credit risk is represented by the carrying amount of financial assets in the financial statements which amounts to RM211.5 million.

As the Group trades only with recognised creditworthy third parties, there is no requirement for collateral.

Foreign currency risk
The Group has some structural currency exposure as some of its investments and operations are in Thai Baht. Apart from the proceeds derived in Ringgit Malaysia, the Group also receives proceeds from rubber block sales in US Dollars. However the foreign currency risk is considered immaterial to the Group and the Company as a whole.

Market price risk
The Group is exposed to unquoted unit trusts market price and equity securities price risk, from the investments held by the Group and classified as short term investments and available-for-sale investments respectively.

Market price sensitivity analysis
The following table demonstrates the sensitivity to a reasonably possible change in market price, with all other variables held constant, of the Group's and the Company's profit before tax (through the impact on fair value through profit or loss).

	Group RM'000	Company RM'000
31 December 2014		
Investment in Malaysia		
Market price increase by 10 percentage point	13,550	13,046
Market price decrease by 10 percentage point	(13,550)	(13,046)
31 December 2013		
Investment in Malaysia		
Market price increase by 10 percentage point	11,960	11,519
Market price decrease by 10 percentage point	(11,960)	(11,519)

Hedges
The Group did not enter into any interest rate swaps or forward currency contracts to hedge against interest rate risk or foreign currency risk.

28. Financial instruments (continued)

28.4 Fair values measurements

The fair values of financial assets and financial liabilities of the Group and the Company approximates to their carrying amounts, as disclosed in the statement of financial position and related notes.

Fair value hierarchy

The Group's and the Company's financial instruments carried at fair value are analysed as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Inputs for the assets or liabilities that are not based on observable market date (unobservable inputs).

As at reporting date, the Group's and the Company's quoted other investments are classified as Level 1.

There were no material transfers between Level 1, Level 2 and Level 3 during the financial year. The Group and the Company do not have any financial instruments classified as Level 2 and Level 3 as at 31 December 2014.

29. Related party transactions

Transactions within the Group have been eliminated in the preparation of the financial information set out in this report and are not disclosed in this note. Balance and transaction with other related parties are either disclosed under the relevant notes or disclosed below.

Compensation of key management personnel of the Group

Key management personnel of the Group are defined as those persons having authority and responsibility for the planning, directing and controlling the activities of the Group, directly or indirectly. Key management of the Group are therefore considered to be the Directors and top management personnel of the Company. The following table summarises compensation paid to key personnel:

	Group and Company	
	2014	**2013**
	RM'000	**RM'000**
Short-term employment benefits	609	434

Further information about the remuneration of individual Directors is shown in note 11 and in the Corporate Governance Statement.

30. Commitments

Financial commitment

The Group and Company have the following future minimum lease obligations payable under operating leases:

	Land and buildings	
	2014	**2013**
	RM'000	**RM'000**
Group		
Operating leases which expire:		
Within one year	340	340
Company		
Operating leases which expire:		
Within one year	240	240

Operating lease payment represents rental payable by the Group and the Company for the use of office premise.

Capital commitment

	2014	**2013**
	RM'000	**RM'000**
Group		
Commitment for the construction of low cost houses in Dunedin estate	2,900	-
Acquisition of land in Sandakan	1,048	-

31. Control

The Company and Group are controlled by its shareholders. No one individual has overall control of the Company.

32. Events after the balance sheet date

There were no material subsequent events since 31 December 2014 until 17 April 2015. The Directors proposed that a 2% interim dividend for the financial year ended 31 December 2014 be distributed to the shareholders during the year 2015. The interim dividend is under the single tier system of £0.002 per share, on 403,209,200 ordinary shares.

33. Realised and Unrealised Profits

The breakdown of retained profits of the Group, pursuant to the format prescribed by Bursa Securities, is as follows:

	As at 31 Dec 2014 RM'000	**As at 31 Dec 2013 RM'000**
Total Retained Profits of the Company and its subsidiaries:		
- Realised	147,279	157,529
- Unrealised	(183)	(46)
	147,096	157,483
Total share of Retained Profits from associated company:		
- Realised	-	1,104
- Unrealised	(6,747)	(6,680)
	(6,747)	(5,576)
Less **:** Consolidation effects	(7,306)	(7,306)
Total Group Retained Profit	**133,043**	**144,601**