2015 Annual Report

Anglo-Eastern Plantations Plc

Contents

About Anglo-Eastern Plantations

Anglo-Eastern Plantations Plc ("AEP") and its subsidiaries (the "Group") are a major producer of palm oil and rubber with plantations across Indonesia and Malaysia, amounting to some 128,600ha.

- AEP has a Premium Listing on the London Stock Exchange. The Company was formed and floated in 1985.
- Primary activities are the crop production and processing of palm oil and some rubber through operations in Indonesia and Malaysia.
- The Group is committed to responsible development and management of its plantations and facilities for the benefit of the environment and society in which it operates.

About Anglo-Eastern Plantations

Oil Palm Plantations
The Group has developed 50,800ha of mature oil palm at 15 plantations across Indonesia and Malaysia.

Oil Palm Development
An Oil Palm tree will usually take 3 years from planting to harvest of first crop and will reach full production after 5 years. The Group has approximately 13,000ha of recently planted immature plantations of which 3,416ha were planted in 2015, including replanting of 1,590ha.

Palm Oil Production
The Group operates 6 palm oil mills in Indonesia, including a mill at Northern Sumatera incorporating advanced waste management treatment for biomass disposal and biogas emission capture. A second biogas plant is being constructed at the new mill in Central Kalimantan which began commercial operations in the third quarter of 2015. The 6 mills will be able to process up to a combined 295mt of fresh fruit bunches ("FFB") per hour.

Third Party Palm Oil Processing
During 2015 the Group purchased approximately 678,200mt of FFB from third party producers for processing through our own mills. The total FFB throughput at the Group's mills in 2015 was 1.51 million mt producing 321,400mt of crude palm oil ("CPO").

Rubber Plantations
The Group has 512ha of established rubber plantations which, in 2015, produced 847mt of raw latex and rubber lumps. The size of rubber plantations will be further reduced as the Group replaces ageing rubber trees with oil palm.

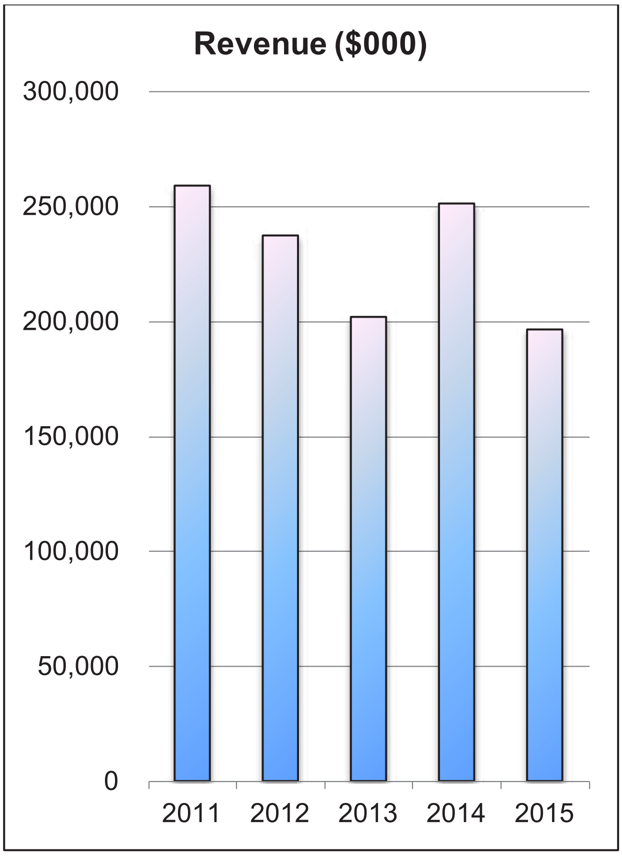
Financial Highlights

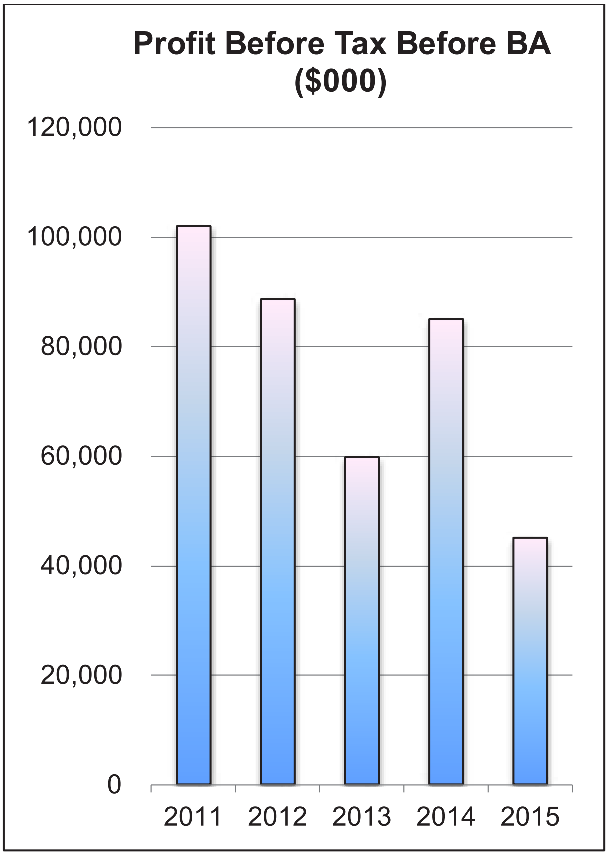
	2015	2014
	$m	$m
Revenue	**196.5**	251.3
Profit before tax		
- before biological asset ("BA") adjustment	**45.0**	85.0
- after biological asset adjustment	**(19.1)**	51.2
EPS before BA adjustment	**69.39cts**	132.26cts
EPS after BA adjustment	**(37.58)cts**	77.61cts
Dividend (pence)	**1.75p**	3.0p
Dividend (cents)	**2.5*cts**	4.5cts

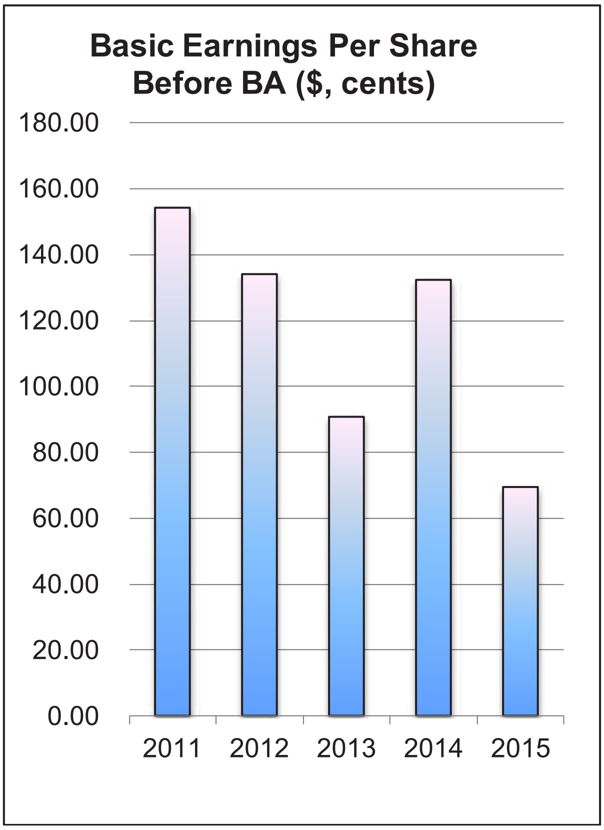
Note: * Based on exchange rate at 22 April 2016 of $1.4409/£

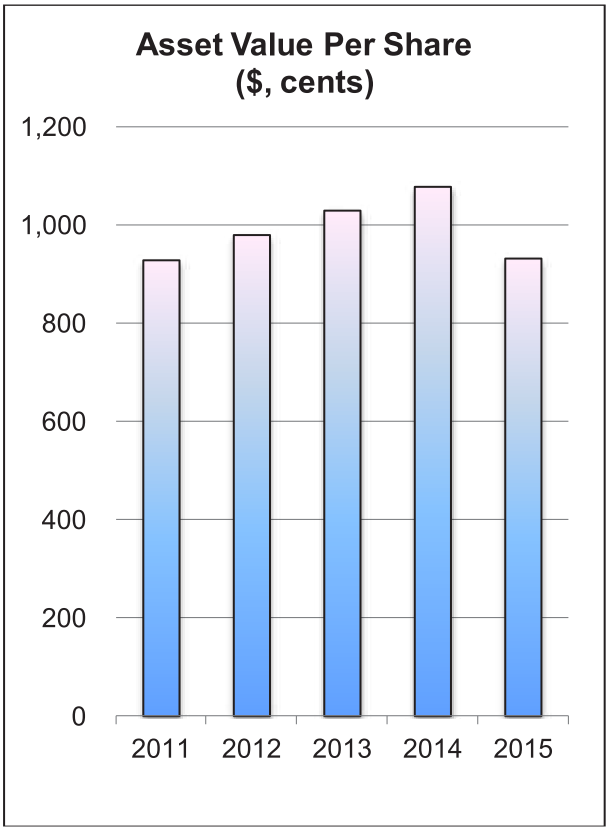
Anglo-Eastern Plantations Plc

Financial Highlights

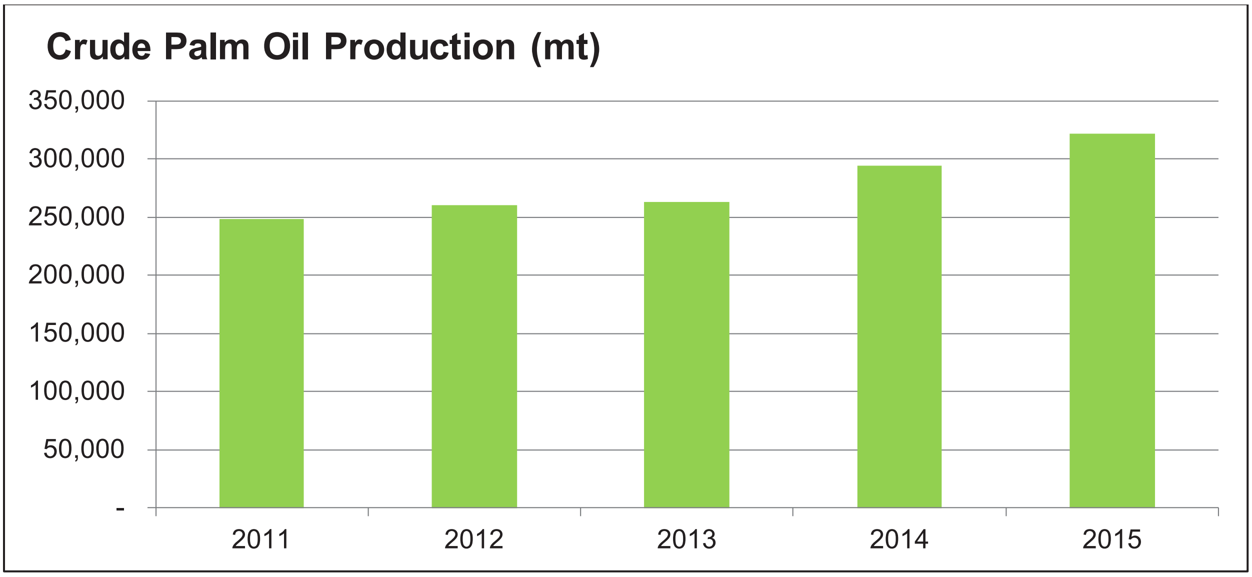


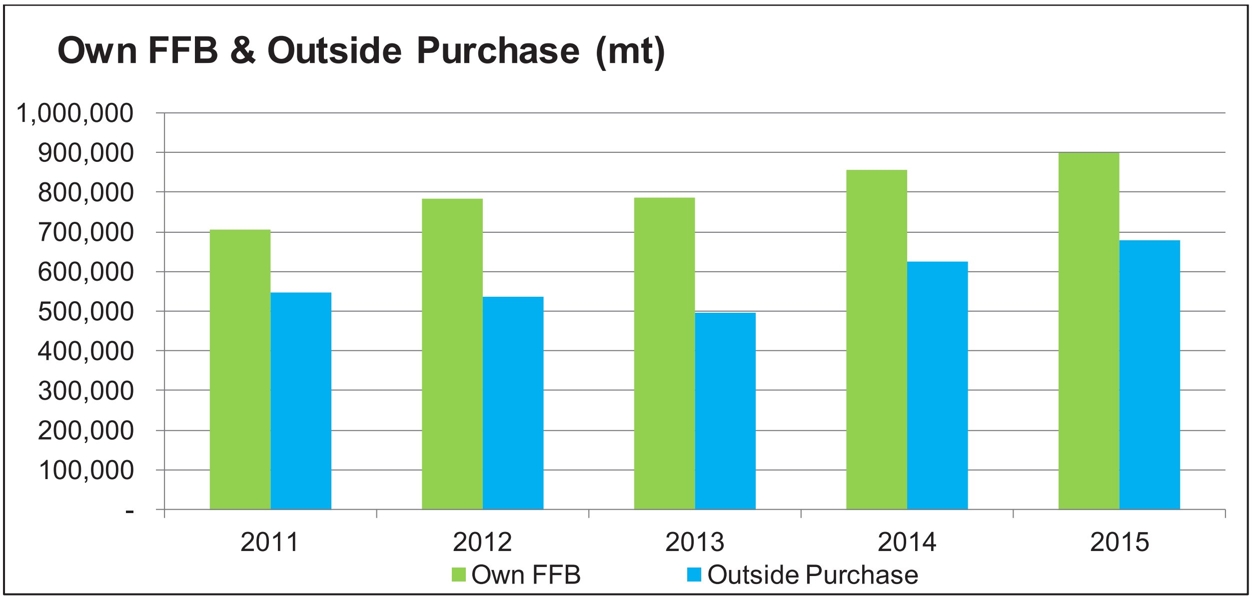


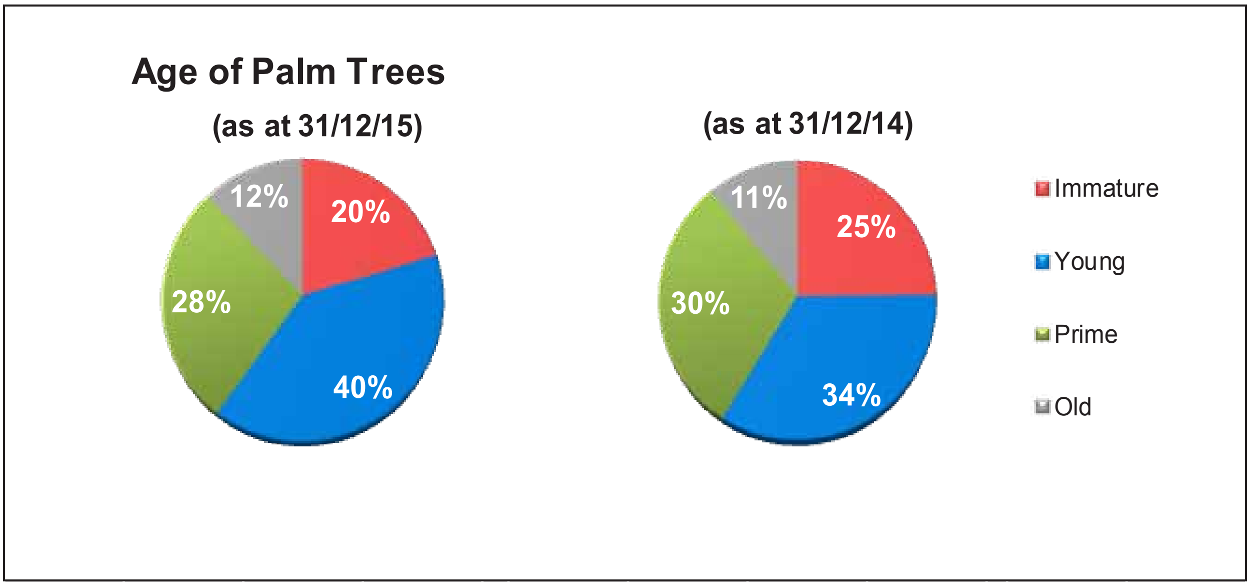




Key Information







Shareholder Information

Market capitalisation
The market capitalisation of Anglo-Eastern Plantations Plc at 31 December 2015 was £210 million, the ordinary share price at close of business on 1 April 2016 was 555 pence giving a market capitalisation of £220 million.

Website
www.angloeastern.co.uk contains various details and information on the Company and its operations, together with all the key historical financial and regulatory information on the Company. The website is updated on a continuing basis for all Company announcements and other relevant developments, including share price movements.

Investor relations
Investors requiring further information on the Company are invited to contact:

Dato' John Lim Ewe Chuan
Executive Director, Corporate Finance and Corporate Affairs
Anglo-Eastern Plantations Plc
Quadrant House, 6th Floor
4 Thomas More Square
London E1W 1YW
United Kingdom

Tel: 44 (0) 20 7216 4621
Fax: 44 (0) 20 7767 2602

Registrar
Administrative queries about holdings of AEP can be directed to the Company's registrar:

Capita Registrars Ltd
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire, HD8 0GA
United Kingdom

Tel: 0871 664 0300 (UK)
Tel: 44 (0) 20 8639 3399 (international)

Shareholders can view and update their account details via the Capita website, details of which can be found at www.capitaregistrars.com.

Annual General Meeting
The 31st Annual General Meeting of the Company will be held at the offices of UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London E1W 1YW on 27 June 2016. Notice of the meeting is set out at the end of this Annual Report and pages 100 to 103.

Amalgamation of accounts
Shareholders receiving multiple copies of Company mailings as a result of a number of accounts being maintained in their name are invited to write to the Company's registrar at the above address to request that their accounts be amalgamated.

Shareholder Information

Payment of dividends

The Group's reporting currency is US Dollar. While the dividend is declared in Pounds Sterling, shareholders can choose to receive dividends in US Dollar. In the absence of any specific instruction up to the date of closing the register, shareholders with addresses in the UK are deemed to have elected to receive their dividends in Sterling and those with addresses outside the UK in US Dollar.

The US Dollar equivalent dividend will be paid at the exchange rate ruling at the date of closure of the register.

Electronic communications

Capita Registrars offer AEP shareholders the opportunity to manage their shareholding through the Capita Share Portal.

Registration is free and can be used to manage shareholdings quickly and securely. To register for this service go to www.capitaregistrars.com/shareholder and follow the instructions.

Chairman's Statement

The Group achieved record production of fresh fruit bunches ("FFB") in 2015. The crop production of 900,400mt, was 5% higher than the previous year (2014: 857,400mt) broadly in line with 9% increase in matured trees. The mills similarly recorded the highest purchase of external FFB in recent years. FFB bought-in from surrounding smallholders in 2015 was 678,200mt (2014: 626,200mt), 8% higher, as the Group offered competitive prices for the external crops. The mills as a result processed 9% more FFB, and increased crude palm oil ("CPO") production by 9% to 321,400mt (2014: 294,200mt).

FFB harvest in Kalimantan exceeded expectation and was higher than last year's production by 65% as matured trees increased from 4,650ha to 7,790ha. This made up for the lower production in other established regions in North Sumatera, Riau and Bengkulu which were adversely affected by four months of drought caused by the El Nino weather phenomenon. The dry spell compounded by the indiscriminate open burning by villagers to clear their land for planting resulted in an unprecedented haze that blanketed parts of Indonesia for months. Sporadic fire from surrounding land encroached onto our plantations resulting in damages of up to 175ha of palm oil in South Sumatera and Kalimantan. The fire burned the ground weeds, cover crops and scorched lower fronds but most of the affected palms will survive and recover. The quick response from our fire patrol teams equipped with proper fire-fighting gear helped to quickly contain the spread of fire. In the aftermath of the forest fires, it was reported that the Indonesian government investigated more than 200 companies and sanctioned 23 companies with suspension to permanent revocation of operating licenses. I am pleased to report that the Group is not involved in open burning and that normal rainfall has since returned.

Despite the increase in crop and CPO production, revenue and profitability suffered as CPO prices fell to a 7-year low. The average CPO Rotterdam price in 2015 was 25% lower at $613/mt, compared to $815/mt in 2014. The Group's revenue was lower by 22% at $196.5 million, compared to $251.3 million achieved in 2014. For the year the Indonesian Rupiah depreciated by 13% against the US dollar, the Group's reporting currency, which also partly explains the lower revenue.

The Group operating profit for 2015, before the biological asset ("BA") adjustment was $42.7 million, 46% lower compared to $78.8 million achieved in 2014. Earnings per share, before BA adjustment decreased to 69.39cts, from 132.26cts in 2014. The Group suffered an operating loss for 2015 at $21.4 million after a downward BA adjustment of $64.1 million as compared to 2014 operating profit of $45.1 million after a downward BA adjustment of $33.7 million. Profit was eroded by losses from five newly matured plantations in Bengkulu, Bangka and Kalimantan. With the current low CPO prices, it will take another three to four years for these plantations to turn in a profit when the FFB yield reaches its optimum level.

At a recent 2015 Indonesian Palm Oil Conference in Bali, vegetable oil analysts forecast that CPO will trade between a moderate price band of $550/mt to $770/mt by middle of 2016. We have seen a pick-up in CPO price in December 2015 to close at $560/mt on concern of lower production arising from the effect of El Nino. Despite this, challenging times are ahead for the Group and the palm oil industry. Earlier this year, the Indian government in its effort to reduce the import of vegetable oil had permitted 100% foreign direct investment in oil palm plantations in India from mid-November 2015. This caused some flutter in the global edible oils industry which is understandable as India is currently the largest consumer of CPO. The slowdown in the Chinese economy and weaker Chinese Yuan continue to hurt the export of CPO. There are however signs that the world's second largest economy and second largest consumer of CPO is stabilizing and clarity on the timing of US interest rate hikes are bolstering speculation that commodities will rebound from the worst year since 2008. China's recent move from a one-child to two-child policy may also bode well for the future of CPO as increased population will drive the demand for vegetable oil.

The over production of crude oil remains a major concern as crude oil prices had plunged to recent twelve year low which undermines the competitiveness of CPO as a source of biodiesel.

In spite of the challenging market conditions the Board has continued to invest in the development of new assets. The Group planted 3,416ha of oil palms in 2015 of which 1,590ha comprised of replanting. This was less than planned, due primarily to delays in finalising agreements with villagers for land compensation payments in Bengkulu, Bangka and Kalimantan.

Chairman's Statement

The 45mt/hr mill in Central Kalimantan built at a cost of $11.2 million has started commercial operation in the third quarter of 2015. At the same time a biogas plant estimated to cost $2.5 million is also being constructed at this mill. Upon completion of the biogas plant by the middle of 2016, it will help reduce the mill reliance on fossil fuel and at the same time reduces the Group’s carbon foot print. This will be the second biogas plant within the Group.

The Board is mindful that given the anticipated further capital commitments the level of dividend needs to be balanced against the planned expenditure. The Board is also mindful of shareholders’ sentiment and therefore declared a final dividend of 1.75p per share in respect of the year to 31 December 2015 (2014: 3.0p). Subject to the approval by shareholders at the Annual General Meeting, the final dividend will be paid on 11 July 2016 to those shareholders on the register on 10 June 2016.

Last year I highlighted the introduction of the new Law on Plantation by the Indonesian Government in October 2014. The new law inter-alia mandated the Government to prioritise domestic investments in the plantation business development and restricts foreign investments in the same sector based on types of plantation crops, business scale and conditions of a particular region; and possibly in the future, may set a cap on foreign investments.

Following the introduction of the new Law on Plantation by the Indonesian Government in October 2014, the Indonesian Government has recently announced plans to push through a moratorium on new concessions for oil palm plantations in a bid to protect the environment.

On behalf of the Board of Directors, I would like to convey our sincere thanks to our management and all employees of the Group for their dedication, loyalty, resourcefulness, commitment and contribution to the success of the Group.

I would also like to take this opportunity to thank shareholders, business associates, government authorities and all other stakeholders for their continued confidence, understanding and support for the Group.

Madam Lim Siew Kim
Chairman
26 April 2016

Strategic Report

Business Model

The Group will continue to focus on its strength and expertise which is planting more oil palms which includes replanting old palms with low yield, replace old rubber trees with palm trees and building more mills to process the FFB. The Group has over the years created value to shareholders through expansion in a responsible way. We have in the last few years bought and invested in new tracts of land and portions remain to be planted. Good land at reasonable price has become more scarce. The Indonesian government has in 2014 moved to introduce a law to cap the size of new plantations owned by foreign companies. The Group remains committed to use its available resources to develop the land bank in Indonesia as regulatory constraints permit.

The Group's objectives are to provide appropriate returns to investors in the long term from operation as well as expansion of the Group's business, to foster economic progress in the localities of the Group's activities and to develop the Group's operations in accordance with the best corporate social responsibility and sustainability standards.

We believe that sustainable success for the Group is best achieved by acting in the long-term interests of our shareholders, our partners and society.

Our Strategy

The Group's objectives are to provide an appropriate level of returns to the investors and to enhance shareholders' value. Profitability however is very much dependent on the CPO price which is volatile and determined by supply and demand. In the short term, CPO price remains under pressure due to the abundance of vegetable oil and the falling crude oil prices which undermine the potential of CPO as a source for biodiesel. Nevertheless the Group believes in the long-term viability of palm oil which remains a cheap and the most productive source of vegetable oil in a growing population.

The Group's strategies therefore focus on maximising yield per hectare above 22mt/ha, mill production efficiency of 110%, minimising production costs below $300/mt and streamlining estate management. For the year under review, the Group achieved a yield of 18.4mt/ha, 109% mill efficiency and production cost of $250/mt on Indonesia operations. This compared to 2014 yield of 19.1mt/ha, 115% mill efficiency and production cost of $255/mt. Despite stiff competition for external crops from surrounding millers, the Group is committed to purchase more external crops from third parties at competitive, yet fair prices, to maximise the production efficiency of the mills. With higher throughput, the mills achieved economy of scales in production. A mill achieves 100% mill efficiency when it operates 16 hours a day for 300 days per annum.

In line with the commitment to reduce its carbon foot prints, the Group plans to construct in stages biogas plants at all its mills to trap the methane gas to generate electrical power and at the same time reduces the consumption of fossil fuel. It plans to reduce the greenhouse gas emissions per metric ton of CPO produced in the next two to three years.

The Group will continue to follow-up and offer competitive and fair compensation to villagers so that land can be cleared and planted.

Financial Review

The financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU") and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS.

Strategic Report

For the year ended 31 December 2015, revenue for the Group was $196.5 million, 22% lower than $251.3 million reported in 2014 due primarily to the lower CPO price and the weakened of Rupiah against US Dollar. CPO price hit a 7-year low as palm oil inventory reaches new all-time high. The average exchange rate of Rupiah against US Dollar in 2015 was 13,392, 13% lower than 2014 of 11,861.

Group operating profit for 2015 before biological asset adjustment was $42.7 million, 46% less than $78.8 million in 2014. With the current low CPO prices, fives subsidiaries with substantial newly matured oil palms incurred losses and are expected to breakeven in about three to four years when the FFB yield reaches the optimum production level.

FFB production for 2015 was 900,400mt, 5% higher than the 857,400mt produced in 2014. The yield remains below expectation due to wide spread flooding in North Sumatera at the beginning of the year, followed by 4 months of extreme dry weather between the third and fourth quarters of the year across Indonesia and Malaysia and a higher proportion of young palms. FFB bought-in from local smallholders for 2015 was 678,200mt (2014: 626,200mt), 8% higher compared to 2014. The supply of third party crops was lower in the third and fourth quarters of 2015 due to dry weather. The drought induced tree stress resulted in late ripening of the fruits. During the year, FFB processed by the Group's mills was 1.51 million mt, 9% higher than last year of 1.38 million mt and CPO production was 9% higher at 321,400mt, compared to 294,200mt in 2014.

Loss before tax and after BA adjustment for the Group was $19.1 million, 137% lower compared to a profit of $51.2 million in 2014. The BA adjustment was a debit of $64.1 million, compared to a debit of $33.7 million in 2014. The CPO price for 2015 remained weak. It ended the year at $560/mt far lower than the 10-year average CPO price at $750/mt, which is normally used in the calculation of BA. Therefore a benchmarking exercise was made to ensure the directors' best estimate of the price sustainable over the longer term is being used. The directors adopted the recommendation of the valuer who has suggested applying a ratio of 70% of the current CPO price and 30% of the historical price (10-year average) given the assumption to calculate CPO price over the past 10 years is no longer considered to be appropriate. As a result, the directors adopted the CPO price of $625/mt which falls within the valuer's recommended range of $600/mt to $650/mt and the World Bank forecast of CPO price for 2016 at $600/mt. The lower biological value was due to the weakening of Rupiah against US Dollar and also was due to a higher discount rate applied in the determination of biological assets from 16.4% to 16.8%. The higher discount rate is a reflection of the increased sovereign risks in Indonesia. However, this is the last year bearer plants will be fair valued given the change to the IAS 41 which is effective on 1 January 2016.

The average CPO price for 2015 was $613/mt, 25% lower than 2014 of $815/mt.

Due to the material fluctuation of Rupiah and Malaysia Ringgit against US Dollar, a simulation was conducted on the 2014 income statement's major items by applying year 2015 average rate onto these major items. The simulation enabled comparison on a like for like basis eliminating the exchange element. The result is exhibited in the table below:

	2015 **$000**	2014 $000	Difference $000
Revenue	**196,451**	222,322	(25,871)
Cost of sales	**(145,897)**	(145,697)	(200)
Gross profit	**50,554**	76,625	(26,071)
BA adjustment	**(64,121)**	(29,759)	(34,362)
Operating profit before BA adjustment	**42,728**	69,663	(26,935)
Loss before tax after BA adjustment	**(19,074)**	45,443	(64,517)

Strategic Report

With the elimination of the exchange element, the revenue for 2015 was lower as a result of the lower CPO price. Despite the increase in production tonnage, the cost of sales for 2015 only increased marginally. The difference of BA adjustment between 2015 and 2014 was greater after the elimination of exchange element.

Earnings per share before BA adjustment decreased by 48% to 69.39cts compared to 132.26cts in 2014. Earnings per share after BA adjustment fell from 77.61cts to (37.58)cts.

Going Concern

The Group's balance sheet remains strong notwithstanding an unrealised exchange loss on translation of foreign subsidiaries of $54.6 million compensated by a land revaluation gain of $3.7 million net of deferred tax. As at 31 December 2015, the Group had cash and cash equivalents of $104.6 million and borrowings of $34.6 million, giving it a net cash position of $70.0 million, compared to $91.0 million in 2014. Net Group's borrowings in the year reduced to $34.6 million (2014: $34.9 million). For these reasons, the Group adopts a going concern basis of accounting and believe the Group will continue operation and meet its liabilities for the foreseeable future.

Business Review

Indonesia

FFB production in North Sumatera, which aggregates the estates of Tasik, Anak Tasik, Labuhan Bilik, Blankahan, Rambung, Sg Musam and Cahaya Pelita ("CPA"), produced 325,200mt in 2015 (2014: 342,900mt), 5% lower than 2014. In January 2015, CPA experienced heavy rainfall that inundated over 2,000ha of the plantation. The evacuation of FFB was not possible until the flood receded. A larger budget will be allocated to build canals and water gates as part of its flood mitigation program at CPA. In October 2015, strong wind in Rambung estate damaged nearly 6,500 matured rubber trees covering an area of 13ha. The area affected will be replanted with oil palms. Dry weather for a period of four months in between the third and fourth quarters of 2015 interrupted the ripening of FFB in Tasik, Anak Tasik and Labuhan Bilik. Over 1,400ha of ageing oil palm was replanted in Tasik in 2015. Replanting was necessary due to declining yield as workers find it difficult to harvest the palm trees which were about 30 years old as they have reached an average height of 16 to 18 metres tall.

Ganoderma fungus and *Upper Stem Rot* which attacks the productive palms in Anak Tasik, Blankahan and Rambung remains a threat. Water management, good sanitation and high standards of agronomic practices remain the main priority to avoid spreading of the diseases. This includes proper disposal of severely diseased palms after detection. Soil mounding on infected palms was carried out to lengthen the economic life span of oil palms. Replanting is scheduled in 2016 at Anak Tasik due to significant decline in yield attributed to *Ganoderma* attack. There was no serious insect damage by *Oryctes beetle,* other leaf eating pests, wild animals and rats.

FFB production in Bengkulu and South Sumatera, which aggregates the estates of Puding Mas, Alno, KKST, ELAP and RAA produced 317,400mt (2014: 304,200mt), 4% higher than 2014. With the dry weather in Bengkulu, about 165km of roads were resurfaced with gravel and laterite soil while another 550km of roads were graded and compacted to improve transport of FFB. As most of the estates are situated close to forest reserves, wild boars and herds of elephants continued to damage palm trees. Deep trenches and fencing provide temporary relief. The protracted negotiation with the villagers over land compensation will have an effect on the future planting in Bengkulu and South Sumatera. CPO production in Alno increased significantly by 27% due to higher purchase of FFB from smallholders and marginally higher own crop production.

FFB production in the Riau region, comprising Bina Pitri estates, produced 122,500mt in 2015 (2014: 116,700mt), 5% higher than 2014. This was achieved despite the region experiencing severe drought and haze resulting from indiscriminate open burning by farmers from July to September 2015 when rainfall averaged below 100mm per month. CPO production improved by 10% due to the higher purchase of FFB from smallholders, despite the competitiveness for external crops from millers. Our mill offered higher prices for external crops raising the mill utilization rate at the expense of a lower operating margin.

Strategic Report

FFB production in Kalimantan which comprises of the Sawit Graha Manunggal estates produced 108,100mt in 2015 (2014: 65,700mt) mainly from newly matured oil palm area of 7,792ha. FFB yield has surpassed expectation, despite the sandy soil condition. FFB yield from young trees averaged 14mt/ha. As in other regions in Indonesia, the low rainfall over a four month period of 2015 is likely to affect the FFB production in 2016. A comprehensive soil and water conservation management including applying empty fruit bunch ("EFB") mulching, fronds cut placement, proper drain maintenance have been conducted in sandy soil to minimise early decline in palm trees population due to soil erosion.

Overall bought-in crops for Indonesian operations were 8% higher at 678,200mt for the year 2015 (2014: 626,200mt). The average oil extraction rate from our mills was 21.2% in 2015 (2014: 21.3%).

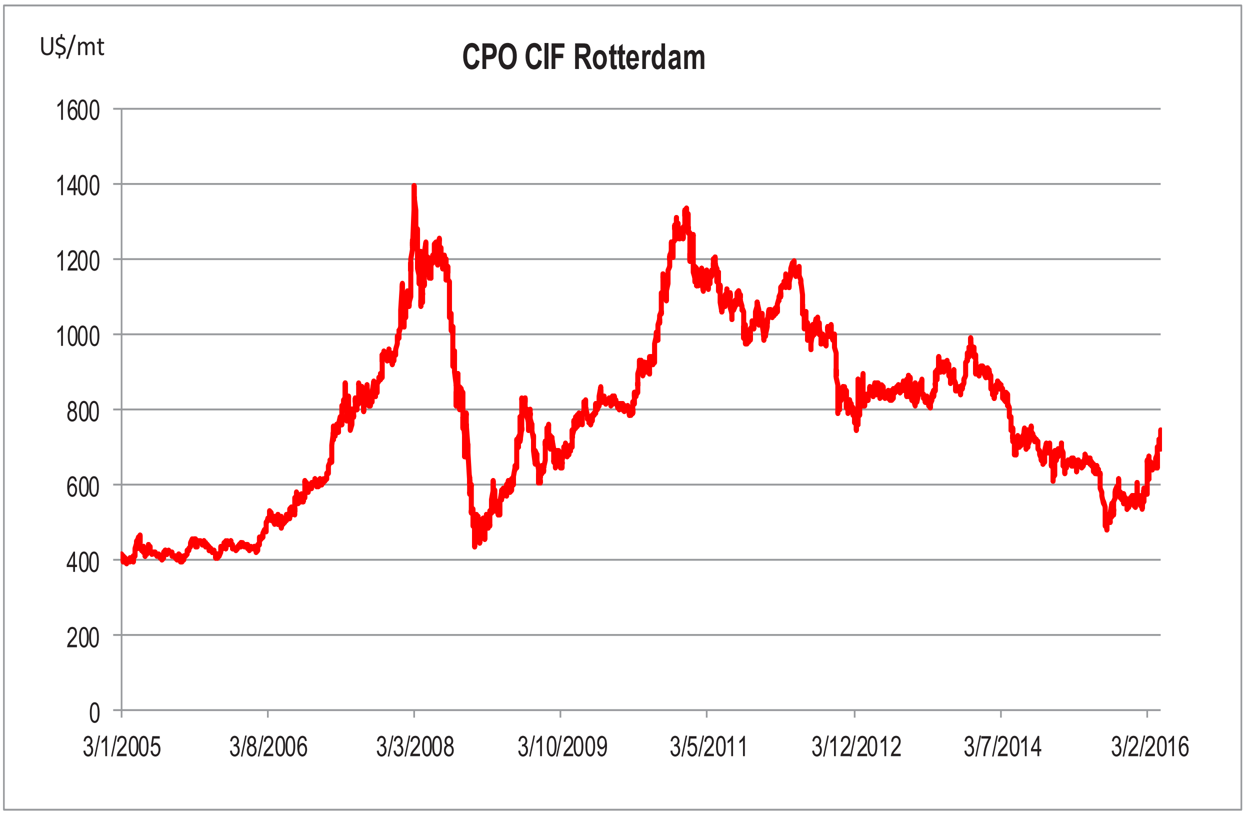
Malaysia

FFB production in 2015 was 3% lower at 27,200mt, compared to 28,000mt in 2014. The Malaysian operations faced severe shortage in workers due to difficulty in recruiting foreign workers hampering harvesting and estate work. New incentives and increase in monthly wages were also not sufficient to retain workers after their initial two-year contract expired. In 2015, the Malaysian plantations had $0.7 million pre-tax profit after BA adjustment compared to a pre-tax loss of $0.9 million in 2014.

Commodity Prices

The CPO CIF Rotterdam price started the year at $700/mt (2014: $890/mt) and reached a peak of $707/mt in March 2015 before retreating to a 7-year low in August 2015. It staged a slight recovery due to larger imports after price drop to record low and on concern of lower production in 2016. It ended the year at $560/mt (2014: $700/mt), averaging $613/mt for the year (2014: $815/mt).

CPO CIF Rotterdam (from year 2005 to 2016)



The soft demand for palm oil due to the abundance of soya oil is likely to curb a quick recovery of the CPO price. The depressed crude oil prices for much of 2015 did not help to boost the competitiveness of CPO as a source of biodiesel. It is widely reported that the El Nino weather phenomenon which brought severe drought across Indonesia and Malaysia for four months in 2015 is likely to cause moisture stress in palm trees. Furthermore, the region was blanketed by haze reducing the sunlight required for photosynthesis process in palms and will likely result in reduced crop production in 2016. A lower production will most likely lead to a gradual increase in CPO price. The successful efforts of Indonesia and Malaysia to introduce higher mandatory blending of biodiesel for industrial and commercial purposes likewise could provide some price support.

Rubber prices averaged $1,269/mt for 2015 (2014: $1,616/mt). Our small area of 502ha of mature rubber contributed a revenue of $1.1 million in 2015 (2014: $1.8 million).

Corporate Development

In 2015, the Group opened up new land and planted 1,826ha of oil palm mainly in Kalimantan, boosting planted area including Plasma by 3% to 65,100ha (2014: 63,500ha). This excludes the replanting of 1,423ha of oil palm in North Sumatera. Another 166ha of ageing rubber trees were replanted with oil palm. New plantings remain behind schedule due to delays in finalising settlement of land compensation with villagers in Bengkulu, Bangka and Kalimantan. The villagers seek compensation beyond what the Group considered fair and reasonable resulting in protracted negotiations. The progress of new planting in Kalimantan was interrupted by prolonged dry weather during a four month period.

The mill construction in Central Kalimantan was completed in the second quarter of 2015. It began commercial operation in the third quarter with an initial capacity to process FFB at a rate of 45mt/hr. There is sufficient space to add a new processing line in the mill to expand the processing capacity to 90mt/hr when the need arises.

Biogas Purification Plant

Biomass plant producing dried long fibre

Negotiation to sell the surplus power estimated at 5.75 million kwh per year to the Indonesian National Electricity Company from its new biogas plant in North Sumatera is pending approval from authority after completion of a feasibility study. Upon approval, the Company will install electric cables, transformer and switchgears estimated to cost $300,000 to link the biogas plant to the national grid.

The Group has started construction of a second biogas plant in Kalimantan which is expected to be completed by end of next year. This project would contribute to the Group’s reduction of carbon footprint.

Corporate Social Responsibility
Corporate Social Responsibility (“CSR”) is an integral part of corporate self-regulation incorporated into our business model. Our Group embraces responsibility for the impact of its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. In engaging the social dimension of CSR, the Group’s business has taken cognizance of the contribution and further enrichment of its employees while continuing to make contributions to improve the well-being of the surrounding community.

The majority of employees and their dependents in the plantations and mills are housed in self-contained communities built by the Group. The employees and their dependents are provided with free housing, clean water and electricity. The Group also builds, provides and repairs places of worship for workers of different religious faiths as well as schools and sports facilities in these communities. Over the years, the Group has built a total of 71 mosques and 16 churches in all its estates. In 2015, the Group spent $399,500 to build additional facilities and to maintain these amenities. This includes construction of a new classroom in a school in Bengkulu while a new elementary school in Labuhan Bilik was built and handed over to the local government.

School bus for employees' children

Fun game on employees' Family Day

Staff and selected employees are given the opportunity to be trained and to attend seminars to enhance their working skills and capability. In 2015 the Group's Head Agronomist completed his PhD in Soil Science with summa cum laude from the University of North Sumatera. The Group provides free education for all employees' children in the local plantations and communities where they work. In 2015, scholarships amounting to $32,300 were provided to children in surrounding villages and selected employees' children to further their tertiary education in collaboration with universities in Riau and Bengkulu. In total 95 scholarships were given out. Selected under graduates were given opportunities for industrial training during semester breaks. In addition the Group provides funding to construct educational facilities including laboratories, libraries, and computers. The salaries of teachers in the estates and the cost of school buses to transport employees' children to the schools are provided by the Group. Over the years a total of 34 schools have been built with 121 teachers currently employed within our Group estates. In 2015, the Group spent some $552,500 on running the schools. The Group bought a new school bus in Kalimantan taking the tally of school buses operated by the Group in 2015 to 32 vehicles.

The Group continues to provide free comprehensive health care for all its workers as we believe that every employee and their dependents should have easy access to health services. We have established 22 clinics operated by qualified doctors, nurses and hospital assistants in the estates. In addition, the Group organised fogging to prevent spread of dengue mosquitoes. In isolated locations, the Group drill tube wells to provide clean water. Related healthcare expenses for 2015 were $550,800.

A strong commitment to CSR has a positive impact on employees' attitudes and boosts employee recruitment. The Group realizes that employees are valuable assets in order to run an efficient, effective, profitable and sustainable business and operations.

The Group also recognises its obligations to the wider farming communities in which it operates. The Indonesian authorities have established that not less than 20% of the new planted areas acquired from 2007 onwards are to be reserved for the benefit of smallholder cooperative scheme, known as Plasma, and the Group is integrating such smallholder developments alongside its estates. In order to aid the development of Plasma scheme, a subsidiary provided a corporate guarantee to a local bank in excess of $16 million to cover loans raised by the cooperative. The plasma development has commenced in stages for its estates in Sumatera and Kalimantan.

The Board supported Kas Desa smallholder village development programme to supplement the livelihood of the villages. The Group has to-date financed, developed and managed 22 smallholder village schemes across four companies.

In addition to education and healthcare which includes the construction of schools, provision of scholarships, books, the Group also develops infrastructure such as construction and repair of 3 bridges and maintain 680km of external roads in 2015. The Group also provides initial aid and seed capital to villagers such as fruit seedlings, fish fries, cattle and ducks to start community sustainable programs.

Indonesian Sustainable Palm Oil ("ISPO")

The ISPO certification is legally mandatory for all plantations in Indonesia. In March 2012, ISPO, which is fundamentally aligned to RSPO (Roundtable on Sustainable Palm Oil) principles, has become the mandatory standard for Indonesian planters.

A Steering Committee was established to work out a roadmap to support the ISPO implementation at mills and estates. Workshops and training sessions on occupational safety and healthcare were carried out to inculcate a safety culture in workplaces at the estates and mills in North Sumatera, Riau, Bengkulu and Kalimantan. During the year the Group continued to upgrade its agricultural chemical stores and diesel fuel storage tanks in various plantations and mills to meet safety and environmental standards. Standard operating procedures were refined and documented based on sustainable oil palm best practices. The Group also conducts internal audits using an audit checklist adopted from the above practices to determine the level of compliance. The Group worked closely with appointed certification consultants in the implementation of ISPO standard. In addition to three subsidiaries which were ISPO certified, another subsidiary has been approved for ISPO certification in December 2015. Six companies are at the second stage of ISPO audit while one company is at first stage of certification.

Strategic Report

Care For The Environment and Sustainable Practices
As a Group, we highlight the importance of creating awareness and implementation of good environmental management practices throughout the organisation. The Group has been consistently practising good agricultural practices such as zero burning, integrated pest management, land terracing and recycling of biomass. When it comes to replanting, old palms felled are chipped and left to decompose at site. This mitigates the greenhouse gas emissions commonly associated with open burning when land is cleared through the traditional method of slash-and-burn. It also enriches the organic matter in the soil. Where the land is undulating, we build terraces for planting which helps to prevent landslides, conserve the water and nutrients effectively and provide better accessibility for employees. Legume cover crops are planted to minimise soil erosion and preserve the soil moisture. In mature areas, fronds and EFB are placed inter-rows to allow the slow release of organic nutrients while minimising soil erosion and degradation.

Effluent discharged from some mills is initially treated in lagoons before being applied to trenches located between rows of palm trees. Once the effluent dries up, it becomes organic fertilizer for the oil palm and reduces the application and buying of inorganic fertilizers. In some estates, EFB are applied to land where it biodegrades to fertilizers. Through the application of a combination of EFB, organic fertilisers from mill by-products and inorganic fertilisers, the Group is able to raise the fertility of sandy soil in Kalimantan plantations.

The Group's first biogas and biomass project in North Sumatera completed last year will enhance the waste management treatment in the mill and at the same time mitigate greenhouse biogas emissions. The methane gas trapped will be used to generate and supply power to its biomass plant without dependency on fossil fuel. Another biogas plant is being constructed at the new mill in Kalimantan. Further similar undertakings for the Group's mills are planned and shall be implemented in stages. The Group intends to sell surplus power generated to the National Grid.

The Group is committed to implementing good agricultural practices as spelled out in its standard operating procedures for the planting of oil palm. Integrated Pest Management has been adopted to control pests and to improve biological balance.

Barn Owls were introduced to control rats. Beneficial plants of *Turnera*sp*, Cassia cobannesis* and *Antigononleptosus* were planted to attract natural predators for biological control of bagworms and leaf-eating caterpillars. Weeds are controlled selectively by using more environmental friendly herbicide such as Glyphosate.

The usage of Paraquat herbicide and chemicals has been reduced and minimized to control weeds and vermins.The sprayers are also trained in safety and spraying techniques. The chemicals are kept in designated storage and examined at regular intervals. Employees who handled the use of chemicals undergo medical examination. Natural vegetation on uncultivable land such as deep peat, very steep areas and riparian zones along watercourses are maintained to preserve biodiversity and wildlife corridors.

Two mills in the Bengkulu region have been installed with Extended Aeration to enhance the treatment of the mill effluent by mechanical aeration.

All our mills utilize the waste mesocarp fibre from the oil palm fruits as fuel to generate steam from boilers to eventually produce power from steam turbines. The power generated drives all of the processing equipment in mills and estate housing. This helps to reduce reliance on fossil fuel such as diesel in our milling operations.

The Group continues to comply and preserve the High Conservative Value ("HCV") areas recognised by the Department of Forestry.

Principal risks and uncertainties
The Group's business involves risks and uncertainties of which the Directors currently consider the following to be material. There are or may be other risks and uncertainties faced by the Group that the Directors currently deem immaterial, or of which they are unaware, that may have a material adverse impact on the Group. The Board carries out a robust assessment of the principal risks facing the Group on an annual basis.

Nature of the risk and its origin	The likelihood and impact of the risk and the circumstances under which the risk might be most relevant to the Company	Mitigating or other relevant considerations
Country and regulatory		
The Group's operations are located substantially in Indonesia and therefore significantly rely on economic and political stability in Indonesia.	Political upheaval and deterioration in security situation may cause disruption on operation and consequently financial loss.	The country has recently benefited from a period of relative political stability, steady economic growth and stable financial system. But during the Asian financial crisis in late 1990 there were civil unrest attributed to ethnic tensions in some parts of Indonesia. But the Group operations were not interrupted by the regional security problems.
Introduction of measures to rein in the country's fiscal deficits. This included the exchange controls and restriction on repatriation of profit through payment of dividend.	Transfer of profit from Indonesia to UK will be restricted affecting servicing of UK obligations and payment of dividends to shareholders.	The Board is not aware of any attempt by the government to impose exchange controls that would restrict the transfer of profits from Indonesia to the UK. The Board perceives that the Group will be able to continue to extract profits from its subsidiaries in Indonesia for the foreseeable future.
The Group acquires the land exploitation rights ("HGU") after paying land acquisition and HGU processing costs. These costs are capitalized as land asset costs since the asset characteristics fulfill the recognition criteria. The Group holds its land under 25 or 35 year renewable leases.	Any changes in law and regulations relating to land tenure could have negative impact on the Group's activities.	There are several more years before the first HGU is due for renewal in 2023. There are no reasons for the Directors to believe that the HGU will not be renewed upon expiration by complying with existing law and regulations.
Changes in land legislation. Based on National Land Agency Law 2 / 1999, mandatory restriction to land ownership by non-state plantation companies and companies not listed in Indonesia to 20,000ha per province and a total of 100,000ha in Indonesia.	Mandatory reduction of foreign ownership in Indonesian plantations. Forced divestment of interests in Indonesia at below market values.	The Group realize that there is a possibility that foreign owners may be required over time to partially divest ownership of Indonesia oil palm operations but has no reason to believe that such divestment would be anything other than at market value.

Nature of the risk and its origin	The likelihood and impact of the risk and the circumstances under which the risk might be most relevant to the Company	Mitigating or other relevant considerations
Country and regulatory (cont'd)		
Group failure to meet the standards expected in relation to bribery and corruption.	Reputational damage and criminal sanctions.	The Group continues to maintain strong controls in this area as Indonesia has been classified as relatively high risk by the International Transparency Corruption Perceptions index.
Exchange rates		
CPO is a US Dollar denominated commodity and a significant proportion of revenue costs in Indonesia (such as fertiliser and fuel) and development costs (such as heavy machinery and mills equipment) are imported and are US Dollar related.	Adverse movements of Rupiah against US Dollar can have a negative effect on the operating costs and raise funding cost.	The Board has taken the view that these risks are inherent in the business and feels that adopting hedging mechanisms to counter the negative effects of foreign exchange volatility are both difficult to achieve and would not be cost effective.
Weather and natural disasters		
Oil palms rely on regular sunshine and rainfall but these weather patterns can vary and extremes such as unusual dry periods or, conversely, heavy rainfall leading to flooding in some locations can occur.	Dry periods, in particular, will affect yields in the short and medium terms. Drought induces moisture stress in palm trees. High levels of rainfall can disrupt estate operations and result in harvesting delays with loss of oil palm fruits or deterioration in fruit quality. Any delay in collection of harvested FFB during the rainy season could raise the level of free fatty acid ("FFA") in the CPO. CPO with higher level of FFA will be sold at a discount to market prices. Low level of sunshine could result in delay in formation of FFB resulting in potential loss of revenue.	Where appropriate, bunding is built around flood prone areas and canals/drainage constructed and adapted either to evacuate surplus water or to maintain water levels in areas quick to dry out. Where practical, natural disasters are covered by insurance policy. Certain risks (including the risk of crop loss through fire, earthquake, flood and other perils potentially affecting the planted areas on the Group's estates) if they materialise could dent the potential revenues, for which insurance cover is either not available or would in the opinion of the Directors be disproportionately expensive, are not insured. These risks of floods or haze are mitigated by the geographical spread of the plantations but an occurrence of an adverse uninsured event could result in the Group sustaining material losses.

Nature of the risk and its origin	The likelihood and impact of the risk and the circumstances under which the risk might be most relevant to the Company	Mitigating or other relevant considerations
Cultivation risks		
The Group's plantations may be affected by pests and diseases like ganoderma fungus and white rot. Crop damages by oryctes beetles, nettie caterpillar, termites, vermins, elephants and wild boars are common.	Loss of crops or reduction in the quality of harvest resulting in loss of potential revenue.	Agricultural best practice and husbandry can to some extent mitigate these risks but they cannot be entirely eliminated. The spread of majority of the plantations over Sumatera and Kalimantan mitigates the risks affecting the entire Group.
Other operational factors		
The Group's plantation productivity is dependent upon necessary inputs, including, in particular fertiliser, spare-parts, chemicals and fuel.	With the removal of fuel subsidy by the Indonesian government in January 2015, diesel will be priced in accordance to global oil prices. When global oil prices rise, it will put pressure on production inputs which include cost of electricity to the mills and the transportation of FFB. Group's operations could be materially disrupted should such shortages occur over an extended period. Increase in prices would significantly increase production costs.	Whilst the Directors have no reason to anticipate shortages of such inputs, the Group's investment in biogas plants will reduce reliance on fossil fuel for the mill operations.
The Group has bulk storage facilities located within its mills which are adequate to meet the Group's requirements for CPO storage. Nevertheless, delays in collection of CPO sold could result in CPO production exceeding the available CPO storage capacity.	This would likely force a temporary halt in FFB processing resulting in loss of crop and revenue.	The Group bulk storage facilities have substantial capacity. Furthermore these facilities have always being adequate for the mills production storage in the past.
Substantial increases in governmental directed minimum wage levels in Indonesia.	Regional hikes in minimum wages for 2016 averaged 10.4%. The Group pays no less than the minimum wage and the increase will result in a significant rise in Group's employment costs. Higher wages will erode the profitability as it forms a substantial part of the production costs.	The Group endeavours to improve productivity of field workers to justify the increase in wages. Field workers are employed on part-time basis.

Nature of the risk and its origin	The likelihood and impact of the risk and the circumstances under which the risk might be most relevant to the Company	Mitigating or other relevant considerations
Produce prices		
CPO is a primary commodity and is affected by the world economy, levels of inflation, availability of alternative soft oils such as soya oils. CPO price also moves in tandem with crude oil prices which determines the competitiveness of CPO as a source of biodiesel.	This may lead to significant price swings. The profitability and cash flow of the plantation operations depend upon world prices of CPO and upon the Group's ability to sell CPO at price levels comparable with world prices.	Directors believe that such swings should be moderated by continuous demand in economies like China, India and Indonesia. Larger export would lead to lower inventory of CPO which augurs well for future produce price.
Imposition of import controls or taxes in consuming and exporting countries. The Indonesian government in July 2015 imposes a $50/mt export levy to fund biodiesel subsidies. It also introduced a simpler export tax system expressed in US dollar instead of a percentage of CPO price.	Reduced revenue and reduction in cash flow and profit. When CPO price is below $750/mt, the export tax levy will impact upon the Group's profit. When CPO price recovers to above $750/mt, the effective tax rate will be lower providing some relief to planters.	The Indonesian government allows free export of CPO but applies a sliding scale of duties on exports which allows producers economic margins. The export levy may be regarded as a measure to support CPO producers through increase in biodiesel consumption.
Environmental and governance practices		
The ISPO which fundamentally aligns with RSPO principles became the mandatory standard for all Indonesian planters in March 2012. The key RSPO principles are set out on page 43 in the "Statement on Corporate Governance".	Environment pollutions and criticism by environmental activists resulting in reputational and financial damage.	The Directors take seriously their environmental and social responsibilities. Management follows industry best-practice guidelines and abides by Indonesian law with regard to such matters as health and safety. The Group uses EFB for mulching in the estates which is a form of fertiliser and reduces the consumption of inorganic fertilisers. The liquid effluent from the mills after treatment is applied to trenches in the estates as a form of fertiliser. The biogas plant in North Sumatera will mitigate emissions of biogas. Environmental impact assessment is undertaken by an independent consultant for its new project.

Nature of the risk and its origin	The likelihood and impact of the risk and the circumstances under which the risk might be most relevant to the Company	Mitigating or other relevant considerations
Expansion		
The Group is planning to plant more oil palm. In areas where the Group holds the land compensation rights (or Izin lokasi), the settlers and land owners are compensated before land is cleared for planting.	The Group compensates the settlers and land owners in a transparent and fair way. The negotiation for compensation can, however involve a considerable number of local individuals with similar ownership claims and this can cause difficulties in reaching agreement with all affected parties. Such disruptions have in the past caused delays to the planting programmes and consequently financial loss.	It is rather difficult to foresee with reliable accuracy what area will be available for planting out of the total area covered by land rights. Much depends upon the success of negotiations with settlers and land owners and satisfactory resolution of land title issue. The Group has to-date mixed success in managing such periodic delays and disruptions especially in South Sumatera, Bengkulu, Bangka and Kalimantan.
The Directors believe that when the land becomes available for planting, the development programmes can be funded from available Group cash resources and future operational cash flows, supplemented with external debt funding. Profitability of new sizable plantations requires a period of between six and seven years before cash flow turns positive. Because oil palms do not begin yielding significantly until four years after planting, this development period and the cash requirement is affected by changes in commodity prices.	Should land or cash availability fall short of expectations and the Group is unable to secure alternative land or funding, the Group's continued growth may be delayed or curtailed. This may lead to reduction of reported profit and adverse market perceptions as to the value of the Company's shares.	The Group has fair amount of cash holding to fund planting exercise. The Group aims to manage its finances conservatively to ensure that it is able to fund the planned planting programme.
Hedging risk		
The Group's subsidiaries have borrowing in US Dollar.	The Group could face significant exchange losses in the event of depreciation of their local currency (i.e. Strengthening of US Dollar) - and vice versa.	Risk is partially mitigated by US Dollar denominated cash balances. It also considers the average interest rate on Rupiah deposits which is 7.47% higher than on US Dollar deposits whereas interest rate for Rupiah borrowing is about 6.65% higher as compared to US Dollar borrowing.

Nature of the risk and its origin	The likelihood and impact of the risk and the circumstances under which the risk might be most relevant to the Company	Mitigating or other relevant considerations
Social, community and human rights issues		
Any material breakdown in relations between the Group and the host population in the vicinity of the operations could disrupt the Group's operations. The plantations hire large numbers of people and have significant economic importance for local communities in the areas of the Group's operations.	Communication breakdown would cause disruption on operation and consequently financial loss.	The Group endeavours to mitigate this risk by liaising regularly with representatives of surrounding villages and by seeking to improve local living standards through mutually beneficial economic and social interaction with the local villages. In particular, the Group, when possible, gives priority to applications for employment from members of the local population and supports specific initiatives to encourage local farmers and tradesmen to act as suppliers to the Group, its employees and their dependents. The Group spends considerable sums of money constructing new roads and bridges and maintaining existing roads used by villagers. The Group also provides technical and management expertise to villagers to develop oil palm plots or Kebun Kas Desa (village's scheme) and plasma schemes surrounding the operating estates. The returns from these plots are used to improve villages' community welfare.
Interest rate risk		
The Group's surplus cash and its borrowings are subject to variable interest rates.	The Group had net cash throughout 2015, so the effect of variations in borrowing rates is more than offset. A 1% change in the borrowing or deposit interest rate would not have a significant impact on the Group's reported results as shown in note 23. The rates on borrowings are set out in note 14.	There is no policy to hedge interest rates, partly because of the net cash position and because the net interest is relatively small proportion of the Group profits.

Strategic Report

Gender diversity
The AEP Plc Board is composed of three men and one woman with extensive knowledge in their respective fields of experience. The Board has taken note of the recent legislative initiatives with regard to the representation of women on the boards of Directors of listed companies and will make every effort to conform to its composition based on legislative requirement.

	2015 average employed during the year		
Group Headcount	**Women**	**Men**	**Total**
Board	**2**	**14**	**16**
Senior Management (GM and Above)	**-**	**8**	**8**
Managers & Executives	**30**	**369**	**399**
Full Time	**314**	**5,095**	**5,409**
Part-time Field Workers	**4,745**	**6,235**	**10,980**
Total	**5,091**	**11,721**	**16,812**
%	**30%**	**70%**	**100%**

	2014 average employed during the year		
Group Headcount	Women	Men	Total
Board	2	14	16
Senior Management (GM and Above)	-	8	8
Managers & Executives	23	363	386
Full Time	168	4,944	5,112
Part-time Field Workers	3,005	6,682	9,687
Total	3,198	12,011	15,209
%	21%	79%	100%

Although the Group provides equal opportunities for female workers in the plantations, the male workers make up a majority of the field workers due to the nature of work and the remote location of plantations from the towns and cities. Nevertheless the percentage of women workforce within the Group increased from 21% in 2014 to 30% in 2015.

Employees
In 2015, the number of full time workforce averaged 5,832 (2014: 5,522) while the part-time labour averaged 10,980 (2014: 9,687).

The Group has formal processes for recruitment particularly key managerial positions, where psychometric testing is conducted to support the selection and hiring decisions. Exit interviews are also conducted with departing employees to ensure that management can address any significant issues.

The Group has a programme for recruiting graduates from Indonesian universities to join existing employees selected on regular basis to training programmes organised by the Group's training centre that provides grounding and refresher courses in technical aspects of oil palm estate and mill management. The training centre also conducts regular programmes for all levels of employees to raise the competency and quality of employees in general. These programmes are often supplemented by external management development courses including attending industry conferences for technical updates. A wide variety of topics are covered including work ethics, motivation, self-improvement, company values, health and safety.

A large workforce and their families are housed in the Group's housing across the Group's plantations. The Group further provides at its own cost water and electricity and a host of other amenities including places of worship, schools and clinics. On top of competitive salaries and bonuses, extensive benefits and privileges help the Group to retain and motivate its employees.

The Group promotes a policy for creation of equal and ethnically diverse employment opportunities including with respect to gender.

The Group has in place key performance linked indicators to determine increment and bonus entitlements for its employees.

The Group promotes and encourages employee involvement in every aspect wherever practical as it recognises employees as a valuable asset and is one of the key contributions to the Group's success. The employees contribute their ideas, feedback and voice out their concerns through formal and informal meetings, discussions and annual performance appraisal. In addition, various work related and personal training programmes are carried out annually for employees to promote employee engagement and interaction.

Although the Group does not have a specific policy on employment of disabled persons, it however employs disabled persons as part of its workforce. The Group welcomes disabled persons joining the Group based on their suitability.

Outlook

FFB production for three months to March 2016 was 9% higher against the same period in 2015 mainly due to the increase in production from Kalimantan region. It is too early to forecast whether the production will be better for the rest of the year.

The CPO CIF (Cost, Insurance, Freight) Rotterdam price opened the year 2016 at $570/mt and prices are expected to be in the range of $500/mt to $750/mt for the first half of 2016. CPO price is likely to recover if a significant drop in crop production materialises due to the effects of El Nino in 2015.

It was reported that the US Dollar appreciated by approximately 13% (2014: +2%) against the Indonesian Rupiah in 2015 in anticipation of an interest rate hike in the United States and the weak emerging economies. The Rupiah has since strengthened by 4% in 2016 which makes palm oil more expensive for importers.

The continuing rise in income levels and population growth in China, India and Indonesia would expect to drive the consumption of CPO and likely lead to a gradual recovery in CPO prices. The Indonesian and Malaysian government efforts to rein in fiscal deficits by introducing higher mandatory blending of biodiesel could provide some price support.

The rising material costs and wages in Indonesia are expected to increase the overall production cost in 2016. Indonesia's minimum wage has increased at an average rate of between 8% and 15% per annum over the last few years. The Indonesian government recently announced regional hikes in 2016 minimum wage ranging from 7% in Bengkulu to 12% in South Sumatera. These wage hikes will raise overall estate costs and erode profit margins. A depreciating Rupiah would also mean that imports of fertilisers and equipment for the mills and estates will be more costly.

Nevertheless barring any unforeseen circumstances, the Group is confident that CPO demand will be sustainable in the long term on the backdrop of global economic recovery and we can expect a satisfactory profit level and cash flow for 2016.

On behalf of the Board

Dato' John Lim Ewe Chuan
Executive Director, Corporate Finance and Corporate Affairs 26 April 2016

Financial Record

Income statement	2015 $000	2014 $000	2013 $000	(Restated) 2012 $000	(Restated) 2011 $000
Revenue	**196,451**	251,258	201,917	237,352	259,037
Trading profit before BA	**42,728**	78,845	59,619	85,396	98,518
(Loss) / Profit attributable to shareholders after BA	**(14,897)**	30,762	93,521	47,331	73,681
Dividend proposed for year	**(1,028)**	(1,854)	(1,969)	(1,784)	(2,372)
Financial position	**$000**	$000	$000	$000	$000
Non-current assets & long term receivables	**402,655**	481,761	484,826	424,889	413,801
Cash net of short term borrowings	**102,864**	125,624	98,654	116,198	84,017
Long term loans	**(32,875)**	(34,625)	(34,937)	(25,026)	(58)
Other working capital	**225**	(10,343)	765	(7,460)	(14,076)
Deferred tax	**(20,911)**	(44,368)	(55,298)	(37,236)	(43,098)
	451,958	518,049	494,010	471,365	440,586
Non-controlling interest	**(82,607)**	(90,813)	(85,964)	(83,043)	(73,533)
Net worth	**369,351**	427,236	408,046	388,322	367,053
Share capital	**15,504**	15,504	15,504	15,504	15,504
Treasury shares	**(1,171)**	(1,171)	(1,171)	(1,171)	(1,507)
Share premium and capital redemption account	**25,022**	25,022	25,022	25,022	25,022
Revaluation and exchange reserve	**(174,896)**	(133,474)	(124,340)	(52,039)	(27,880)
Profit and loss account	**504,892**	521,355	493,031	401,006	355,914
Equity attributable to shareholders' funds	**369,351**	427,236	408,046	388,322	367,053
Ordinary shares in issue ('000s)	**39,976**	39,976	39,976	39,976	39,976
Earnings per share before BA adj. (US cents)	**69.39cts**	132.26cts	90.70cts	133.99cts	154.15cts
Earnings per share after BA adj. (US cents)	**(37.58)cts**	77.61cts	235.95cts	119.41cts	186.35cts
Dividend per share for year (US cents)	**2.5*cts**	4.5cts	5.0cts	4.5cts	6.0cts
Asset value per share (US cents)	**932cts**	1,078cts	1,029cts	980cts	928cts
Earnings per share before BA adj (pence equivalent)	**45.4p**	80.2p	58.0p	84.5p	95.5p
Dividend per share for year (pence)	**1.75p**	3.0p	3.0p	2.9p	3.7p
Asset value per share (pence equivalent)	**629p**	691p	622p	603p	597p
Exchange rates – year end					
Rp : $	**13,795**	12,385	12,170	9,638	9,068
$: £	**1.48**	1.56	1.66	1.63	1.55
RM: $	**4.29**	3.50	3.28	3.06	3.17
Exchange rates – average					
Rp : $	**13,392**	11,861	10,445	9,363	8,763
$: £	**1.53**	1.65	1.56	1.59	1.61
RM: $	**3.91**	3.27	3.15	3.09	3.06

Note: * Based on exchange rate at 22 April 2016 of $1.4409/£

Estate Areas

	GROUP TOTAL	MALAYSIA	INDONESIA TOTAL	NORTH SUMATERA	BENGKULU	SOUTH SUMATERA	RIAU	BANGKA	KALIMANTAN
Mills									
Number of mills	**6**	**-**	**6**	**2**	**2**	**-**	**1**	**-**	**1**
Combined Mills Capacities	**295 mt/h**	**-**	**295 mt/h**	**100 mt/h**	**105 mt/h**	**-**	**45 mt/h**	**-**	**45 mt/h**
Planted as at 31 Dec 2015	Ha	Ha	Ha	Ha	Ha	Ha	Ha	Ha	Ha
Oil Palm									
Mature	50,770	3,380	47,390	15,231	16,899	2,595	4,873	-	7,792
Immature	12,990	316	12,674	3,474	28	3,538	-	537	5,097
Total Oil Palm	**63,760**	**3,696**	**60,064**	**18,705**	**16,927**	**6,133**	**4,873**	**537**	**12,889**
Rubber									
Mature	502	-	502	502	-	-	-	-	-
Immature	10	-	10	10	-	-	-	-	-
Total Rubber	**512**	**-**	**512**	**512**	**-**	**-**	**-**	**-**	**-**
Plasma Mature	685	-	685	-	-	-	-	-	685
Plasma Immature	111	-	111	-	-	41	-	-	70
Total Plasma	**796**	**-**	**796**	**-**	**-**	**41**	**-**	**-**	**755**
Total Planted area	**65,068**	**3,696**	**61,372**	**19,217**	**16,927**	**6,174**	**4,873**	**537**	**13,644**
Reserves									
Plantable	47,348	1,364	45,984	886	5	27,745	-	2,608	14,740
Unplantable	13,631	1,236	12,395	1,362	1,066	3,226	84	5,086	1,571
Other	2,564	72	2,492	1,075	527	155	75	23	637
Total Reserves	**63,543**	**2,672**	**60,871**	**3,323**	**1,598**	**31,126**	**159**	**7,717**	**16,948**
Total Land as at 31 Dec 2015	**128,611**	**6,368**	**122,243**	**22,540**	**18,525**	**37,300**	**5,032**	**8,254**	**30,592**

Location of Estates

Directors' Report

The Directors present their annual report on the affairs of the Group, together with the financial statements and auditors' report, for the year ended 31 December 2015.

Accountability and audit

The Group is committed to ensure that the quality of its financial reporting is of a high standard. The Board continually reviews its internal controls and risk management systems to ensure the Group's affairs and the Group's financial reporting comply with the applicable accounting standards as well as good corporate governance. The main features of the Group's internal controls and risk management systems are further disclosed on page 46.

The Board considers the annual report and accounts including the strategic report when taken as a whole, is fair, balanced and understandable as it provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Results and dividends

The audited financial statements for the year ended 31 December 2015 are set out on pages 59 to 99. The Group's loss for the year on ordinary activities before taxation was $19,074,000 (2014: profit $51,236,000) and the loss attributable to ordinary shareholders was $14,897,000 (2014: profit $30,762,000). No interim dividend was paid. The Directors recommend a final dividend of 1.75p (2014: 3.0p) to be paid to shareholders on 11 July 2016. Shareholders may elect to receive their dividend in US Dollar as described on page 37.

Viability Statement

The viability assessment considers solvency and liquidity over a longer period than for the purposes of the going concern assessment made on page 13. Inevitably, the degree of certainty reduces over this longer period.

The Group's business activities, financial performance, corporate development and principal risks associated with the local operating environment are covered under the Strategic Report. In undertaking its review of the Group's performance in 2015, the Board considered the prospects of the Company over the one and five-year periods. The process involved a detailed review of the 2016 detailed budget and the five-year income and cash flow projection. The one-year budget which has a greater level of certainty and is used to set detailed budgetary targets at all levels across the Group. It is also used by the Remuneration Committee to set targets for the annual incentive. The five-year income and cash flow projection contains less certainty of outcome, but provides a robust planning tool against which strategic decisions can be made. The Board also considered the five-year cash flow projection under various scenarios, including the need to support financially loss making newly matured estates together with the projected capital expenditure. On the basis of this and other matters considered and reviewed by the Board during the year, the Board concluded and believe that the Group has adequate resources to continue operation and meet its liabilities over the five years from 2016 to 2020. Accordingly, the Directors adopt the going concern basis of accounting in preparing the financial statements.

Research and Development

The Group did not undertake any research and development activities. It relies on third parties to conduct research and development of new diseases resistant and higher yield oil palm seeds.

Valuation

In 2015, the Group's biological assets were valued by qualified valuers based on discounted cash flow. The assumptions used in the discounted cash flow are described in greater detail in note 10.

Nine companies located across North Sumatera, Bengkulu, Riau, Kalimantan and Malaysia were valued by qualified valuers in 2015 to provide indicative fair values and support the valuation for the estate lands. The Directors revalued the estate land not covered by the valuation exercise based on the regional appreciation rate quantified by the qualified valuers. Land is valued on a rotational basis and all land is valued by qualified valuers every two years.

Political donations

The Group made no political donations during the year.

Carbon Reporting

A greenhouse gas ("GHG") emissions assessment quantifies greenhouse gases produced directly and indirectly from the Group's agricultural activities. Also known as a carbon footprint, it is essential tool in the process of understanding, monitoring, managing and reducing the Group's climate change impact. The emissions sources included in this report were fuel and electricity consumption at the mills, palm oil mill effluent ("POME") treatment, nitrogen emissions from mineral fertiliser use, company owned vehicle use, third party vehicle fuel use, electricity consumption in employee housing and emissions associated with land use change and carbon sequestration.

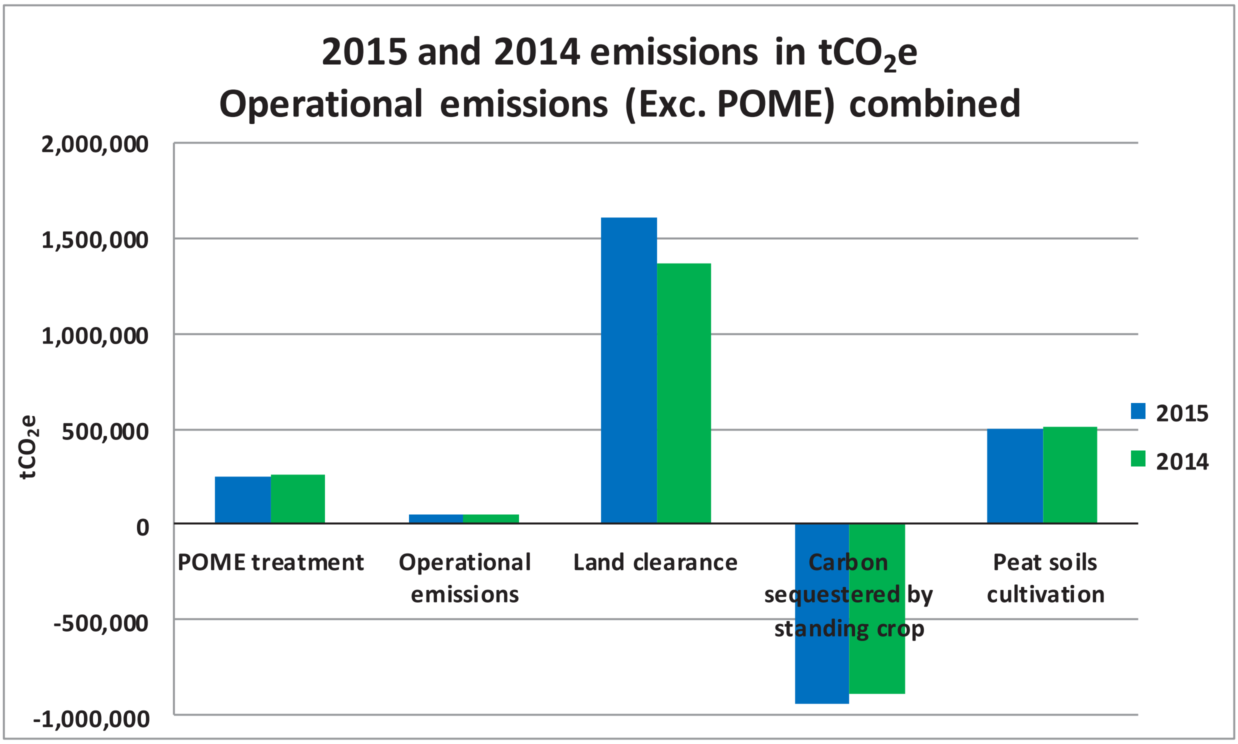
The report identifies and quantifies GHG emissions in the production of CPO at the Group's mills and related estate supply base and planting activities. The Board believes that this report will help the Group plans and facilitate designs and implementation of effective strategies for reducing the Group's GHG emissions in future as well as providing a benchmark to monitor reduction of similar gas. We understand the urgent need for the industry to identify and respond to reducing the environmental risk and impact by developing appropriate sustainable practices. We remain committed to monitoring, targeting and reducing all our environmental impact across the Group.

This assessment has been carried out in accordance with the World Business Council for Sustainable Development and World Resources Institute's (WBCSD/WRI) Greenhouse Gas Protocol; a Corporate Accounting and Reporting Standard, together with the latest emission factors from recognised public sources including, but not limited to, Defra, the International Energy Agency, the US Energy Information Association, the US Environmental Protection Agency and the Intergovernmental panel on Climate Change. The values for the amount of carbon sequestered by the oil palm have been taken from the OPRODSIM and OPCABSIM average growth models provided in the PalmGHG Tool. GHG emissions have been reported by the three WBCSD/WRI scopes. Land use emissions and carbon sequestration results were calculated in line with the methodology used by The Roundtable for Sustainable Palm Oil ("RSPO") GHG Working Group 2 throughout the PalmGHG Calculator. The carbon stock values were derived by the RSPO based on a review of relevant literature and satellite images for land use changes associated with oil palm plantations in Indonesia and Malaysia. An estimate of CO_2 emissions from cultivation of peat soils has been included in this report. The detailed methodology in calculation the GHG emissions under the three scopes can be viewed at www.ghgprotocol.org.

The gross overall emissions computed by the outsourced agent were 1,477,208 tCO_2e for 2015 compared to 1,291,241 tCO_2e for 2014.

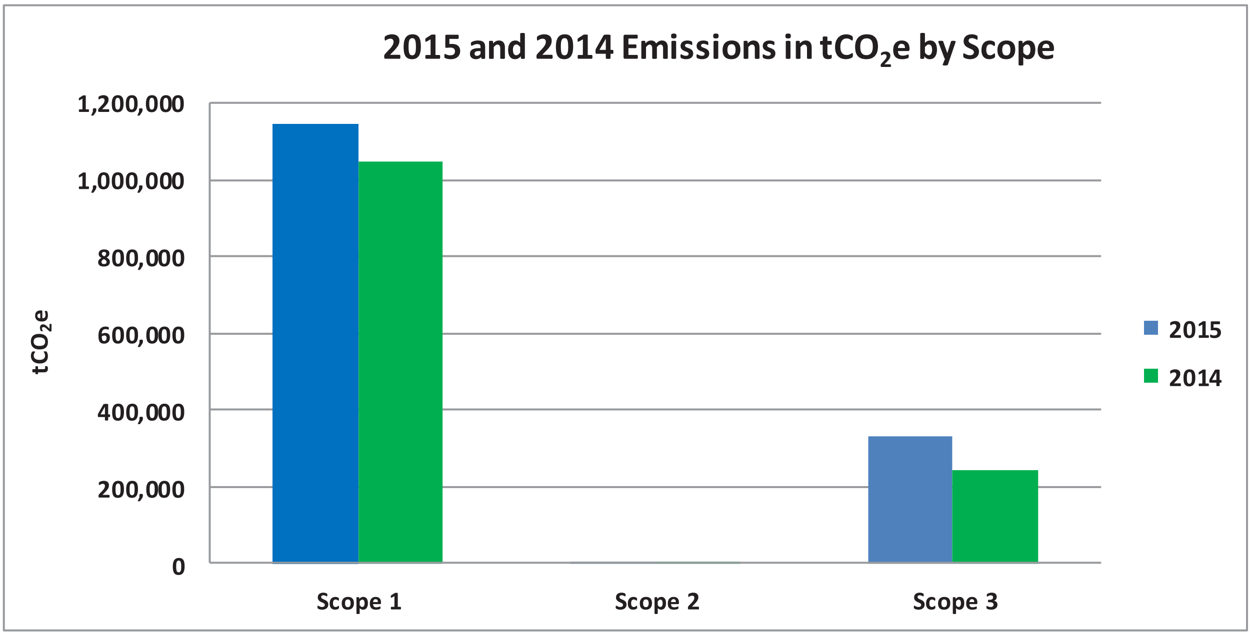
The overall emissions have increased by 185,967 tCO_2e, or 14%, from 1,291,241 tCO_2e during the 2014 to 2015 assessment period. This increase was mainly due to an increase in emissions associated with land use, specifically land clearance.

Emissions source	**2015 Emissions in tCO_2e**		2014 Emissions in tCO_2e	
POME treatment		**249,327**		260,325
Fertiliser application		**25,202**		20,530
Premises energy consumption		**13,513**		13,163
Company owned vehicles		**5,828**		5,827
Third party vehicle use		**8,121**		7,104
Employee housing		**1,123**		2,570
Total operational emissions		**303,114**		309,519
	Own crop	***Out-grower crop***	*Own crop*	*Out-grower crop*
Land clearance	**889,867**	**722,408**	749,023	620,094
Carbon sequestered by standing crop	**-519,175**	**-421,475**	-489,272	-405,054
Peat soils cultivation	**479,599**	**22,870**	486,506	20,425
Total land use emissions		**1,174,094**		981,722
Overall emissions		**1,477,208**		1,291,241



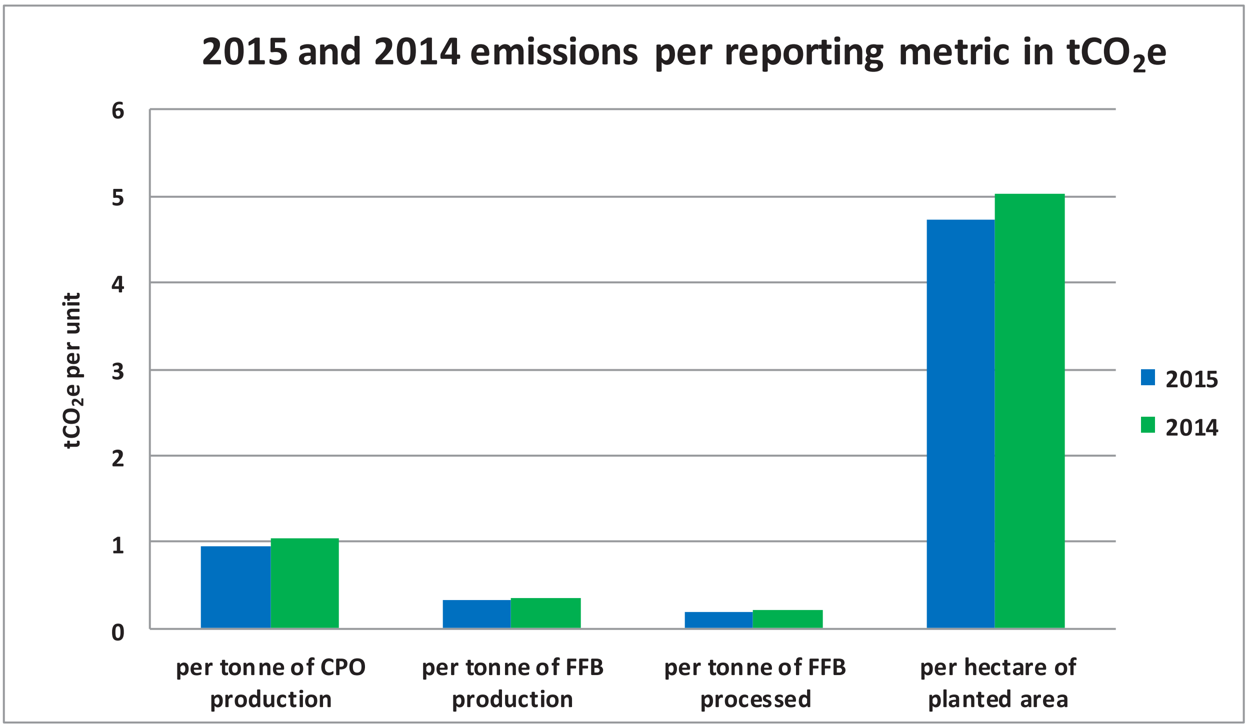
The following chart display 2014 and 2015 overall emissions by scope.

Scope 1 are direct GHG emissions from sources owned and controlled by the Company which cover emissions associated with own crop land clearance, natural gas combustion and company owned vehicles. This made up majority of the GHG emissions. This has increased in 2015 due primarily to increase in land clearance emissions. Scope 2 accounts for GHG emissions of purchased electricity, heat and steam generated off-site. Scope 3 includes all other indirect emissions such as out-grower crop, waste disposal, business travel and staff commuting. The increase in 2015 was associated with out-grower crop land clearance.



Comparison of GHG emissions per production metrics:

Operational emissions reporting metric	**2015 in tCO^2e**	2014 in tCO^2e
GHG per tonne of CPO production	**0.95**	1.05
GHG per tonne of FFB production	**0.34**	0.36
GHG per tonne of FFB processed	**0.20**	0.22
GHG per hectare of planted area	**4.72**	5.02



Principal risks
Information on financial instruments risks is set out in note 23 to the consolidated financial statements and information on other risks is set out in Strategic Report.

Biological assets, property, plant and equipment
Information relating to changes in fixed assets is given in note 10 to the consolidated financial statements.

Directors
Madam Lim Siew Kim, Dato' John Lim Ewe Chuan, Mr. Lim Tian Huat and Mr. Jonathan Law Ngee Song will be submitting themselves for re-appointment at the forthcoming annual general meeting.

Brief profiles of all Directors are set out on page 39 of this Annual Report.

Substantial share interests

As at 31 March 2016 and 31 December 2015, the following interests had been notified to the Company, being interests in excess of 3% of the issued ordinary share capital of the Company:

	As at 31.3.2016		As at 31.12.2015	
Name of holder	Number	Percentage of voting rights held	Number	Percentage of voting rights held
Genton International Limited	20,247,814	51.08%	20,247,814	51.08%
Alcatel Bell Pension Fund	6,830,000	17.23%	6,830,000	17.23%
KBC Securities	1,449,608	3.66%	1,485,113	3.75%

Share capital, restrictions on transfer of shares, arrangements affected by change of control and other additional information

The Company has one class of share capital, ordinary shares. All the shares rank pari passu. The articles of association of the Company contain provisions governing the transfer of shares, voting rights, the appointment and replacement of Directors and amendments to the articles of association. This accords with usual English company law provisions. There are no special control rights in relation to the Company's shares. There are no significant agreements to which the Company is a party which take effect, alter or terminate in the event of a change of control of the Company. There are no agreements providing for compensation for Directors or employees on change of control.

Auditors

All of the current Directors have taken all the steps to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of the information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP has expressed its willingness to continue in office and a resolution to re-appoint them will be proposed as Resolution 8 at the forthcoming annual general meeting.

Authority to allot shares

At the annual general meeting held on 29 June 2015 shareholders authorised the Board under the provisions of section 551 of the Companies Act 2006 to allot relevant securities within specified limits for a period of five years. Renewal of this authority is being sought under Resolution 10 at the forthcoming annual general meeting.

The aggregate nominal value which can be allotted under the authority set out in paragraph (i) of the resolution is limited to £3,303,031 (representing 13,212,124 ordinary shares of 25p each) which is approximately one third of the issued ordinary capital of the Company as at 29 April 2016 (being the latest practicable date before publication of this notice). In accordance with guidance issued by The Investment Association, the authority in paragraph (ii) of the resolution will authorise the Directors to allot shares, or to grant rights to subscribe for or convert any security into shares, only in connection with a fully pre-emptive rights issue, up to a further nominal value of £3,303,031 (representing 13,212,124 ordinary shares). This amount (together with the authority provided under paragraph (a) of the resolution) represents approximately two thirds of the Company's issued ordinary share capital (excluding treasury shares) as at 29 April 2016. This authority will expire at the conclusion of the next annual general meeting of the Company. The Directors have no present intention of issuing new shares, or of granting rights to subscribe for or to convert any security into shares.

Disapplication of pre-emption rights
A fresh authority is also being sought under the provisions of sections 570 and 573 of the Companies Act 2006 to enable the Board to make an issue to existing shareholders without being obliged to comply with certain technical requirements of the Companies Act, which create problems with regard to fractional entitlements and overseas shareholders. In addition, the authority will empower the Board to make issues of shares for cash to persons other than existing shareholders up to a maximum aggregate nominal amount of £495,454 representing 5% of the current issued share capital. The authority will be expiring at the forthcoming annual general meeting or on 30 June 2016, whichever is earlier. Renewal of this authority on similar terms is being sought under Resolution 11 at the forthcoming annual general meeting.

Acquisition of the Company's own shares and authority to purchase own shares
At 29 April 2016, the Directors had remaining authority under the shareholders' resolution of 29 June 2015, to make purchases of 3,963,637 of the Company's ordinary shares. This authority expires on 30 June 2016. The Board will only make purchases if they believe the earnings or net assets per share of the Company would be improved by such purchases. All such purchases will be market purchases made through the London Stock Exchange. Companies can hold their own shares which have been purchased in this way in treasury rather than having to cancel them. The Directors would, therefore, consider holding the Company's own shares which have been purchased by the Company as treasury shares as this would give the Company the flexibility of being able to sell such shares quickly and effectively where it considers it in the interests of shareholders to do so. Whilst any such shares are held in treasury, no dividends will be payable on them and they will not carry any voting rights.

Resolution 12 to be proposed at the forthcoming annual general meeting seeks renewed authority to purchase up to a maximum of 3,963,637 ordinary shares of 25p each on the London Stock Exchange, representing 10% of the Company's issued ordinary share capital. The minimum price which may be paid for an ordinary share is 25p. The maximum price which may be paid for an ordinary share on any exercise of the authority will be restricted to the highest of (i) an amount equal to 5% above the average middle market quotations for such shares as derived from the London Stock Exchange Daily Official List for the five business days before the purchase is made and (ii) the higher of price of the last independent trade and the highest current independent bid on the London Stock Exchange. The maximum number of shares and the price range are stated for the purpose of compliance with statutory requirements in seeking this authority and should not be taken as an indication of the level of purchases, or the prices thereof, that the Company would intend to make.

Dividends
The Board is mindful that the Group's development programme will require a considerable capital commitment. In this respect, the dividend level needs to be balanced against the planned capital expenditure in view of weaker CPO prices. The Board is also mindful of shareholders' sentiment and declared a final dividend of 1.75p in respect of 2015 (2014: 3.0p). Subject to shareholders approval of Resolution 3 at the AGM, the final dividend will be paid on 11 July 2016 to those shareholders on the register on 10 June 2016. Shareholders choosing to receive their dividend in US Dollar will do so at the rate ruling on 10 June 2016, when the register closes. Based on the exchange rate at 22 April 2016 of $1.4409/£, the proposed dividend would be equivalent to 2.5cts, compared to 4.5cts declared in respect of 2014.

Liability insurance for Company officers
As permitted by the Companies Act the Company has maintained insurance cover for the Directors against liabilities in relation to the Company.

On behalf of the Board

Dato' John Lim Ewe Chuan
Executive Director, Corporate Finance and Corporate Affairs 26 April 2016

Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and have elected to prepare the Company financial statements in accordance with FRS 101 Reduced Disclosure Framework under the UK Generally Accepted Accounting Practice (UK GAAP). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare a Strategic Report, a Director's Report and Director's Remuneration report which comply with the requirements of the Companies Act 2006;
- make an assessment of the Company and Group's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue operations for the foreseeable future.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

All of the Directors listed on page 39 confirm to the best of their knowledge:

- The Group financial statements have been prepared in accordance with IFRSs as adopted by the European Union and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.
- The Strategic Report in annual report includes a fair review of the development and performance of the business and the financial position of the Group and the parent Company, together with a description or the principal risks and uncertainties that they face.
- The annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

On behalf of the Board

Dato' John Lim Ewe Chuan
Executive Director, Corporate Finance and Corporate Affairs

26 April 2016

Directors

Madam Lim Siew Kim
(Non-Executive Chairman, age 67)

Non-Executive Director since 29 November 1993 and appointed as Non-Executive Chairman on 31 January 2011.

Dato' John Lim Ewe Chuan
(Executive Director, Corporate Finance and Corporate Affairs, member of Nomination and Corporate Governance Committee, Audit and Remuneration Committee, age 66)

Appointed 26 April 2008. On 1 September 2010 appointed as Executive Director. Prior to 1 September 2010, Dato' John Lim was the Senior Independent Non-Executive Director.

Chartered Certified Accountant; partner with UHY Hacker Young LLP, London, since 1998; previously he had a professional accounting career in Singapore and the UK.

Lim Tian Huat
(Senior Independent Non-Executive Director, Chairman of Audit Committee and Chairman of Nomination & Corporate Governance Committee and member of Remuneration Committee, age 61)

Appointed 8 May 2015.

Fellow member of the Association of Chartered Certified Accountants and member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. He is the founding President of Insolvency Practitioners Association of Malaysia. He holds a degree in Bachelor of Economics. Mr. Lim is a practising Chartered Accountant with his own Corporate Restructuring and Insolvency practice Rodgers Reidy & Co. He is also the Managing Director of Andersen Corporate Restructuring Sdn. Bhd. He was previously a partner in Ernst & Young from 2002 to 2009 and prior to that, partner in Arthur Andersen & Co from 1990 to 2002. He co-authored a book entitled "The Law and Practice of Corporate Receivership in Malaysia and Singapore". Mr. Lim also served as Commissioner to the United Nations Compensations Commission for a period of five years. He was also appointed by the Domestic Trade Minister to be a member of the Corporate Law Reform Committee under the purview of the Companies Commission of Malaysia.

Independent Non-Executive Director of Malaysia Building Society Berhad and UEM Sunrise Berhad, both of which are listed on Bursa Malaysia.

Jonathan Law Ngee Song
(Independent Non-Executive Director, Chairman of Remuneration Committee, member of Audit Committee and member of Nomination & Corporate Governance Committee, age 50)

Appointed 4 July 2013.

He was admitted as an Advocate and Solicitor, to the High Court of Malaya in 1991.

Following his graduation from Australia National University in 1989 with a Bachelor of Commerce and Bachelor of Laws, he practised as a legal assistant in Allen & Gledhill (1991 to 1995) and was promoted to a partner (1995 to 1996). In 1996 he joined the Malaysian law firm Messrs Nik Saghir & Ismail as a partner of the firm.

Independent Non-Executive Director of Karex Berhad and Evergreen Fibreboard Berhad, public listed companies in Malaysia. Appointed Independent Non-Executive Chairman of Evergreen Fibreboard Berhad on 22 February 2010. He is also the Chairman of Audit Committee and Remuneration Committee and a member of Nomination Committee of Evergreen Fibreboard Berhad.

Statement on Corporate Governance

Application of the UK Corporate Governance Code

AEP is committed to business integrity, appropriately high ethical standards and professionalism in all its activities and operations. This includes a commitment to high standards in corporate governance relating in particular to appropriate systems and controls adopted at a senior level of management of the Group and operation of the Board. The bench-mark standards in this regard are set out in the UK Corporate Governance Code ('the Code'), as most recently revised in October 2014 which forms part of the Listing Rules of the London Stock Exchange. The Code is available from the Financial Reporting Council's ("FRC") website at www.frc.org.uk. Where provisions of the Code were not met during 2015, particular comment is made in the statements below and in the Directors' remuneration report on pages 47 to 51.

UK Listing Rules

The UK Listing Rules require a premium listed issuer with a controlling shareholder to have in place a relationship agreement with the controlling shareholder by 16 November 2014. The mandatory requirement for the relationship agreement is intended to prevent controlling shareholders from exercising their influence in a way that is improper or unfair to minority shareholders. The requirement is not intended to prevent a controlling shareholder from engaging fairly with an issuer or legitimately disagreeing with the issuer and neither are they intended to prevent shareholders from holding board positions. AEP Plc has identified all controlling shareholders and regarded its major shareholder, Genton International Limited ("Genton") as the only controlling shareholder. In this respect, the Company entered into a relationship agreement with Genton on 14 November 2014. The agreement is available for inspection by the shareholders upon request from the Company Secretary. AEP Plc has complied with the independence provisions included in the agreement and that, so far as it is aware, those independence provisions have been complied with by Genton.

The Board

AEP is led by a strong and experienced Board of Directors (see biographical details set out on page 39). During 2015 the Board comprised the Non-Executive Chairman, one Executive Director and two Non-Executive Directors, both of whom are considered by the Board to be Independent.

Dato' John Lim was appointed as Executive Director, Corporate Finance and Corporate Affairs on 1 September 2010. Prior to 1 September 2010, Dato' John Lim was the Senior Independent Non-Executive Director.

Madam Lim Siew Kim was appointed as Non-Executive Chairman on 31 January 2011. Neither external search consultancy nor open advertising was used for the appointment. The Nomination and Corporate Governance Committee is of the view that Madam Lim, who owns 52% of the Company's shares and was the Chairman of the Company from 1993 to 1998, with her experience in plantation is an appropriate candidate for the position. The other members of the Board are satisfied that through the specific powers reserved for the Board, and given the presence of the Independent Non-Executive Directors, there is a reasonable balance of influence.

In compliance with the Code, Madam Lim who has been a Non-Executive Director for more than 9 years will submit herself for re-election every year.

Independence of the Non-Executive Directors

The Board has evaluated the independence of each of its Non-Executive Directors. Following this assessment, the Board has determined that, throughout the reporting period, both of its Independent Non-Executive Directors, who were appointed for specified terms of office, were independent, base above all on their objectivity and integrity. The terms and conditions relating to the appointment of the Non-Executive Directors are available from the Company Secretary.

Statement on Corporate Governance

In arriving at its conclusion, the Board considered the factors set out in the Combined Code including, inter alia, whether any of the Non-Executive Directors:

- has been an employee of the Group within the last five years;
- has, or had within the last three years, a material business relationship with the Group;
- receives remuneration from the Group other than a Director's fee;
- has close family ties with any of the Group's advisors, Directors or senior employees;
- holds cross-directorships or has significant links with other Directors through involvement in other companies or bodies;
- has served more than nine years on the Board; or
- represents a significant shareholder

The Combined Code acknowledges that a Director may be regarded as independent notwithstanding the existence of any of the above factors.

The Independent Non-Executive Directors have a wide range of business interests beyond their position with the Company and the rest of the Board agree unanimously that they have shown themselves to be fully independent.

Senior Independent Non-Executive Director
Mr. Lim Tian Huat, an experienced Chartered Accountant acted in the capacity of Senior Independent Non-Executive Director from 8 May 2015 following the resignation of Mr. Nik Din Bin Nik Sulaiman.

Operation of the Board
A schedule of duties and decisions reserved for the Board and management respectively has been adopted. The Audit, Remuneration and Nomination & Corporate Governance Committees have written terms of reference which are available for inspection upon request from the Company Secretary.

Unless warranted by unusual matters, the Board normally meets two to three times each year. Otherwise all other matters are dealt with by written resolution and telephone conference. During 2015, there were two Board meetings, attended by all the Directors. Agenda and minutes of previous meetings were circulated prior to meetings.

The Independent Non-Executive Directors met on their own during 2015. Telephone discussions between the Chairman and Non-Executive Directors also took place outside these meetings.

The Board is supplied with relevant, timely and accurate information for review prior to each meeting to enable them to discharge their duties. The Audit Committee is responsible for the integrity of the financial information and this is achieved by interacting with the management and with the internal auditors. The Board has identified and formally adopted a schedule of key matters that are reserved for its decision, including the annual fiscal and capital budgets, interim, preliminary and final results announcements, final dividends, the appointment of Directors and the Company Secretary, circulars to shareholders, Group treasury policies and acquisitions. Certain other matters are delegated to Board committees, the details of which are set out below.

During 2015, the Board followed the Group results and the development of the activities of the various subsidiaries by means of reports prepared by the management in Malaysia and Indonesia. It received further reports and minutes of Executive Committee meetings in Indonesia chaired by a senior manager from Malaysia. The objectives of the Executive Committee is to resolve operational issues and to drive the performance budget set at the beginning of every year by the Board. The other members of the Executive Committee are made up of senior members of the management team based in Indonesia which amongst others includes the Chief Executive Officer, the Chief Operating Officers, and the Finance Director.

The Board also discussed at length the various options available to the Group to maximise the return on its surplus cash. The Board during the year sought the recommendation from professionals on treasury functions.

Each Board member has access to the impartial advice and services of the Company Secretary, who is responsible to the Board for ensuring that appropriate procedures are followed. Where necessary the Board members may seek independent advice including legal counsel at the Company's expense. The Company maintained Directors' and officers' liability insurance throughout 2015.

Non-Executive Directors are appointed for two year terms renewable on recommendation of the Board. To maintain the vitality of the Board, the Directors specify fixed terms of office for Non-Executives. However, the Board will review the position of each Director for the yearly re-election under the Code.

Dato' John Lim, the only Executive Director on Board sits on the Audit, Remuneration and Nomination Committees for 2015. The UK Corporate Governance Code 2014 provides for smaller companies like AEP to have two independent Non-Executive Directors in the Audit and Remuneration Committees and a majority independent Non-Executive Directors in the Nomination Committee. The Code does not expressly provide for the exclusion of the Executive Director in the Audit and Remuneration Committees. In practice companies would normally exclude the Executive Director from membership so as not to taint the independence of both the Audit and Remuneration Committees. However the Board felt strongly that given the small composition of the various Committees, they would benefit from Dato' John Lim's wealth of commercial and audit experience. It was also felt that Dato' John Lim being the only Director based in London could only adequately represent the Company in any shareholders and investor meetings if he sits in the three Committees. The Board also believes that the Non-Executive Directors, being professionals in their own areas of expertise would maintain their impartiality and independence by their majority presence in all three Committees.

In 2015 the Board conducted a review of its performance by discussion. It concluded that the Board is performing effectively and that the Board members have the complementary skills appropriate to propel the Group in its strategic direction and for challenges ahead. No other major issues arose from this review.

Following a review of the internal control and risks management in March 2016 and in the absence of any reported failing and weaknesses which the Board considered significant, it concluded that these remain effective and sufficient for their purpose.

Nomination Committee

The Nomination and Corporate Governance Committee currently comprises Mr. Lim Tian Huat (Chairman), Dato' John Lim and Mr. Jonathan Law Ngee Song. The committee had three meetings during 2015, attended by all members.

The policy on gender diversity is described in page 26 of the Strategic Report.

During the year, the Nomination Committee reviewed and deliberated on the Statement of Corporate Governance for inclusion in the Annual Report. It also met to discuss and approve the extension of contracts of two Directors. During the year it also recommended the recruitment of a Finance Director to replace the outgoing in the Indonesian operations. The Nomination Committee also reviewed, deliberated and recommended the appointment of Mr. Lim Tian Huat to join the Board on 8 May 2015 to replace Mr. Nik Din Bin Nik Sulaiman who resigned.

Relations with shareholders

The Executive Director contacted and met certain principal shareholders during the year to understand their concerns and at all times are pleased to speak to and meet any shareholder. The views of the shareholders were communicated to the Board to ensure that it is mindful of the shareholders' sentiment and issues arising at all times. Given the dispersion of Directors and shareholders it is not possible for every Director to meet shareholders in the presence of management. A member of the Audit, Nomination and Remuneration Committees will be available at the 2016 AGM. It is the intention of the Board that the Company would engage with identifiable shareholders who have voted against Company's resolutions in the past.

Statement on Corporate Governance

The annual report, interim report and interim management statements are intended to keep the shareholders informed as to the progress in the operational and financial performance of the Group. The Company maintains a corporate website at http://www.angloeastern.co.uk. This website has detailed information on various aspects of the Group's operations. The website is updated regularly and includes information on the Company's share price and the price of crude palm oil.

The Company's results and other news releases issued via the London Stock Exchange's Regulatory News Service are published on the "Investors" and "News" sections of the website and together with other relevant documentation concerning the Company, are available for downloading.

Environmental and corporate responsibility

In 2004 a group of growers, processors, retailers and wildlife and conservation groups founded the "Roundtable for Sustainable Palm Oil", known as RSPO, to codify and promote best practices in the industry. Although AEP is not a member of the RSPO, the Group's management and Directors take a serious view of their environmental and social responsibilities and are fully committed to the principles developed by RSPO. Many of these principles overlap with ISPO of which compliance is mandatory for AEP. These principles cover eight headings as follows:

- Transparency
- Compliance with local laws and regulations
- Commitment to long term economic and financial viability
- Use of appropriate best practices by growers and millers
- Environmental responsibility and conservation of natural resources and biodiversity
- Responsible consideration of individuals and communities affected by growers and mills
- Responsible development of new plantings
- Commitment to continuous improvement in key areas of activity.

Within these headings are 40 detailed principles. Among the most important are:

- Not to remove primary forest
- Not to use fire for clearing areas designated for new or replanting
- To follow accepted soil and water conservation practices
- To use agrochemicals in ways that do not endanger health or the environment and to promote non-chemical methods of pest management
- To leave wild areas for wildlife corridors, water catchment and riparian protection
- Provide full treatment of mill effluent water
- Ensure the wishes of local communities and individuals are taken account of, and
- To pay to individuals with residual rights over land only freely agreed compensation, in addition to following government land regulations.

AEP seeks to comply with these principles in all areas of its activities.

Lim Tian Huat
Chairman, Nomination and Corporate Governance Committee — 26 April 2016

Audit Committee Report

Audit Committee
The Audit Committee comprises Mr. Lim Tian Huat (Chairman), Dato' John Lim and Mr. Jonathan Law Ngee Song, all of whom are considered by the Directors to have relevant financial and professional experiences to discharge their specific duties with respect to the Audit Committee.

Mr. Lim Tian Huat is a Fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. He is also the founding President of Insolvency Practitioners of Malaysia. He has extensive experience in accounting, auditing, finance and corporate insolvency. He attended five seminars in 2015, some of them were organised by Malaysian Institute of Accountants and Institute of Internal Auditors of Malaysia. The seminars covered topics such as governance, risks and controls and stewardship of boards with regards to audit strategy, risks, talents, culture and leadership.

Dato' John Lim attended webinars hosted by UHY on update of accounting and auditing standards.

Jonathan Law attended three seminars covering topics on business of innovation, how to maximise Internal Audits and Board rewards and recognition organised by the Malaysia Stock Exchange and Malaysian Directors Academy in 2015.

During the year, all members of the Audit Committee attended a conference call jointly organised by the Company Sponsor and Company Solicitors from London to update members on the Insider Trading and London Stock Exchange Rules. A copy of the presentation paper on Understanding Application of the Model Code was circulated before the meeting. Follow-up conference calls with the Sponsor and Company Solicitor were organised to implement the Model Code in the Company.

Overview
The Audit Committee met prior to the completion of the 2015 accounts and five times during 2015 with full attendance.

During the year, the Committee reviewed the 2014 Annual Report, Interim Results, 1st Quarter and 3rd Quarter Interim Management Statement for 2015, dividend rate, risks management and the internal audit reports. It also approved the Internal Audit Plan for the year.

The Committee met with the external auditors twice in 2015 to discuss the audit findings as well as the planning for the 2015 audit.

In preparing the financial statements, the Directors have made a number of subjective judgements around significant accounting estimates which involved making assumptions regarding uncertain future events. The Committee reviewed the relevance of key assumptions used in the determination of biological assets. As the current CPO price and forecast CPO prices are much lower than the average over the past 10 years, a benchmarking exercise was made to ensure the directors' best estimate of the price sustainable over the longer term is being used. The Directors adopted the recommendation of the valuer who has suggested applying a ratio of 70% of the current CPO price and 30% of the historical price (10-year average) given the assumption to calculate CPO price over the past 10 years is no longer considered to be appropriate. As a result, the directors adopted the CPO price of $625/mt which falls within the valuer's recommended range of $600/mt to $650/mt and the World Bank forecast of CPO price for 2016 at $600/mt. All other key assumptions are significantly unchanged other than the discount rate which was increased to 16.8% from 16.4% to reflect the increase in sovereign risks in Indonesia.

To provide indicative fair values and support valuation for the estate lands, nine companies located across North Sumatera, Bengkulu, Riau, Kalimantan and Malaysia were valued by qualified valuers in 2015. The Directors revalued the estate land not covered by the valuation exercise based on the regional appreciation rate quantified by the qualified valuers. Land is valued on a rotational basis and all land is valued by qualified valuers every two years.

Audit Committee Report

The Committee also reviewed the policy on revenue recognition and believe that revenue is recognized when significant risks and rewards of ownership of the FFB and CPO have been transferred to the buyers have been observed. The Group generates revenue predominantly from the sale of CPO from processed FFB.

The Audit Committee also reviewed the internal audit reports and the Committee met with the Internal Auditor on one occasion to discuss the audit findings. No major fraud and theft were discovered. Most of the weaknesses were operational in nature and based on our discussions suggested improvement in internal controls were satisfactorily implemented.

The Committee was apprised by the Executive Director on the on-going discussion amongst UK plantation companies on the adoption of new amendments to IAS 16 and IAS 41 for bearer plants mandatory from 1 January 2016. The standards require bearer plants to be treated as property, plant and equipment to be valued at historical costs less depreciation or deemed costs at last valuation. The directors have quantified the impact that would have on the Group net assets with the adoption of the amended IAS 16 and IAS 41 which is disclosed in note 1 to the financial statements on page 65. FFB not due for harvest is currently measured as part of the BA valuation.

The Board receives reports from executive management in Indonesia and Malaysia and focuses principally on reviewing reports from management and considers whether significant risks in the Group are identified, evaluated, managed and whether significant weaknesses are promptly remedied including, but not limited to, commodity price movements, exchange rate movements, political and social change and government legislation.

A member of the Audit Committee also met up with the senior management during the year to discuss various financial and operational issues. There is a regular dialogue, both formal and informal between the Audit Committee and the senior management and communication is open and constructive.

During the year the Committee carried out an assessment of the effectiveness of the external audit process. The assessment was led by the Chairman of the Audit Committee, assisted by the Senior General Manager and the Group Accountant and focused on certain criteria which the Committee considered to be important factors in demonstrating an effective audit process. These factors included the quality of audit staff, the planning and execution of the audit according to agreed plans and timeline, provision of sound advice on technical issues and degree of independence and professionalism displayed during the audit. The current Audit Partner from BDO has been the Company’s audit engagement partner since 2014. Following this assessment, the Committee concluded that the external audit process remained effective, objectivity of the external auditors was not impaired and that it provides an appropriate independent challenge of the senior management of the Group.

Responsibility
Audit Committee is responsible for:

- Monitoring the integrity of the financial statements and reviewing formal announcements of financial performance and significant reporting issues and judgements that such statements and announcements are fair, and balanced;
- Reviewing the effectiveness of the internal control functions (including the internal financial controls and the internal audit function);
- Making recommendations to the Board in relation to the appointment, reappointment and removal of the external auditors, their remuneration and terms of engagement;
- Reviewing and monitoring the independence of the external auditors and the effectiveness of the audit process;
- Providing advice to the Board on the assessment of the principal risks facing the Group; and
- Providing advice to the Board on the form and basis underlying the longer term viability statement and going concern statement to be contained in Annual Reports.

The Committee also monitors the engagement of the auditors to perform non-audit work. The Committee considered that the nature and scope of, and remuneration payable in respect of, these engagements were such that the independence and objectivity of the auditors was not impaired.

The members of the Committee discharge their responsibilities by informal discussions between themselves, by meeting with the external auditors, the internal auditors and management and by consideration of reports by management and by holding at least one formal meeting in each year.

Internal control

The Company has followed the Code provisions on internal control since 1999 and the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the Financial Reporting Council in 2014. The Board has overall responsibility for the Group's systems of internal control and risk management and for reviewing its effectiveness. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Audit Committee reviews and monitors specific risks and internal control procedures and reports to the Board where appropriate. Executive staff and Directors are responsible for implementation of control procedures and for identifying and managing business risks.

The Group has internal auditors who visit operating sites in Indonesia and Malaysia regularly based on approved Internal Audit Plan and provide summarized internal audit reports to the Audit Committee on a regular basis. The Internal Audit also conducts special audits throughout the year as and when required by management. The internal audit team provides objective assurance as to the effectiveness of the Group's systems of internal control and risk management of the Group's operating management to the Committee. Follow-up audits and discussions are also held to ensure remedial actions are taken promptly. The internal audit review is a continuous but sequential process and in any one year does not necessarily cover all risks which are significant to the Group. The process aims to provide reasonable assurance against material misstatement or loss but cannot eliminate the risk of loss.

Directors' Remuneration Report

I am pleased to report on the activities of the Remuneration Committee for the year ended 31 December 2015. It sets out the remuneration policy and remuneration details for the Executive and Non-Executive directors of the Group. It has been prepared in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013.

The Companies Act 2006 requires the auditors to report to the shareholders on certain parts of the Directors' Remuneration Report and to state whether, in their opinion, those parts of the report have been properly prepared in accordance with the Regulations. The parts of the annual report on remuneration that are subject to audit are indicated in that report. Other sections of the Remuneration Report are not subject to audit.

The Executive Director's compensation is not linked to the profitability of the Group. It is linked to his role in respect of activities relating to corporate finance and corporate affairs, including liaising with the Company's advisers and regulators and interaction with shareholders.

The Executive Director basic salary remains and is capped at £90,000 per annum until August 2016.

The operating units in Indonesia and Malaysia however have in place variable compensation policy that rewards senior executives and employees with bonuses ranging from 2 to 5 months' pay based on individual's and operating units' performance. The key criteria used in the determination of the variable compensation policy for bonus was revised in May 2014 following discussion and consultation with the Company's Chairman

The Remuneration policy detailed below took effect from 1 January 2015. The Remuneration policy and Director's remuneration report was last approved at Company's AGM on 29 June 2015. In the meeting, the shareholders voted in the following manner:

	% For	% Against	% Withheld/Abstain
To approve Directors' Remuneration Report	99.68%	0.02%	0.30%
To approve Directors' Remuneration Policy	99.17%	0.82%	0.01%

The Committee would welcome your support for our Remuneration Report.

Remuneration Committee

The Remuneration Committee comprises of Mr. Jonathan Law Ngee Song (Chairman), Dato' John Lim and Mr. Lim Tian Huat.

The Committee had one meeting in 2015, attended by all members.

Besides formal meetings, it also has informal discussions and consultation with the Company's Chairman in relation to the variable bonuses for operational staff in Indonesia. During the year the Remuneration Committee reviewed the annual increment and bonus entitlement of senior management in Indonesia and made the necessary recommendation to the Board. The Committee also deliberated on the 2014 Remuneration Report and recommended to the Board for acceptance.

Policy

The Remuneration Committee makes recommendations on senior management pay and conditions, after consultation with the Chairman, and recommends to the Board the terms for the Executive Director. It periodically assesses the remuneration of the Non-Executive Directors and submits proposal to the Board.

In determining the remuneration policy of senior management, the Committee takes into account the need to attract, retain and motivate employees. It also makes external comparison with the current market trends and practices of equivalent roles taking into account the size, business complexity and relative performance.

Directors' Remuneration Report

Non-Executive Directors' remuneration is considered by the Board and consist exclusively of a fixed payment.

When determining Executive Director's remuneration, the Committee reviews the pay policy and levels for executives below the Board, as well as pay and conditions of employees throughout the Group. Other factors considered are individual performance, market conditions, the Company's performance, pay and employment conditions of its other employees in the organisation and the need to maintain an economic operation. This policy continues to be consistently applied.

Components
Base salary
Base salaries of senior management are reviewed on an annual basis by the Remuneration Committee or when an individual changes his responsibilities. Non-Executive Directors receive no benefit other than a fee.

Bonus
The Group operates a bonus scheme for senior executives and managers of operating units, which is determined by weighted performance criteria including crop production, external crop purchase, increased in planted area, efficiency of mill performance and overall profitability. There is no bonus scheme for the Executive Director.

Share options
The UK and overseas executive share option schemes of the Company are administered and supervised by a committee consisting, in the majority, of Non-Executive Directors. These schemes are limited over their 10 year life to issuing no more than 10% of the issued ordinary share capital of the Company from time to time. They provide for options to be granted over treasury shares as well as over new shares. To avoid dilution, the Board intends generally to follow the treasury share route.

Individual grants vest over 3 years. The total grant to each holder is determined by seniority and total market value at date of grant is normally limited to 2 times base salary. Exercise of options is only permitted 3 years after grant, provided that the holder remains an employee of the Group throughout the period. There are no other performance criteria for exercise of options granted so far.

Pensions
The operating units in Indonesia participate in mandatory pension schemes for their local executives and management. There is no company-sponsored scheme for senior executives outside of Indonesia.

Remuneration Policy Table For Executive Director
The table below summarises the key aspects of the Group's Remuneration Policy for Executive Director effective 1 January 2016.

Type	Purpose	Maximum payment
Base salary - fixed pay	To contain fixed costs	Capped at £90,000.The cap is reviewed periodically. The policy permits the cap to be changed if this is deemed necessary to meet business, legislative or regulatory requirements.

There is no bonus, fringe benefits or employee share option scheme for the Executive Director.

Directors' Remuneration Report

Executive Director's Remuneration Over 7 Years

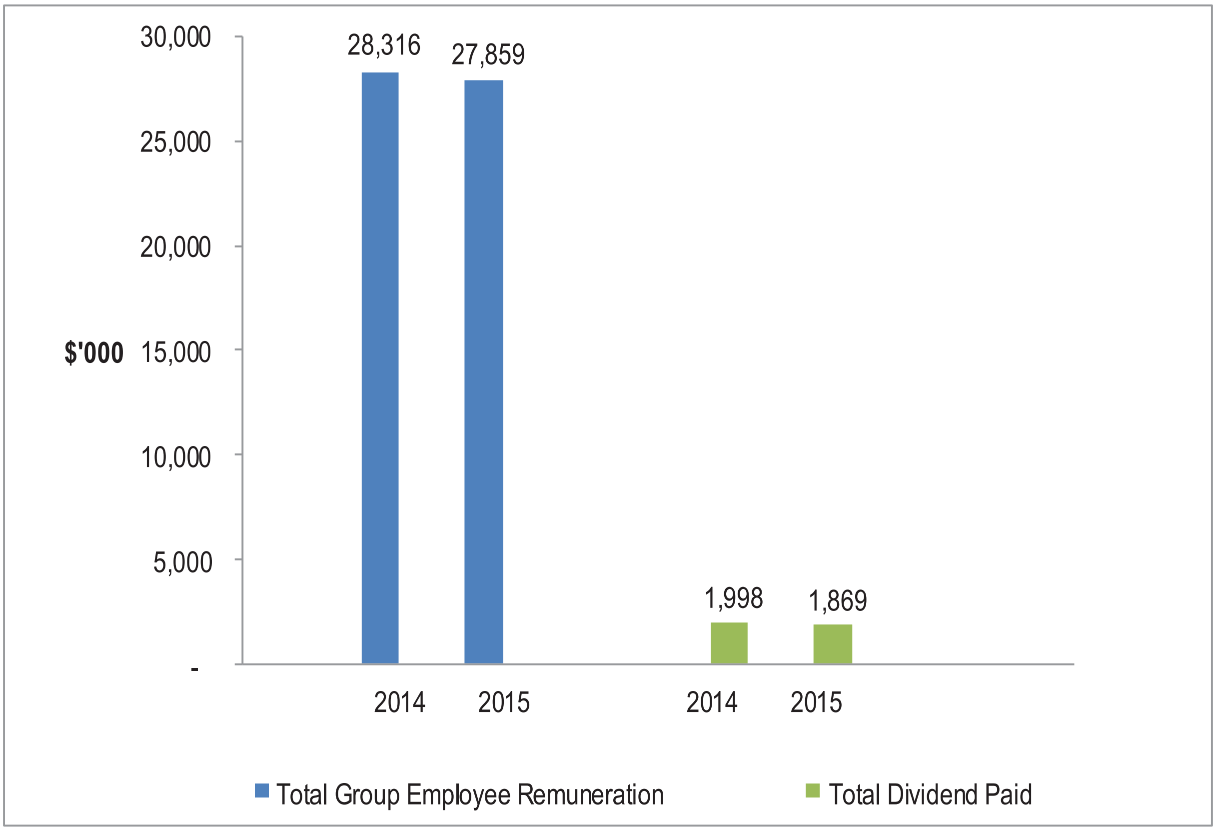
Year ended 31 Dec	Salary	Benefits	Pension	Bonus	Total
2015	$137,000	-	-	-	$137,000
2014	$133,000	-	-	-	$133,000
2013	$117,000	-	-	-	$117,000
2012	$105,000	-	-	-	$105,000
2011	$83,000	-	-	-	$83,000
2010	$114,000	-	-	-	$114,000
2009	$137,000	-	-	-	$137.000

Percentage change of remuneration

The following table shows a comparison of percentage change in salaries of the Executive Director, senior management in Indonesia and total wages and salaries between 2014 and 2015.

	2015	2014	Change
Percentage change in Executive Director's salary			
Salary	**$137,200**	$132,800	+3.3%
Percentage change in selected Group senior management salaries			
Salaries	**$2,048,700**	$2,025,000	+1.2%
Percentage change in total wages and salaries			
Total wages and salaries	**$26,690,664**	$26,724,916	-0.1%

Relative importance of spend on pay



Directors' Remuneration Report

Service contracts
All Directors, Executive and Non-Executive have formal appointment letters. The Executive and Non-Executives are appointed normally on two year terms with notice periods of one month to two months. The service contracts are kept at the registered office and may be inspected by shareholders on request. Notice periods for all other senior management are generally two months. Therefore any remuneration payment for loss of office will be capped at a maximum of two months.

At 31 December 2015, the unexpired term of the retiring Directors are:

Madam Lim Siew Kim	Expiry 30 January 2017
Dato' John Lim Ewe Chuan	Expiry 31 August 2016
Mr. Lim Tian Huat	Expiry 7 May 2017
Mr. Jonathan Law Ngee Song	Expiry 3 July 2017

Performance Graph
The performance graph is set out on page 4 and shows the Company's share price performance compared to FTSE 100 index for the period of 2009 to 2015 (last 7 years) to indicate the volatility and trend of the market generally. Our share price performance consistently outperformed the FTSE 100 index throughout these periods. In determining senior management compensation, the Remuneration Committee is influenced by the operating performance of the Company and not directly by the share price. There may be some positive impact on share price after AEP Plc has been included by Morgan Stanley in the MSCI Global Micro Cap UK Indices with effect from 29 May 2015.

Directors' interests (audited)
The interests of the Directors together with those of their immediate families in the securities of the Company were as shown below:

Directors' beneficial interests at 31 December:	**2015**	2014
	Ordinary shares	Ordinary shares
Madam Lim Siew Kim	**20,551,914**	20,551,914
Dato' John Lim Ewe Chuan	**-**	-
Lim Tian Huat	**-**	-
Jonathan Law Ngee Song	**-**	-

The interests disclosed for Madam Lim are held by Genton International Ltd and certain other companies of which Madam Lim is the controlling shareholder.

There have been no changes in the interests of the Directors in the securities of the Company between 31 December 2015 and the date of this report. Other than Madam Lim, none of the Directors had any interest in the securities of the Company between the date of their appointments and the date of this report. There is no requirement for Directors to hold shares in the Company. Other than as set out in notes 6 and 20 to the consolidated financial statements, no Director had a material interest in any contract of the Company subsisting during, or at the end of the financial year.

Directors' Remuneration Report

Directors' remuneration (audited)
The following part provides details of the remuneration of all the Directors for the year ended 31 December 2015. The numerical components of these disclosures have been audited in accordance with Section 421 of the UK Companies Act 2006.

The remuneration of all Directors who served during the year was:

Audited information	**Total 2015 Fees $000**	Total 2014 Fees $000
Name of Directors		
Executive:		
Dato' John Lim Ewe Chuan (1)	**137**	133
Non-Executive:		
Lim Siew Kim (2)	**56**	61
Lim Tian Huat (3)	**15**	-
Nik Din Bin Nik Sulaiman (4)	**9**	27
Jonathan Law Ngee Song (5)	**23**	27
Total	**240**	248

Directors' remuneration comprises of directors fees only.

Unaudited information
Notes:

(1) Appointed as Executive Director on 1 September 2010. Previously was the Senior Independent Non-Executive Director.

(2) Appointed on 29 November 1993 and appointed as Non-Executive Chairman on 31 January 2011.

(3) Appointed on 8 May 2015.

(4) Resigned on 8 May 2015.

(5) Appointed on 4 July 2013.

Jonathan Law Ngee Song
Chairman, Remuneration Committee

26 April 2016

Auditors' Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO-EASTERN PLANTATIONS PLC

We have audited the financial statements of Anglo-Eastern Plantations Plc for the year ended 31 December 2015 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the Company balance sheet, the Company statement of changes in equity and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 (FRS 101) Reduced Disclosure Framework.

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 2015 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Purpose of report

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

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Auditors' Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO-EASTERN PLANTATIONS PLC (continued)

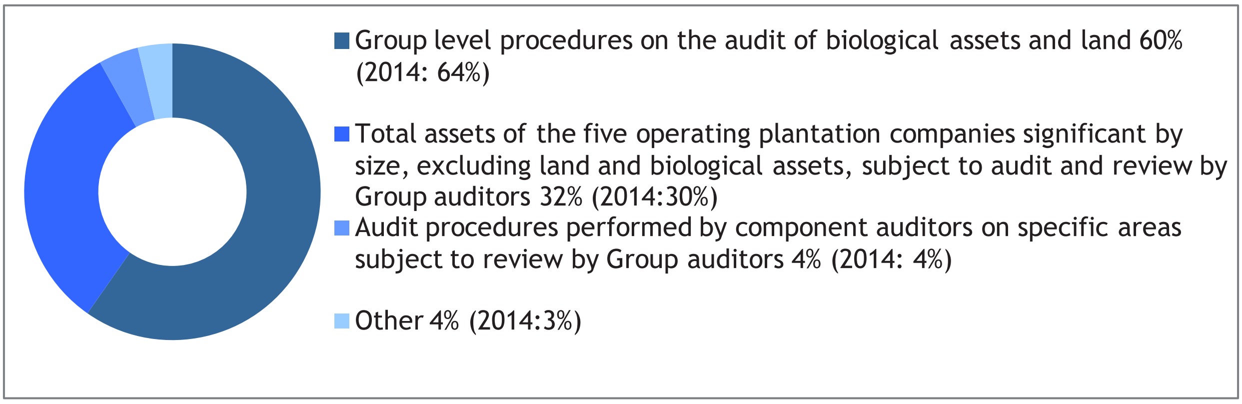
Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

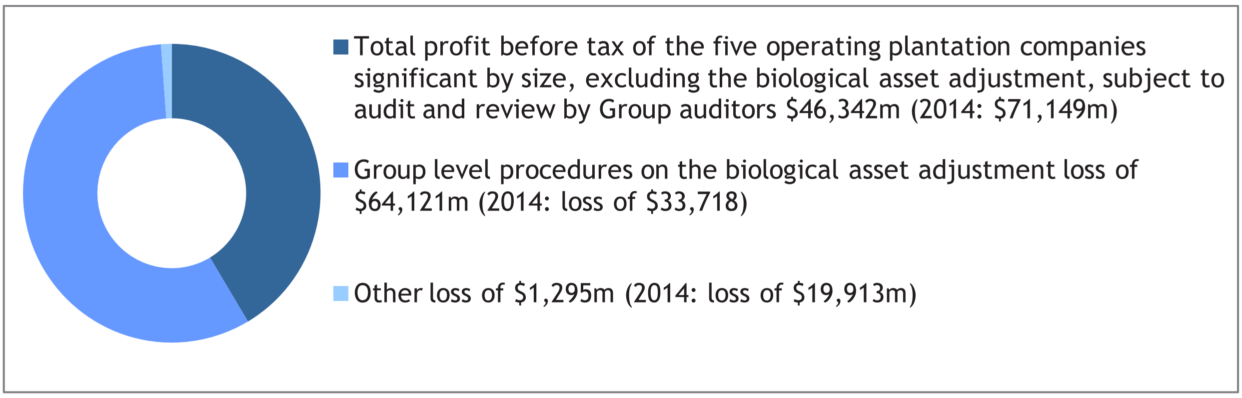
We determined materiality for the financial statements as a whole to be US$2.00 million (2014: US$2.50 million), which approximates to 1% of revenues (2014: 1%). We consider revenue to be a key indicator of the Group's financial performance and therefore an appropriate basis for materiality. We agreed with the Audit Committee that we would report to the Committee all individual audit differences identified during the course of our audit in excess of US$50,000 (2014: US$50,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Total assets



(Loss)/profit before tax



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO-EASTERN PLANTATIONS PLC (continued)

Revenue

Audit procedures performed by component auditors subject to audit and review by Group auditors covered 100% of revenue (2014: 100%).

The Group financial statements are a consolidation of twenty six companies made up of the parent company, four management companies, four dormant companies and seventeen trading companies operating fifteen mature plantations and two immature plantations. Sixteen of the plantations are located in Indonesia and one in Malaysia. The head office and main accounting location is located in Kuala Lumpur, Malaysia, at a separate location from the plantations. Our Group audit scope focused on the group's principal operating companies and based on our risk assessment we identified five operating plantation companies which, in our view, required an audit of their complete financial information due to their size and a further twelve which required audit procedures on specific areas due to their risk characteristics. This, together with additional procedures performed at Group level, which included the audit of biological assets and leasehold land, gave us the evidence we needed to form our opinion on the Group financial statements as a whole.

Audits of the subsidiary companies were performed at materiality levels which were lower than Group materiality and determined by us to be appropriate to the relative size of the company concerned. The audits of each of the operating companies were performed entirely in Malaysia and Indonesia, as well as the audit of corporate accounting function in Malaysia. All audits were conducted by BDO network firms with teams drawn from the UK, Malaysia and Indonesia. As part of our audit strategy, the Senior Statutory Auditor and other senior members of the team between them visit Malaysia and Indonesia each year. During these visits the Group audit team reviewed the full audit files for the five operating plantation companies considered to be significant by size and the audit work in relation to the specific areas identified due to risk for the other twelve. Following the review, any further work required by the Group audit team was then performed by the component auditor. The component auditors visit the plantation estates on a rotational basis so that the plantation estates are visited at least once every three years. The component auditors visited sixteen out of the seventeen plantation estates in the current year.

The remaining components of the Group include non-significant holding companies and these components were principally subject to analytical review procedures performed by the Group audit team.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO-EASTERN PLANTATIONS PLC (continued)

Our assessment of risks of material misstatement

In preparing the financial statements, the Directors have made a number of subjective judgements around significant accounting estimates which involved making assumptions regarding uncertain future events. The assessed risks of material misstatement that had the greatest impact on the audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team and component auditors are described below. As there has been no significant change in the Group's operations these key risks are the same as in the prior year.

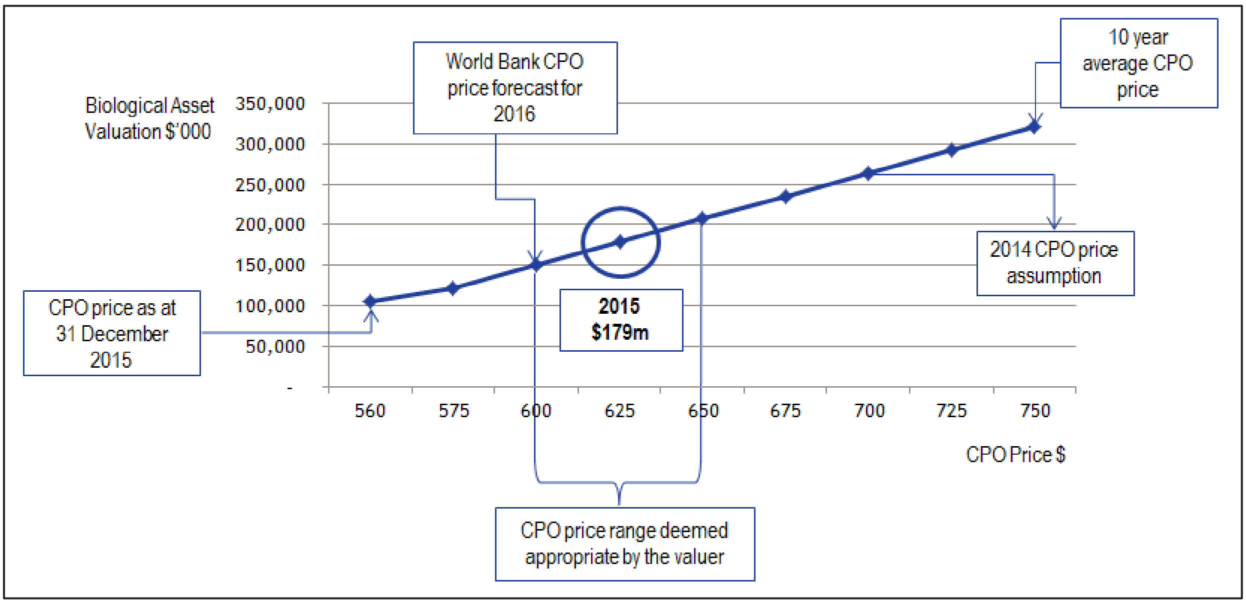
These risks were discussed with the Audit Committee and are included within their report on those matters they considered to be significant issues in relation to the financial statements set out on pages 44 to 45.

Risk of material misstatement	Our response to the risks identified
Revenue recognition	
Substantially all revenue is derived from the sales of crude palm oil and palm kernel, the revenue from which is recognised when the goods are delivered or allocated to a purchaser subsequent to payment as detailed in note 1. Revenue is calculated as the quantity of crude palm oil multiplied by the crude palm oil price, net of processing and transportation charges. We consider there to be a risk over the accuracy of the recorded weight of crude palm oil sales and therefore the completeness of revenue.	We tested, on a sample basis, that sale invoices were raised on the delivery date based on the goods dispatched note and that the total weight stated in the goods dispatched note agrees with that in the delivery order. We also identified revenue from sales of crude palm oil and palm kernel at the end of the current year and the beginning of the new financial year and tested a sample to ensure that revenue had been recognised in the correct period.
Valuation of estate land	
Estate land is carried at fair value, based on periodic valuations on an open market basis by a professionally qualified valuer. The directors obtain a professional valuation on land on a rotational basis and all land has been professionally valued at either the current or previous financial year end. We identified the valuation of estate land as a risk due to the subjective judgements involved in the estimation and the volatility of land market price within Indonesia.	In the current year the directors engaged an independent valuer to perform a market-based valuation on all land that was not independently valued in the prior year increasing the selection to ensure geographical coverage of all areas in which they operate. The directors performed their own valuation on the rest of the land by considering the movements on the valued land from last year and applying the same movements to the rest of the land on a regional basis. We assessed the capabilities, objectivity and competence of the independent valuer and considered them to be satisfactory. We challenged the assumptions in the input data from the valuer and also assessed the reasonableness of the movements in the valuation of land on an estate by estate basis in light of movements in plantation land area and market valuation trends. We challenged the assumptions used by the Directors in their valuation, most notably on how they applied the movements as determined by the independent valuers to the other estates.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO-EASTERN PLANTATIONS PLC (continued)

Risk of material misstatement	Our response to the risks identified
Valuation of biological assets	
Biological assets are held at fair value less costs to sell determined on the basis of the net present value of cash flows arising in the production of fresh fruit bunches (FFB). Management exercise significant judgement in determining the underlying assumptions used in the calculation of fair value. These assumptions include the crude palm oil price (CPO), discount rate, FFB production, estate yield, overhead cost and notional rent. We identified this as a risk due to the inherent uncertainty around the future estimates.	The directors engaged an independent valuer to perform the valuation exercise. We assessed the capabilities, objectivity and competence of the independent valuer and considered them to be satisfactory. We also challenged the assumptions in the input data made by management and the valuer through discussions, comparisons to industry peers and independent external data sources and where available to corroboration with supporting documentation and historical trends. Sensitivity of the valuation to key assumptions is disclosed in note 10 of the financial statements. The valuation is most sensitive to the movement in CPO price as illustrated below.

CPO price sensitivity



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO-EASTERN PLANTATIONS PLC (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006; and

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Statement regarding the directors' assessment of principal risks, going concern and longer term viability of the company

We have nothing material to add or to draw attention to in relation to:

- the directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;

- the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated;

- the directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; or

- the directors' explanation in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- the Parent Company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or

- we have not received all the information and explanations we require for our audit; or

- certain disclosures of directors' remuneration specified by law are not made.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO-EASTERN PLANTATIONS PLC (continued)

Our duty to read other information in the annual report

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 13, in relation to going concern and on page 32, in relation to longer term viability;
- the part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

We have nothing to report arising from our review.

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

We confirm that we have not identified any such inconsistencies or misleading statements.

Anna Draper
Senior Statutory Auditor
For and on behalf of BDO LLP, Statutory Auditor
Chartered Accountants
London
United Kingdom
26 April 2016

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

Consolidated Income Statement
For the year ended 31 December 2015

Continuing operations	Note	2015 Result before BA adjustment	2015 BA adjustment	2015 Total	2014 Result before BA adjustment	2014 BA adjustment	2014 Total
		$000	**$000**	**$000**	$000	$000	$000
Revenue	2	**196,451**	**-**	**196,451**	251,258	-	251,258
Cost of sales		**(145,897)**	**-**	**(145,897)**	(164,666)	-	(164,666)
Gross profit		**50,554**	**-**	**50,554**	86,592	-	86,592
Biological asset revaluation movement		**-**	**(64,121)**	**(64,121)**	-	(33,718)	(33,718)
Administration expenses		**(7,826)**	**-**	**(7,826)**	(7,747)	-	(7,747)
Operating profit / (loss)		**42,728**	**(64,121)**	**(21,393)**	78,845	(33,718)	45,127
Exchange (losses) / gains		**(2,354)**	**-**	**(2,354)**	852	-	852
Finance income	3	**6,683**	**-**	**6,683**	7,276	-	7,276
Finance expense	3	**(2,010)**	**-**	**(2,010)**	(2,019)	-	(2,019)
Profit / (Loss) before tax	4	**45,047**	**(64,121)**	**(19,074)**	84,954	(33,718)	51,236
Tax expense	7	**(10,385)**	**16,030**	**5,645**	(20,967)	8,429	(12,538)
Profit / (Loss) for the year		**34,662**	**(48,091)**	**(13,429)**	63,987	(25,289)	38,698
Attributable to:							
- Owners of the parent		**27,505**	**(42,402)**	**(14,897)**	52,422	(21,660)	30,762
- Non-controlling interests		**7,157**	**(5,689)**	**1,468**	11,565	(3,629)	7,936
		34,662	**(48,091)**	**(13,429)**	63,987	(25,289)	38,698
Earnings per share for profit / (loss) attributable to the owners of the parent during the year							
- basic	8			**(37.58)cts**			77.61cts
- diluted	8			**(37.58)cts**			77.53cts

Earnings per share before BA adjustment are shown in note 8.

The accompanying notes are an integral part of this consolidated income statement.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2015

	2015 $000	2014 $000
Profit / (Loss) for the year	**(13,429)**	38,698
Other comprehensive income / (expense):		
Items may be reclassified to profit or loss:		
Loss on exchange translation of foreign operations	**(54,595)**	(12,019)
Net other comprehensive expense may be reclassified to profit or loss	**(54,595)**	(12,019)
Items not to be reclassified to profit or loss:		
Unrealised gain on revaluation of leasehold land	**4,902**	386
Deferred tax on revaluation of leasehold land	**(1,226)**	(96)
Remeasurement of retirement benefits plan	**445**	(680)
Deferred tax on retirement benefits	**(111)**	170
Net other comprehensive income / (expense) not being reclassified to profit or loss	**4,010**	(220)
Total other comprehensive expenses for the year, net of tax	**(50,585)**	(12,239)
Total comprehensive (expense) / income for the year	**(64,014)**	26,459
Attributable to:		
- Owners of the parent	**(56,016)**	21,188
- Non-controlling interests	**(7,998)**	5,271
	(64,014)	26,459

The accompanying notes are an integral part of this consolidated statement of comprehensive income and expense.

Consolidated Statement of Financial Position
As at 31 December 2015

	Note	2015 $000	2014 $000
Non-current assets			
Biological assets	10	**179,010**	251,374
Property, plant and equipment	10	**219,990**	227,380
Receivables	11	**3,655**	3,007
Deferred tax assets	16	**8,021**	3,982
		410,676	485,743
Current assets			
Inventories	12	**6,693**	7,846
Tax receivables		**16,679**	9,231
Trade and other receivables	13	**4,704**	8,807
Cash and cash equivalents		**104,614**	125,937
		132,690	151,821
Current liabilities			
Loans and borrowings	14	**(1,750)**	(313)
Trade and other payables	15	**(17,406)**	(21,010)
Tax liabilities		**(5,917)**	(10,752)
Dividend payables		**-**	(20)
		(25,073)	(32,095)
Net current assets		**107,617**	119,726
Non- current liabilities			
Loans and borrowings	14	**(32,875)**	(34,625)
Deferred tax liabilities	16	**(28,932)**	(48,350)
Retirement benefits – net liabilities	17	**(4,528)**	(4,445)
		(66,335)	(87,420)
Net assets		**451,958**	518,049
Issued capital and reserves attributable to owners of the parent			
Share capital	18	**15,504**	15,504
Treasury shares	18	**(1,171)**	(1,171)
Share premium		**23,935**	23,935
Capital redemption reserve		**1,087**	1,087
Revaluation reserves		**59,594**	57,029
Exchange reserves		**(234,490)**	(190,503)
Retained earnings		**504,892**	521,355
		369,351	427,236
Non-controlling interests		**82,607**	90,813
Total equity		**451,958**	518,049

The financial statements were approved by the Board of Directors and authorised for issue on 26 April 2016 and were signed on its behalf by

Dato' John Lim Ewe Chuan
Executive Director, Corporate Finance and Corporate Affairs

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

Consolidated Statement of Changes in Equity
For the year ended 31 December 2015

	Share capital $000	Treasury shares $000	Share premium $000	Capital redemption reserve $000	Revaluation reserve $000	Foreign exchange reserve $000	Retained earnings $000	Total $000	Non-controlling interests $000	Total equity $000
Balance at 31 December 2013	15,504	(1,171)	23,935	1,087	56,767	(181,107)	493,031	408,046	85,964	494,010
Items of other comprehensive income										
-Unrealised gain on revaluation of leasehold land, net of tax	-	-	-	-	262	-	-	262	28	290
-Remeasurement of retirement benefit plan, net of tax	-	-	-	-	-	-	(440)	(440)	(70)	(510)
-Loss on exchange translation of foreign operations	-	-	-	-	-	(9,396)	-	(9,396)	(2,623)	(12,019)
Total other comprehensive income / (expenses)	-	-	-	-	262	(9,396)	(440)	(9,574)	(2,665)	(12,239)
Profit for the year	-	-	-	-	-	-	30,762	30,762	7,936	38,698
Total comprehensive income and expenses for the year	-	-	-	-	262	(9,396)	30,322	21,188	5,271	26,459
Dividends paid	-	-	-	-	-	-	(1,998)	(1,998)	(422)	(2,420)
Balance at 31 December 2014	**15,504**	**(1,171)**	**23,935**	**1,087**	**57,029**	**(190,503)**	**521,355**	**427,236**	**90,813**	**518,049**
Items of other comprehensive income										
-Unrealised gain on revaluation of leasehold land, net of tax	**-**	**-**	**-**	**-**	**2,565**	**-**	**-**	**2,565**	**1,111**	**3,676**
-Remeasurement of retirement benefit plan, net of tax	**-**	**-**	**-**	**-**	**-**	**-**	**303**	**303**	**31**	**334**
-Loss on exchange translation of foreign operations	**-**	**-**	**-**	**-**	**-**	**(43,987)**	**-**	**(43,987)**	**(10,608)**	**(54,595)**
Total other comprehensive income / (expenses)	**-**	**-**	**-**	**-**	**2,565**	**(43,987)**	**303**	**(41,119)**	**(9,466)**	**(50,585)**
(Loss) / Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(14,897)**	**(14,897)**	**1,468**	**(13,429)**
Total comprehensive income and expenses for the year	**-**	**-**	**-**	**-**	**2,565**	**(43,987)**	**(14,594)**	**(56,016)**	**(7,998)**	**(64,014)**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**(1,869)**	**(1,869)**	**(208)**	**(2,077)**
Balance at 31 December 2015	**15,504**	**(1,171)**	**23,935**	**1,087**	**59,594**	**(234,490)**	**504,892**	**369,351**	**82,607**	**451,958**

The accompanying notes are an integral part of this consolidated statement of cash flows.

Consolidated Statement of Cash Flows
For the year ended 31 December 2015

	2015 $000	2014 $000
Cash flows from operating activities		
(Loss) / Profit before tax	**(19,074)**	51,236
Adjustments for:		
BA adjustment	**64,121**	33,718
(Profit) / Loss on disposal of tangible fixed assets	**(111)**	36
Depreciation	**6,768**	6,833
Retirement benefit provisions	**973**	951
Net finance income	**(4,673)**	(5,257)
Unrealised loss / (gain) in foreign exchange	**2,354**	(852)
Property, plant and equipment written off	**1,708**	135
Operating cash flow before changes in working capital	**52,066**	86,800
Decrease in inventories	**341**	451
Decrease in non-current, trade and other receivables	**4,425**	664
(Decrease) / Increase in trade and other payables	**(1,623)**	5,929
Cash inflow from operations	**55,209**	93,844
Interest paid	**(2,010)**	(2,019)
Retirement benefit paid	**(103)**	(61)
Overseas tax paid	**(27,856)**	(17,756)
Net cash flow from operations	**25,240**	74,008
Investing activities		
Property, plant and equipment		
- purchase	**(38,555)**	(49,754)
- sale	**979**	156
Interest received	**6,683**	7,276
Net cash used in investing activities	**(30,893)**	(42,322)

Consolidated Statement of Cash Flows
For the year ended 31 December 2015

	2015 $000	2014 $000
Financing activities		
Dividends paid by Company	**(1,869)**	(1,998)
Finance lease repayment	**-**	(20)
Dividends paid to minority shareholders	**(228)**	(402)
Repayment of existing long term loans	**(313)**	(63)
Net cash (used in) / from financing activities	**(2,410)**	(2,483)
(Decrease) / Increase in cash and cash equivalents	**(8,063)**	29,203
Cash and cash equivalents		
At beginning of year	**125,937**	98,738
Foreign exchange	**(13,260)**	(2,004)
At end of year	**104,614**	125,937
Comprising:		
Cash at end of year	**104,614**	125,937

The accompanying notes are an integral part of this consolidated statement of cash flows.

Notes to the Consolidated Financial Statements

1 Accounting policies

Anglo-Eastern Plantations Plc (“AEP”) is a company incorporated in the United Kingdom under the Companies Act 2006 and is listed on the London Stock Exchange. The registered office of AEP is located at Quadrant House, 6th Floor, 4 Thomas More Square, London E1W 1YW, United Kingdom. The principal activity of the Group is plantation agriculture.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, except as detailed in the following paragraph.

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (“IASB”) as adopted by the European Union (“EU”) and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS as adopted by the EU.

Changes in accounting standards

a) The following amendment is effective for the first time in these financial statements but does not have a material effect on the Group's financial statements:
   - IAS 19 Amendments - Defined Benefit Plans: Employee Contributions (effective for accounting periods beginning on or after 1 July 2014)

b) New standards, interpretations and amendments not yet effective.

   The following new standards, interpretations and amendments are effective for periods beginning after 1 January 2016 and have not been applied in these financial statements:
   - IFRS 9 Financial Instruments (effective for accounting periods beginning on or after 1 January 2018)*
   - IFRS 15 Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018)*
   - IFRS 16 Leases (effective for accounting periods beginning on or after 1 January 2019)*
   - IAS 16 Amendments - Property, Plant and Equipment (effective for accounting periods beginning on or after 1 January 2016)*
   - IAS 41 Amendments - Agriculture (effective for accounting periods beginning on or after 1 January 2016)*

   *These standards and interpretations are not endorsed by the EU at present.

   None of the above new standards, interpretations and amendments are expected to have a material effect on the Group's future financial statements except for IAS 16 and IAS 41. The amendments to IAS 16 and IAS 41 change the accounting requirements for biological assets that meet the definition of bearer plants. Biological assets that meet the definition of bearer plants are required to account for as bearer plants in accordance with IAS 16 using either cost model or revaluation model. The produce growing on bearer plants will remain within the scope of IAS 41 measured at fair value less costs to sell.

   The biological assets of the Group fall within the definition of bearer plants. With effect from 1 January 2016, immature plantations will be recognised at cost and accumulated until maturity whereas mature plantations will be recognised at historical cost less accumulated depreciation. Immature plantations are subject to impairment reviews. The FFB, which is agricultural produce under the revised IAS 41, will be recognised at fair value less cost to sell at the point of harvest, with changes recognised in profit or loss. However, the Company has yet to reach a decision as to the measurement of the unharvested produce at balance sheet date.

   The directors have quantified the financial impact that would have on the Group with the adoption of the amended IAS 16 and IAS 41. The Group would have been reported a profit for the year ended 31 December 2015 of US$24.9 million rather than a loss for the year of US$13.4 million. Included in the adjusted loss for the year was an impairment loss on bearer plants of US$34.1 million. The Group’s reported net assets as at 31 December 2015 would have been US$324.5 million rather than US$369.4 million. The impacts on the financial position of the Group are disclosed below:

	Reported as at 31 Dec 2015 $000	Adjustments $000	Financial position after adjustments $000
Non-current assets			
Biological assets	179,010	(179,010)	-
Property, plant and equipment	219,990	124,644	344,634
Non-current liabilities			
Deferred tax liabilities	(28,932)	2,314	(26,618)
Issued capital and reserves attributable to owners of the parent			
Retained earnings	(504,892)	44,847	(460,045)
Non-controlling interests	(82,607)	7,205	(75,402)

Notes to the Consolidated Financial Statements

1 Accounting policies - continued

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. The Company controls a subsidiary if all three of the following elements are present; power over the subsidiary, exposure to variable returns from the subsidiary, and the ability of the investor to use its power to affect those variable returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases.

Business combinations
The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. Acquisitions of entities that comprise principally land with no active plantation business do not represent business combinations, in such cases, the amount paid for each acquisition is allocated between the identifiable assets/liabilities at the acquisition date.

Foreign currency
The individual financial statements of each subsidiary are presented in the currency of the country in which it operates (its functional currency) with the exception of the Company and its UK subsidiaries which are presented in US Dollar. The presentation currency for the consolidated financial statements is also US Dollar, chosen because, as internationally traded commodities, the price of the bulk of the Group's products are ultimately link to the US Dollar.

On consolidation, the results of overseas operations are translated into US Dollar at average exchange rates for the year unless exchange rates fluctuate significantly in which case the actual rate is used. All assets and liabilities of overseas operations are translated at the rate ruling at the balance sheet date. Exchange differences arising on re-translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised directly in equity (the "foreign exchange reserve"). Exchange differences recognised in the income statement of Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to the foreign exchange reserve if the item is denominated in the presentational currency of the Group or of the overseas operation concerned.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to date of disposal are transferred to the income statement as part of the profit or loss on disposal.

All other exchange profits or losses are credited or charged to the income statement.

Revenue recognition
Revenue includes
- amounts receivable for produce provided in the normal course of business, net of sales related taxes and levies, including export taxes;
- amounts received for sales of palm kernel shell, rubber wood, biomass products and other income of an operating nature.

Sales of CPO, palm kernel, shell nut, biomass products and rubber slab are recognised when goods are delivered or allocated to a purchaser. Delivery or allocation does not take place until contracts are paid for. Sales of latex are recognised on signing of sales contract, this being the point at which the significant risks and rewards of ownership are passed over to the buyer. Other income mainly consists of amounts received from sales of nut shell, which is recognised when the goods are delivered.

Share based payments
Share options are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. This fair value is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Provided that all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied.

Capitalisation on development activities
Interest capitalisation
Interest on third party loans directly related to field development is capitalised in the proportion that the opening immature area bears to the total planted area of the relevant estate. Interest on loans related to construction in progress (such as an oil mill) is capitalised up to the commissioning of that asset. These interest rates are booked at the rate prevailing at the time.

Notes to the Consolidated Financial Statements

1 Accounting policies - continued

Plantation development

Plantation development comprises cost of planting and development on oil palm and other plantation crops. Costs of new planting and development of plantation crops are capitalised from the stage of land clearing up to the stage of maturity or subject to certificate of Land Exploitation Rights (HGU) being obtained, whichever is earlier. The costs of immature plantations consist mainly of the accumulated cost of land clearing, planting, fertilising and maintaining the plantation, borrowing costs and other indirect overhead costs up to the time the trees are harvestable and to the extent appropriate.

Tax

UK and foreign corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The directors consider that the carrying amount of tax receivables approximates its fair value.

Dividends

Equity dividends are recognised when they become legally payable. The Company pays only one dividend each year as a final dividend which becomes legally payable when approved by the shareholders at the next following annual general meeting.

Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- 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 asset or liability, either directly or indirectly;
- Level 3 - unobservable inputs for the asset or liability.

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures the following assets at fair value:

- Biological assets (note 10)
- Revalued land - Property, plant and equipment (note 10)

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

Property, plant and equipment

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. After initial recognition, all items of property, plant and equipment except land and construction in progress, are stated at cost less accumulated depreciation and any accumulated impairment losses.

The Indonesian authorities have granted certain land exploitation rights and operating permits for the estates. The land rights are usually renewed without significant cost subject to compliance with the laws and regulations of Indonesia. Therefore, the Group has classified the land rights as leasehold land and accounted for as an indefinite finance lease. The leasehold land is recognised at cost initially and is not depreciated. The land is subsequently carried at fair value, based on periodic valuations on an open market basis by a professionally qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in income statement. On the disposal of a revalued estate, any related balance remaining in the revaluation reserve is transferred to retained earnings as a movement in reserves.

Construction in progress is stated at cost. The accumulated costs will be reclassified to the appropriate class of assets when construction is completed and the asset is ready for its intended use. Construction in progress is also not depreciated until such time when the asset is available for use.

Buildings and oil mills are depreciated using the straight-line method. All other property, plant and equipment items are depreciated using the double-declining-balance method. The yearly rates of depreciation are as follows:

Buildings - 5% to 10% per annum
Oil Mill - 5% per annum
Estate plant, equipment & vehicle - 12.5% to 50% per annum
Office plant, equipment & vehicle - 25% to 50% per annum

Notes to the Consolidated Financial Statements

1 Accounting policies - continued

Biological assets
Biological assets comprise oil palm trees and nurseries. The biological process commences with the initial preparation of land and planting of seedlings and ceases with the delivery of crop in the form of fresh fruit bunches (“FFB”) to the manufacturing process in which crude palm oil and palm kernel are extracted from the FFB.

Biological assets are carried at fair value less costs to sell determined on the basis of the net present value of cash flows arising in producing FFB. No account is taken in the valuation of future replanting. Biological assets are valued at each accounting date based upon a valuation of the planted areas using a discounted cash flow method by reference to the FFB expected to be harvested over the full remaining productive life of the trees up to 20 years. Areas are included in the valuation once they are planted. However oil palm which are not yet mature at the accounting date, and hence are not producing FFB, are valued on a similar basis but with the discounted value of the estimated cost to complete planting and to maintain the assets to maturity being deducted from the discounted FFB value. Movement in valuation surplus of biological assets is charged or credited to the income statement for the relevant period (BA adjustment).

Leased assets
Assets financed by leasing agreements which give rights approximating to ownership (finance leases) are capitalised at amounts equal to the original cost of the asset to the lessors and depreciation is provided on the asset over the shorter of the lease term or its useful economic life in accordance with Group depreciation policy for those held at cost. Land rights are held at fair value and revalued at the balance sheet date. The capital elements of future obligations under finance leases are included as liabilities in the balance sheet and the current year’s interest element is charged to the income statement to produce a constant rate of charge on the balance of capital repayments outstanding. There are no operating leases.

Impairment
Impairment tests on tangible assets are undertaken annually on 31 December. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use or fair value, less costs to sell), the asset is written down accordingly. Impairment charges are included in the administrative expenses in the income statement, except to the extent they reverse gains previously recognised in the statement of recognised income and expense.

Inventories
FFB harvested from the biological assets are stated at fair value less costs to sell at the point of harvest. The fair value gain arising on the initial recognition of harvested produce is the result of the FFB weight produced multiplied by the FFB price adjusted for transportation costs to sell. There is an active market for FFB and the price is based on statistics provided by the government for each region.

The gain/(loss) arising on the initial recognition at the point of harvest is recognised in the income statement within the biological asset revaluation. The FFB is transferred to the mill, processed in to CPO and sold within 24 hours so the write off of the FFB is netted off against the initial recognition within the biological asset revaluation.

All other inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. In the case of processed produce for sale which comprises palm oil and kernel, cost represents the monthly weighted-average cost of production, and appropriate production overheads. Estate and mill consumables are valued on a weighted average cost basis.

Financial assets
All the Group's receivables and loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised at fair value at inception and subsequently at amortised cost. No impairment provisions have been considered necessary.

Cash and cash equivalents consist of cash in hand and short term deposits at banks with an original maturity of not exceeding three months. Bank overdrafts are shown within loans and borrowings under current liabilities on the balance sheet.

There are no assets in hedging relationships and no financial assets or liabilities available for sale.

Financial liabilities
All the Group's financial liabilities are non-derivative financial liabilities.

Bank borrowings and long term development loans are initially recognised at fair value and subsequently at amortised cost, which is the total of proceeds received net of issue costs. Finance charges are accounted for on an accruals basis and charged in the income statement, unless capitalised according to the policy as set out under Interest capitalisation above.

Trade and other payables are shown at fair value at recognition and subsequently at amortised cost.

1 Accounting policies - continued

Deferred tax
Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base except for differences in the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit.

The Group recognises deferred tax liabilities arising from taxable temporary differences on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is recognised on temporary differences arising on property revaluation surpluses.

Deferred tax is determined using the tax rates that are enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, such as revaluations, in which case the deferred tax is also dealt with in equity; in this case assets and liabilities are offset.

Retirement benefits
Defined contribution schemes
Contributions to defined contribution pension schemes are charged to the consolidated income statement in the year to which they relate.

Defined benefit schemes
The Group operates a number of defined benefit schemes in respect of its Indonesian operations. These schemes' surpluses and deficits are measured at:

- The fair value of plan assets at the reporting date; less
- Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus
- Unrecognised past service costs; less
- The effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include:

- Actuarial gains and losses;
- Return on plan assets (interest exclusive);
- Any asset ceiling effects (interest inclusive).

Service costs are recognised in comprehensive income, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense / (income) is recognised in comprehensive income, and is calculated by applying the discount rate used to measure the defined benefit obligation / (asset) at the beginning of the annual period to the balance of the net defined benefit obligation / (asset), considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in comprehensive income.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

Treasury shares
Consideration paid or received for the purchase or sale of the Company's own shares for holding in treasury is recognised directly in equity, where the cost is presented as the treasury share reserve. Any excess of the consideration received on the sale of treasury shares over the weighted average cost of shares sold, is taken to the share premium account.

Any shares held in treasury are treated as cancelled for the purpose of calculating earnings per share.

Financial guarantee contracts
Where the Company enters into financial guarantee contracts and guarantees the indebtedness of other companies within the Group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time that it becomes probable that the Company will be required to make a payment under the guarantee.

Notes to the Consolidated Financial Statements

1 Accounting policies - continued

Critical accounting estimates and judgements
The preparation of the Group financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported assets and liabilities and reported revenue and expenses. Actual results could differ from those estimates and accordingly they are reviewed on an on-going basis. The main areas in which estimates are used are: fair value of biological assets, property, plant and equipment, deferred tax and retirement benefits.

Revisions to accounting estimates are recognised in the period in which the estimate is revised or the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Assumptions regarding the valuation of biological assets, property, plant and equipment are set out in note 10. Assumptions regarding the valuation of agricultural produce at the point of harvest less costs to sell are set out in the inventories accounting policy. The Group's policy with regard to impairment of such assets is set out above.

Details on deferred tax are given in note 16 and retirement benefits in note 17.

2 Revenue

	2015	2014
	$000	$000
Sales of produce:		
- CPO	**193,364**	247,868
- Rubber	**1,075**	1,836
- Shell nut	**1,685**	1,554
- Biomass products	**327**	-
	196,451	251,258

3 Finance income and expense

	2015	2014
	$000	$000
Finance income		
Interest receivable on:		
Credit bank balances and time deposits	**6,683**	7,276
Finance expense		
Interest payable on:		
Development loans - (note 14)	**(2,010)**	(2,019)
Net finance income recognised in income statement	**4,673**	5,257

Notes to the Consolidated Financial Statements

4 Profit before tax

	2015 $000	2014 $000
Profit before tax is stated after charging		
Depreciation (note 10)	**6,768**	6,833
Exchange losses / (gains)	**2,354**	(852)
Operating lease expense		
- Property	**523**	574
Professional fees	**1,086**	441
Staff costs (note 6)	**29,007**	28,881
Remuneration received by the group's auditor or associates of the group's auditor:		
- Audit of parent company	**5**	6
- Audit of consolidated financial statement	**157**	159
- Audit related assurance service	**7**	7
- Audit of UK subsidiaries	**13**	-
Total audit services	**182**	172
Audit of overseas subsidiaries		
- Malaysia	**19**	22
- Indonesia	**66**	75
Total audit services	**85**	97
Total auditors' remuneration	**267**	269

5 Segment information

Measurement of operating segment profit or loss, assets and liabilities
The Group evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS but excluding non-recurring losses, such as share based payments.

Inter-segment transactions are made based on terms mutually agreed by the parties to maximise the utilisation of Group's resources at a rate acceptable to local tax authorities. This policy was applied consistently throughout the current and prior period.

The Group's assets are allocated to segments based on geographical location.

5 Segment information - continued

	North Sumatera $000	Bengkulu $000	South Sumatera $000	Riau $000	Bangka $000	Kalimantan $000	Total Indonesia $000	Malaysia $000	UK $000	Total $000
2015										
Total sales revenue (all external)										
- **CPO**	**67,978**	**73,661**	**37**	**37,129**	**1**	**11,426**	**190,232**	**3,132**	**-**	**193,364**
- **Rubber**	**1,075**	**-**	**-**	**-**	**-**	**-**	**1,075**	**-**	**-**	**1,075**
- **Biomass products**	**327**	**-**	**-**	**-**	**-**	**-**	**327**	**-**	**-**	**327**
Other income	**513**	**812**	**10**	**225**	**38**	**87**	**1,685**	**-**	**-**	**1,685**
Total revenue	**69,893**	**74,473**	**47**	**37,354**	**39**	**11,513**	**193,319**	**3,132**	**-**	**196,451**
Profit/(Loss) before tax	**18,947**	**17,427**	**(1,146)**	**15,637**	**13**	**(4,555)**	**46,323**	**(233)**	**(1,043)**	**45,047**
BA movement	**(30,717)**	**(11,582)**	**(16,575)**	**(1,128)**	**(549)**	**(3,482)**	**(64,033)**	**(88)**	**-**	**(64,121)**
Loss for the year before tax per consolidated income statement	**(11,770)**	**5,845**	**(17,721)**	**14,509**	**(536)**	**(8,037)**	**(17,710)**	**(321)**	**(1,043)**	**(19,074)**
Depreciation	**(2,262)**	**(2,098)**	**(325)**	**(636)**	**(26)**	**(1,229)**	**(6,576)**	**(192)**	**-**	**(6,768)**
Inter-segment transactions	**3,546**	**(2,169)**	**(765)**	**(624)**	**-**	**(1,427)**	**(1,439)**	**1,157**	**282**	**-**
Income tax	**370**	**(158)**	**5,518**	**(3,586)**	**137**	**3,517**	**5,798**	**(48)**	**(105)**	**5,645**
Total Assets	**165,722**	**133,247**	**42,413**	**71,883**	**10,288**	**94,496**	**518,049**	**21,023**	**4,294**	**543,366**
Non-Current Assets	**113,390**	**100,318**	**41,327**	**37,288**	**10,133**	**89,944**	**392,400**	**17,083**	**1,193**	**410,676**
Non-Current Assets - Additions	**8,973**	**3,627**	**4,219**	**2,658**	**1,012**	**17,925**	**38,414**	**141**	**-**	**38,555**
2014										
Total sales revenue (all external)										
- CPO	95,299	95,886	102	44,912	-	7,416	243,615	4,253	-	247,868
- Rubber	1,836	-	-	-	-	-	1,836	-	-	1,836
Other income	813	697	3	37	-	2	1,552	2	-	1,554
Total revenue	97,948	96,583	105	44,949	-	7,418	247,003	4,255	-	251,258
Profit/(Loss) before tax	36,631	30,795	(552)	19,477	(57)	(1,226)	85,068	255	(369)	84,954
BA movement	(11,092)	(1,886)	(5,255)	694	(627)	(13,449)	(31,615)	(2,103)	-	(33,718)
Profit for the year before tax per consolidated income statement	25,539	28,909	(5,807)	20,171	(684)	(14,675)	53,453	(1,848)	(369)	51,236
Depreciation	(2,385)	(2,228)	(411)	(572)	(33)	(958)	(6,587)	(246)	-	(6,833)
Inter-segment transactions	3,446	(2,331)	(257)	(671)	-	(1,443)	(1,256)	962	294	-
Income tax	(8,731)	(5,775)	1,968	(4,589)	171	4,268	(12,688)	437	(287)	(12,538)
Total Assets	202,675	153,730	58,922	84,371	13,093	95,096	607,887	25,398	4,279	637,564
Non-Current Assets	149,581	121,483	57,452	39,864	12,859	84,477	465,716	18,834	1,193	485,743
Non-Current Assets - Additions	10,214	4,845	5,492	1,224	930	26,932	49,637	117	-	49,754

5 Segment information - continued

In year 2015, revenue from 4 customers of the Indonesian segment represent approximately $107.2m (2014: $152.1m) of the Group's total revenue. An analysis of these revenue is provided as below. Although Customer 1 to 4 are over 10% of the Group total revenue, there is no over reliance on these Customers as tenders are performed on a monthly basis. Three of the top four customers are the same as in the prior year.

	North Sumatera $000	Bengkulu $000	South Sumatera $000	Riau $000	Bangka $000	Kalimantan $000	Total Indonesia $000	Malaysia $000	UK $000	Total $000
2015										
Customer 1	**-**	**35,069**	**-**	**-**	**-**	**-**	**35,069**	**-**	**-**	**35,069**
Customer 2	**19,544**	**-**	**-**	**13,088**	**-**	**-**	**32,632**	**-**	**-**	**32,632**
Customer 3	**2,654**	**15,193**	**-**	**2,004**	**-**	**-**	**19,851**	**-**	**-**	**19,851**
Customer 4	**19,633**	**-**	**-**	**-**	**-**	**-**	**19,633**	**-**	**-**	**19,633**
	41,831	**50,262**	**-**	**15,092**	**-**	**-**	**107,185**	**-**	**-**	**107,185**
2014										
Customer 1	-	47,941	-	-	-	-	47,941	-	-	47,941
Customer 2	32,935	-	-	12,557	-	-	45,492	-	-	45,492
Customer 3	7,137	24,501	-	1,839	-	-	33,477	-	-	33,477
Customer 4	13,447	-	-	11,721	-	-	25,168	-	-	25,168
	53,519	72,442	-	26,117	-	-	152,078	-	-	152,078
	%	%	%	%	%	%	%	%	%	%
2015										
Customer 1	**-**	**17.9**	**-**	**-**	**-**	**-**	**17.9**	**-**	**-**	**17.9**
Customer 2	**9.9**	**-**	**-**	**6.7**	**-**	**-**	**16.6**	**-**	**-**	**16.6**
Customer 3	**1.4**	**7.7**	**-**	**1.0**	**-**	**-**	**10.1**	**-**	**-**	**10.1**
Customer 4	**10.0**	**-**	**-**	**-**	**-**	**-**	**10.0**	**-**	**-**	**10.0**
	21.3	**25.6**	**-**	**7.7**	**-**	**-**	**54.6**	**-**	**-**	**54.6**
2014										
Customer 1	-	19.1	-	-	-	-	19.1	-	-	19.1
Customer 2	13.1	-	-	5.0	-	-	18.1	-	-	18.1
Customer 3	2.8	9.8	-	0.7	-	-	13.3	-	-	13.3
Customer 4	5.4	-	-	4.7	-	-	10.1	-	-	10.1
	21.3	28.9	-	10.4	-	-	60.6	-	-	60.6

Save for a small amount of rubber, all the Group's operations are devoted to oil palm. The Group's report is by geographical area, as each area tends to have different agricultural conditions.

Notes to the Consolidated Financial Statements

6 Employees' and Directors' remuneration

	2015 Number	2014 number
Average numbers employed (primarily overseas) during the year:		
- full time	**5,832**	5,522
- part-time field workers	**10,980**	9,687
	16,812	15,209

	2015 $000	2014 $000
Staff costs (including Directors) comprise:		
Wages and salaries	**26,691**	26,725
Social security costs	**880**	939
Retirement benefit costs		
- Indonesia (note 17)	**1,378**	1,150
- Malaysia	**58**	67
	29,007	28,881

The information required by the Companies Act and the Listing Rules of the Financial Conduct Authority is contained in the Directors' remuneration report on pages 47 - 51 of which certain information on pages 50- 51 has been audited.

	2015 $000	2014 $000
Directors emoluments	**240**	248
Remuneration expense for key management personnel	**2,289**	2,273

The Executive Director, Non-Executive Directors and senior management (general managers and above) are considered to be the key management personnel. The remuneration of Executive Director and Non-Executive Directors is shown on page 51.

7 Tax expense

	2015 $000	2014 $000
Foreign corporation tax - current year	**15,069**	22,855
Foreign corporation tax - prior year	**208**	32
Deferred tax adjustment - origination and reversal of temporary differences	**(20,922)**	(10,349)
Total tax charge for year	**(5,645)**	12,538

Both corporation tax rates in Indonesia and Malaysia are at 25%. The standard rate of corporation tax in the UK for the current year is 20%. The Group's charge for the year differs from the standard UK rate of corporation tax for the reasons below.

	2015 $000	2014 $000
Profit before tax	**(19,074)**	51,236
Profit before tax multiplied by standard rate of UK corporation tax of 20% (2014: 21%)	**(3,815)**	10,760
Effects of:		
Rate adjustment relating to overseas profits	**(1,051)**	1,845
Group accounting adjustments not subject to tax	**(542)**	(27)
Expenses not allowable for tax	**1,304**	184
Income not subject to tax	**(1,737)**	(309)
Under provision of prior year income tax	**208**	32
(Over) / Under provision of prior year deferred tax assets	**(40)**	53
Deferred tax assets not recognised	**28**	-
Total tax charge for year	**(5,645)**	12,538

8 Earnings per ordinary share (EPS)

	2015 $000	2014 $000
Profit for the year attributable to owners of the Company before BA adjustment	**27,505**	52,422
Net BA adjustment	**(42,402)**	(21,660)
Earnings used in basic and diluted EPS	**(14,897)**	30,762
	Number '000	Number '000
Weighted average number of shares in issue in year		
- used in basic EPS	**39,636**	39,636
- dilutive effect of outstanding share options	**-**	43
- used in diluted EPS	**39,636**	39,679
Basic EPS before BA adjustment	**69.39cts**	132.26cts
Basic EPS after BA adjustment	**(37.58)cts**	77.61cts
Dilutive EPS before BA adjustment	**69.39cts**	132.12cts
Dilutive EPS after BA adjustment	**(37.58)cts**	77.53cts

9 Dividends

	2015 $000	2014 $000
Paid during the year		
Final dividend of 3.0p per ordinary share for the year ended 31 December 2014 (2013: 3.0p)	**1,869**	1,998
Proposed final dividend of 1.75p per ordinary share for the year ended 31 December 2015 (2014: 3.0p)	**1,028**	1,854

The proposed dividend for 2015 is subject to shareholders' approval at the forthcoming annual general meeting and has not been included as a liability in these financial statements.

10 Biological assets, property, plant and equipment

	Biological assets $000	Mill $000	Leasehold Land $000	Buildings $000	Estate plant, equipment & vehicle $000	Office plant, equipment & vehicle $000	Construction in progress $000	PPE Total $000	Total $000
Cost or valuation									
At 1 January 2014	265,835	39,563	149,871	34,736	14,643	1,296	2,077	242,186	508,021
Exchange translations	(4,420)	(1,252)	(3,494)	(894)	(378)	(45)	(79)	(6,142)	(10,562)
Reclassification	-	-	-	5,356	1	-	(5,357)	-	-
Decrease due to harvest	(26,021)	-	-	-	-	-	-	-	(26,021)
Revaluations	(7,697)	-	386	-	-	-	-	386	(7,311)
Additions	85	13,305	4,219	64	1,840	158	6,057	25,643	25,728
Development costs capitalised	23,592	112	-	-	-	-	322	434	24,026
Disposal / Written off	-	(72)	-	(219)	(591)	(207)	-	(1,089)	(1,089)
At 31 December 2014	**251,374**	**51,656**	**150,982**	**39,043**	**15,515**	**1,202**	**3,020**	**261,418**	**512,792**
Exchange translations	**(24,611)**	**(5,596)**	**(16,936)**	**(4,331)**	**(1,721)**	**(166)**	**(268)**	**(29,018)**	**(53,629)**
Reclassification	**-**	**(11)**	**-**	**7,477**	**11**	**-**	**(7,477)**	**-**	**-**
Decrease due to harvest	**(25,221)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(25,221)**
Revaluations	**(38,900)**	**-**	**4,902**	**-**	**-**	**-**	**-**	**4,902**	**(33,998)**
Additions	**63**	**11,161**	**1,727**	**32**	**702**	**58**	**5,402**	**19,082**	**19,145**
Development costs capitalised	**18,733**	**-**	**14**	**-**	**-**	**-**	**663**	**677**	**19,410**
Disposals / Written off	**(790)**	**(298)**	**-**	**(119)**	**(353)**	**(6)**	**-**	**(776)**	**(1,566)**
Conversion of rubber to oil palm	**(1,638)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,638)**
At 31 December 2015	**179,010**	**56,912**	**140,689**	**42,102**	**14,154**	**1,088**	**1,340**	**256,285**	**435,295**
Accumulated depreciation and impairment									
At 1 January 2014	-	11,552	-	7,185	9,171	936	-	28,844	28,844
Exchange translations	-	(312)	-	(255)	(275)	(35)	-	(877)	(877)
Charge for the year	-	2,697	-	2,244	1,723	169	-	6,833	6,833
Disposal / Written off	-	(53)	-	(99)	(438)	(172)	-	(762)	(762)
At 31 December 2014	**-**	**13,884**	**-**	**9,075**	**10,181**	**898**	**-**	**34,038**	**34,038**
Exchange translations	**-**	**(1,496)**	**-**	**(1,066)**	**(1,187)**	**(134)**	**-**	**(3,883)**	**(3,883)**
Reclassification	**-**	**(11)**	**-**	**-**	**11**	**-**	**-**	**-**	**-**
Charge for the year	**-**	**2,931**	**-**	**2,270**	**1,432**	**135**	**-**	**6,768**	**6,768**
Disposal / Written off	**-**	**(277)**	**-**	**(60)**	**(285)**	**(6)**	**-**	**(628)**	**(628)**
At 31 December 2015	**-**	**15,031**	**-**	**10,219**	**10,152**	**893**	**-**	**36,295**	**36,295**
Carrying amount									
At 31 December 2013	265,835	28,011	149,871	27,551	5,472	360	2,077	213,342	479,177
At 31 December 2014	251,374	37,772	150,982	29,968	5,334	304	3,020	227,380	478,754
At 31 December 2015	**179,010**	**41,881**	**140,689**	**31,883**	**4,002**	**195**	**1,340**	**219,990**	**399,000**
Net loss arising from changes in fair value of biological assets									
At 31 December 2014	(33,718)	-	-	-	-	-	-	-	(33,718)
At 31 December 2015	**(64,121)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(64,121)**

10 Biological assets, property, plant and equipment - continued

The fair value less costs to sell of FFB harvested during the period, determined at the point of harvest is exhibited below:

	2015	2014
Fair value of FFB		
Crop production and yield - FFB (mt)	**900,000**	857,000
Fair value of FFB ($000)	**101,019**	132,342
Fair value of FFB less costs to sell ($000)	**90,924**	121,850

As referred to on page 76, the gain arising on the fair value of FFB at the point of harvest is recognised in the income statement within the biological asset revaluation. A reconciliation of the amount included within the income statement and the biological asset has been included below:

	2015	2014
	$000	$000
Harvest included in the biological asset valuation from estimated production and pricing assumptions less costs to sell in the prior year	**25,221**	26,021
Gain from actual production and pricing	**65,703**	95,829
Fair value of FFB harvested from own production	**90,924**	121,850

The decrease of $25,221,000 (2014: $26,021,000) from harvest was included in the prior year valuation for the current year and is therefore deducted from biological asset valuation in the current year as the FFB is harvested. The actual fair value of harvested FFB varies to forecast due to the changes in actual production, actual FFB price and actual costs incurred. The gain on fair value of the harvested FFB is written off as the FFB is processed in to CPO.

The biological asset revaluation movement included within the income statement is calculated as follows:

	2015	2014
	$000	$000
Decrease due to harvest	**(25,221)**	(26,021)
Revaluations	**(38,900)**	(7,697)
Net loss arising in the income statement from changes in fair value of biological assets	**(64,121)**	(33,718)

The Group engaged Muttaqin Bambang Purwanto Rozak Uswatun & Rekan (MBPRU) with its head office located in Jakarta, Indonesia to undertake the valuation of biological assets for both financial years ended 31 December 2014 and 2015. Except for an adjustment on discount rate, CPO price and the measurement of the notional rent which are determined by the Directors, the valuation was carried out independently by MBPRU who has the appropriate professional qualifications and recent experience in the location and category of the properties being valued. Further information of MBPRU can be obtained from 'www.kjpp-mbpru.com'.

MBPRU was also engaged to undertake the land valuation for the Group. For the year ended 31 December 2015, valuation was done on land of nine subsidiaries. The increase per hectare obtained by comparing the current valuation against the year 2014's carrying amount were then applied to the 2014 land value of the remaining companies in the same geographical location to derive the fair value of land in 2015. In the year 2014, independent land valuation was undertaken for 11 subsidiary companies in Indonesia. The increase per hectare obtained by comparing the year 2014 valuation against the valuation undertaken in year 2013 were then applied to the 2013 land value of the remaining subsidiary companies in the same geographical location to derive the fair value of land in 2014. Unplantable land was excluded in this exercise since it has zero value. Land is valued on a rotational basis and all land is valued by qualified valuers every two years. Had the revalued land been measured on a historical cost basis, their net book value would have been $42,993,000 (2014: $47,317,000).

10 Biological assets, property, plant and equipment - continued

The methodology of the biological asset valuations was using discounted cash flow ("DCF") over the expected 20-year economic life of the asset. The assumption applied in the valuation were, inter alia, an assumed CPO selling price of $625/mt (2014: $700/mt), discount rate of 16.8% (2014: 16.4%) and notional rent equivalent to 9% (2014: 9%) of the value of planted land. The discount rates were determined by the Directors based on their assessment of various risks including financial, business and country risk of where the plantations are located as well as taking into account the Company's weighted average cost of capital. The CPO price is normally based on the 10-year average (2014: 10-year average) rounded to the nearest $25 based on historical widely-quoted commodity price for CPO and represents the Directors' best estimate of the price sustainable over the longer term. However the CPO price for 2015 remained weak. It ended the year at $560/mt far lower than the 10-year average CPO price at $750/mt, therefore a benchmarking exercise was made to ensure the directors' best estimate of the price sustainable over the longer term is being used. The directors adopted the recommendation of the valuer who has suggested applying a ratio of 70% of the current CPO price and 30% of the historical price (10-year average) given the assumption to calculate CPO price over the past 10 years is no longer considered to be appropriate. As a result, the directors adopted the CPO price of $625/mt which falls within the valuer's recommended range of $600/mt to $650/mt and the World Bank forecast of CPO price for 2016 at $600/mt. An inflation rate of 3.4% (2014: 4.0%) was applied to the second to sixth years of the DCF. The notional rent charge is based on key capital market and property indicators in the countries and regions of operations.

Details of the information about the fair value hierarchy in relation to biological assets and land at 31 December are as follows:

	Level 1 $000	Level 2 $000	Level 3 $000	Fair value $000
At 31 December 2015				
Biological assets	**-**	**-**	**179,010**	**179,010**
Land	**-**	**-**	**140,689**	**140,689**
At 31 December 2014				
Biological assets	-	-	251,374	251,374
Land	-	-	150,982	150,982

There were no items classified under Level 1 and Level 2 and thus there were no transfers between Level 1 and Level 2 during the year.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of biological assets and land, as well as the inter-relationship between key unobservable inputs and fair value, are set out in the table below:

Item	Valuation approach	Inputs used	Inter-relationship between key unobservable inputs and fair value
Land	Selling prices of comparable land in similar location adjusted for differences in key attributes. The valuation model is based on price per hectare.	Selling prices of comparable land	The higher the selling price, the higher the fair value
		Location, legal title, land area, land type and topography	These are qualitative inputs which require significant judgement by professional valuer, MBPRU
Biological assets	Discounted cash flow over the expected 20-year economic life of the asset	CPO selling price	The higher the CPO selling price, the higher the fair value
		Discount rate	The higher the discount rate, the lower the fair value
		Notional rent	The higher the notional rent, the lower the fair value
		Yield	The higher the yield, the higher the fair value
		Overhead cost	The higher the overhead cost, the lower the fair value

10 Biological assets, property, plant and equipment - continued

There were no changes to the valuation techniques during the period.

The fair value measurement is based on the above items' highest and best use, which does not differ from their actual use.

The following table exhibits the sensitivity of the Group's biological assets to the fluctuation in CPO price, discount rate, notional rent, CPO yield and overhead cost:

	2015	2014
	$000	$000
A change of $50 in the price assumption for CPO		
-$50 in the price assumption	**(56,647)**	(54,021)
+$50 in the price assumption	**56,670**	53,993
A change of 1% in the discount rate		
-1% in the discount rate	**8,900**	14,182
+1% in the discount rate	**(8,207)**	(13,043)
A change of notional rent equivalent to 1% of the value of planted land		
-1% in the value of planted land	**4,849**	5,191
+1% in the value of planted land	**(4,848)**	(5,190)
A change of 1% in the CPO yield		
-1% in the CPO yield	**(23,117)**	(28,863)
+1% in the CPO yield	**23,140**	28,835
A change of 1% in the overhead cost		
-1% in the overhead cost	**6,272**	7,468
+1% in the overhead cost	**(6,249)**	(7,496)

The estates include $483,000 (2014: $1,321,000) of interest and $4,909,000 (2014: $5,623,000) of overheads capitalised during the year in respect of expenditure on estates under development.

The Indonesian authorities have granted certain land exploitation rights and operating permits for the estates. In the case of established estates in North Sumatera these rights and permits expire between 2023 and 2038 with rights of renewal thereafter. As of estates in Bengkulu land titles were issued between 1994 and 2008 and the titles expire between 2028 and 2034 with rights of renewal thereafter for two consecutive periods of 25 and 35 years respectively. In Riau, land titles were issued in 2004 and expire in 2033. In the case of PT Cahaya Pelita Andhika's estate acquired in 2007 land titles were issued in 1996 to expire in 2029.

Subject to compliance with the laws and regulations of Indonesia, land rights are usually renewed. The cost of renewing the land rights is not significant.

The land title of the estate in Malaysia is a long-term lease expiring in 2084.

11 Receivables: non-current

	2015		2014	
	Book value	**Fair value**	Book value	Fair value
	$000	**$000**	$000	$000
Due from non-controlling interests	**1,193**	**924**	1,193	872
Due from cooperatives under Plasma scheme	**2,231**	**2,056**	1,557	1,397
Due from village smallholder schemes	**231**	**213**	257	237
	3,655	**3,193**	3,007	2,506

The non-controlling interests in PT Alno Agro Utama and PT Cahaya Pelita Andhika have acquired their interests on deferred terms (see note 23, Credit risk).

Plasma scheme is an initiative by the Indonesian Government that seeks to encourage plantation owners in Indonesia to provide economic and social assistance to surrounding villagers by helping them improve their income and welfare. During the year, certain subsidiary companies have funded the plantation development cost of $2,231,000 (2014: $1,557,000) for the land allocated to the cooperatives which will be recoverable from them.

Amount due from village smallholder schemes represents expenditure on planting and maintaining to maturity oil palms on communal land owned by 22 (2014: 22) separate villages neighbouring the Group's estates.

The fair value disclosed above are for disclosure purposes and all non-current receivables are classified as Level 3 in the fair value hierarchy.

11 Receivables: non-current – continued

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of non-current receivables, as well as the inter-relationship between key unobservable inputs and fair value, are set out in the table below:

Item	Valuation approach	Inputs used	Inter-relationship between key unobservable inputs and fair value
Due from non-controlling interests	Based on cash flows discounted using current lending rate of 6% (2014: 6%)	Discount rate	The higher the discount rate, the lower the fair value
Due from cooperatives under Plasma scheme	Based on cash flows discounted using an estimated current lending rate of 5.57% (2014: 5.58%)	Discount rate	The higher the discount rate, the lower the fair value
Due from village smallholder schemes	Based on cash flows discounted using an estimated current lending rate of 5.57% (2014: 5.58%)	Discount rate	The higher the discount rate, the lower the fair value

12 Inventories

	2015	2014
	$000	$000
Estate and mill consumables	**5,887**	3,183
Processed produce for sale	**806**	4,663
	6,693	7,846

13 Trade and other receivables

	2015	2014
	$000	$000
Trade receivables	**271**	1,538
Other receivables	**4,211**	7,081
Prepayments and accrued income	**222**	188
	4,704	8,807

The carrying amount of trade and other receivables classified as loans and receivables approximates fair value.

14 Loans and borrowings

	2015		2014	
	Book value	**Fair value**	Book value	Fair value
	$000	**$000**	$000	$000
Non-current				
Long term loan (a)	**4,000**	**3,899**	4,625	4,523
Long term loan (b)	**28,875**	**28,407**	30,000	29,505
	32,875	**32,306**	34,625	34,028
Current				
Long term loan (a)	**625**	**625**	313	313
Long term loan (b)	**1,125**	**1,125**	-	-
	1,750	**1,750**	313	313
Total loans and borrowings	**34,625**	**34,056**	34,938	34,341
Amounts repayable after more than one year, as follows:				
in more than one year but not more than two years	**12,750**		7,784	
in more than two years but not more than five years	**20,125**		26,841	
	32,875		34,625	

14 Loans and borrowings – continued

(a) A subsidiary company, PT Hijau Pryan Perdana, has obtained a long term loan of $10,000,000 for a period of seven years (including two years grace repayment period) to support the capital expenditures requirement for planting, development and maintenance of oil palm estate and to finance mill construction and other fixed assets owned by the subsidiary company as well to utilise for repayment of amount due to related parties. It is secured by the subsidiary company's land and is guaranteed by PT Tasik Raja and by the Company. This loan bears interest rate based on Base Lending Rate which is payable quarterly in arrears. Average interest in 2015 was about 5.38% (2014: 5.39%). The loan is repayable from 30 November 2014 to 30 August 2019.

(b) Another subsidiary company, PT Sawit Graha Manunggal, has obtained a long term loan of $35,000,000 for a period of eight years (including four years grace repayment period) to support the capital expenditures requirement for planting, development and maintenance of oil palm estate and to finance oil mill construction and other fixed assets owned by the subsidiary company. It is secured by the subsidiary company's land and is guaranteed by the Company. This loan bears interest rate based on SIBOR + 4.5% + Liquidity Premium which is payable quarterly in arrears. Average interest in 2015 was about 5.76% (2014: 5.76%). The loan is repayable from 30 December 2016 to 30 September 2020.

The fair value of the items classified as loans and borrowings is disclosed below and is classified as Level 3 in the fair value hierarchy:

	2015		2014	
	Book value $000	**Fair value $000**	Book value $000	Fair value $000
Loans and borrowings	**34,625**	**34,056**	34,938	34,341

The fair value for disclosure purposes has been determined using discounted cash flows. Significant inputs include the discount rate used to reflect the credit risk associated with the Group. The fair value reduces as higher discount rate being used.

15 Trade and other payables

	2015 $000	2014 $000
Trade payables	**7,732**	7,342
Other payables	**2,956**	6,027
Accruals	**6,718**	7,641
	17,406	21,010

The carrying amount of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

16 Deferred tax

The movement on the deferred tax account is as shown below:

	2015 $000	2014 $000
At 1 January	**(44,368)**	(55,298)
Recognised in profit and loss:		
Tax expense	**4,892**	1,920
Revaluation of biological assets	**16,030**	8,429
Recognised in other comprehensive income:		
Revaluation of leasehold land	**(1,226)**	(96)
Retirement benefits	**(111)**	170
Exchange differences	**3,872**	507
At 31 December	**(20,911)**	(44,368)

Details of the deferred tax liability, amounts recognised in profit or loss and amounts recognised in other comprehensive income are as follows:

	Asset $000	Liability $000	Net $000	(Charged)/ credited to profit or loss $000	(Charged)/ credited to equity $000
2015					
Revaluation surplus	**-**	**(28,907)**	**(28,907)**	**16,054**	**(1,226)**
Retirement benefits	**1,127**	**-**	**1,127**	**249**	**(111)**
Unutilised tax losses	**6,970**	**-**	**6,970**	**4,386**	**-**
Other temporary differences	**-**	**(101)**	**(101)**	**233**	**-**
Tax assets / (liabilities)	**8,097**	**(29,008)**	**(20,911)**	**20,922**	**(1,337)**
Set off of tax	**(76)**	**76**	**-**	**-**	**-**
Net tax assets / (liabilities)	**8,021**	**(28,932)**	**(20,911)**	**20,922**	**(1,337)**
2014					
Revaluation surplus	-	(48,087)	(48,087)	8,438	(96)
Retirement benefits	1,106	-	1,106	196	170
Unutilised tax losses	3,021	-	3,021	1,460	-
Other temporary differences	-	(408)	(408)	255	-
Tax assets / (liabilities)	4,127	(48,495)	(44,368)	10,349	74
Set off of tax	(145)	145	-	-	-
Net tax assets / (liabilities)	3,982	(48,350)	(44,368)	10,349	74

	2015 $000	2014 $000
A deferred tax asset has not been recognised for the following items:		
Unutilised tax losses	**2,842**	2,787

The Group does not recognise the tax losses of certain companies in the Group as tax assets as the future recoverability of the losses cannot be certain.

At the balance sheet date, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was $3,028,799 (2014: $5,687,714). No liability has been recognised in respect of these differences either because the Group is in a position to control the timing of reversal of the temporary differences, or because such a reversal would not give rise to an additional liability.

17 Retirement benefits

The Group operates two defined benefit schemes in respect of its Indonesian operations in accordance with Indonesia Labour Law No. 13/2003 ("the Law") dated 25 March 2003. The law does not impose funding requirement on Company to create fund asset to pay the defined benefit obligations.

The first scheme is defined benefit pension scheme offered to certain employees. This scheme is funded and managed by SKU UKINDO Pension Fund authorised by the Ministry of Finance of the Republic of Indonesia. When an employee reaches normal retirement age, dies or becomes disabled, the Group shall pay the higher of the benefit from the pension scheme and the benefit calculated under the Law. The assets value of the pension scheme is adequate to fund the annual payment of benefits.

The Group also established a funding programme through a savings plan managed by PT Asuransi Allianz Life Indonesia for the payment of severance / pension for eligible staff. The assets of the fund are to be used only to settle defined benefit obligations. The assets value of the funding programme is adequate to fund the annual payment of benefits.

The scheme is valued by an actuary at the end of each financial year. The major assumptions used by the actuary were:

	2015	2014
Inflation	**5.0%**	5.0%
Rate of increase in wages	**8.0%**	8.0%
Rate of return on scheme assets	**8.3%**	9.0%
Discount rate	**9.0%**	8.3%

The Group also operates a non-contributory non-funded retirement plan for staff in Indonesia. Retirement benefits are paid to employees in a single lump sum at the time of retirement. Retirement benefit is accrued by the Group and charged in the income statement based on individual employees' service up to the end of the financial year.

	2015	2014
	$000	$000
Service cost		
- Current service cost	**1,016**	905
- Past service cost	**20**	(38)
Net interest expense	**342**	283
Total employee benefits expense	**1,378**	1,150

17 Retirement benefits - continued

Reconciliation of defined benefit obligation and fair value of scheme assets:

	Defined benefit obligation			Fair value of scheme assets			Net defined scheme liability		
	Funded scheme $000	Unfunded scheme $000	Total $000	Funded scheme $000	Unfunded scheme $000	Total $000	Funded scheme $000	Unfunded scheme $000	Total $000
At 1 January 2014	(4,714)	(1,551)	(6,265)	3,166	-	3,166	(1,548)	(1,551)	(3,099)
Service cost – current	(456)	(449)	(905)	-	-	-	(456)	(449)	(905)
Service cost - past	38	-	38	-	-	-	38	-	38
Interest cost / (income)	(411)	(170)	(581)	298	-	298	(113)	(170)	(283)
Included in comprehensive income	(829)	(619)	(1,448)	298	-	298	(531)	(619)	(1,150)
Remeasurement loss / (gain)									
Actuarial loss / (gain) from:									
Adjustments (experience)	(50)	27	(23)	-	-	-	(50)	27	(23)
Financial assumptions	(377)	(253)	(630)	-	-	-	(377)	(253)	(630)
Return on plan assets (exclude interest)	-	-	-	(27)	-	(27)	(27)	-	(27)
Included in other comprehensive income	(427)	(226)	(653)	(27)	-	(27)	(454)	(226)	(680)
Effect of movements in exchange rates	128	62	190	(72)	-	(72)	56	62	118
Employer contributions	-	-	-	303	-	303	303	-	303
Benefits paid	168	57	225	(162)	-	(162)	6	57	63
Other movements	296	119	415	69	-	69	365	119	484
At 31 December 2014	**(5,674)**	**(2,277)**	**(7,951)**	**3,506**	**-**	**3,506**	**(2,168)**	**(2,277)**	**(4,445)**
Service cost - current	**(492)**	**(524)**	**(1,016)**	**-**	**-**	**-**	**(492)**	**(524)**	**(1,016)**
Service cost - past	**(20)**	**-**	**(20)**	**-**	**-**	**-**	**(20)**	**-**	**(20)**
Interest cost / (income)	**(417)**	**(197)**	**(614)**	**272**	**-**	**272**	**(145)**	**(197)**	**(342)**
Included in comprehensive income	**(929)**	**(721)**	**(1,650)**	**272**	**-**	**272**	**(657)**	**(721)**	**(1,378)**
Remeasurement loss / (gain)									
Actuarial loss / (gain) from:									
Adjustments (experience)	**(180)**	**14**	**(166)**	**-**	**-**	**-**	**(180)**	**14**	**(166)**
Financial assumptions	**381**	**278**	**659**	**-**	**-**	**-**	**381**	**278**	**659**
Return on plan assets (exclude interest)	**-**	**-**	**-**	**(48)**	**-**	**(48)**	**(48)**	**-**	**(48)**
Included in other comprehensive income	**201**	**292**	**493**	**(48)**	**-**	**(48)**	**153**	**292**	**445**
Effect of movements in exchange rates	**596**	**244**	**840**	**(369)**	**-**	**(369)**	**227**	**244**	**471**
Employer contributions	**-**	**-**	**-**	**274**	**-**	**274**	**274**	**-**	**274**
Benefits paid	**190**	**54**	**244**	**(139)**	**-**	**(139)**	**51**	**54**	**105**
Other movements	**786**	**298**	**1,084**	**(234)**	**-**	**(234)**	**552**	**298**	**850**
At 31 December 2015	**(5,616)**	**(2,408)**	**(8,024)**	**3,496**	**-**	**3,496**	**(2,120)**	**(2,408)**	**(4,528)**

17 Retirement benefits - continued

The following table exhibits the sensitivity of the Group's retirement benefits to the fluctuation in the discount rate and wages:

	2015	2014
	$000	$000
A change of 1% in the discount rate		
-1% in discount rate	**860**	873
+1% in discount rate	**(758)**	(845)
A change of 1% in wages		
-1% in wages	**(799)**	(881)
+1% in wages	**895**	900

The following contributions, which reflect expected future service, as appropriate are expected to be paid:

Year	$000
2016	250
2017	709
2018	495
2019	594
2020	873
2021 to 2025	6,792
Total	9,713

18 Share capital and treasury shares

	Authorised Number	Issued and fully paid Number	Authorised £000	Issued and fully paid £000	Authorised $000	Issued and fully paid $000
Ordinary shares of 25p each						
Beginning and end of year	**60,000,000**	**39,976,272**	**15,000**	**9,994**	**23,865**	**15,504**

Treasury shares:	**2015 Number**	2014 Number	**Cost 2015 $'000**	Cost 2014 $'000
Beginning of year	**339,900**	339,900	**(1,171)**	(1,171)
Share options exercised	**-**	-	**-**	-
End of year	**339,900**	339,900	**(1,171)**	(1,171)

Market value of treasury shares:	$'000
Beginning of year (555.0p/share)	2,942
End of year (531.0p/share)	**2,675**

No treasury shares were purchased in 2015 (2014: Nil).

19 Ultimate controlling shareholder

At 31 December 2015, Genton International Limited, a company registered in Hong Kong, held 20,247,814 (2014: 20,247,814) shares of the Company representing 51.1% (2014: 51.1%) of the issued share capital of the Company. Together with other deemed interested parties, the Genton's shareholding totals 20,551,914 or 51.9%. Madam Lim, a Director of the Company, has advised the Company that she is the controlling shareholder of Genton International Limited.

20 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

During the year the Company engaged UHY Hacker Young, an accounting firm of which Dato' John Lim Ewe Chuan is a partner, to provide company secretarial and taxation services for a fee of $28,978 (2014: $23,548). This contract is on an arm's length basis. The balance outstanding at year end was $3,057 (2014: $3,483).

An office premises lease agreement was entered with Infra Sari Sdn Bhd, a company controlled by Madam Lim Siew Kim. The rental paid during the year was $307,567 (2014: $319,147). There was no balance outstanding at year end (2014: Nil).

21 Reserves

Nature and purpose of each reserve:

Share capital	Amount of shares subscribed at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Capital redemption reserve	Amounts transferred from share capital on redemption of issued shares.
Treasury shares	Cost of own shares held in treasury.
Revaluation reserve	Gains/losses arising on the revaluation of the Group's property.
Foreign exchange reserve	Gains/losses arising on translating the net assets of overseas operations into US Dollar.
Retained earnings	Cumulative net gains and losses recognised in the consolidated income statement.

22 Guarantees and other financial commitments

	2015	2014
	$000	$000
Capital commitments at 31 December		
Contracted but not provided - normal estate operations	**5,325**	2,061
Authorised but not contracted - plantation and mill development	**37,719**	52,925

A subsidiary company, PT Sawit Graha Manunggal ("SGM") has provided a corporate guarantee to Koperasi Bartim Sawit Sejahtera ("KBSS"), a party under Plasma scheme as disclosed in note 11, in relation to a loan undertaken by KBSS from PT Bank Mandiri (Persero) Tbk. of Rp226.02 billion ($16.4 million) (2014: Rp226.02 billion, $18.2 million). The corporate guarantee remains until the loan is fully settled by 23 December 2027. The HGU (land right) that belongs to the Plasma scheme is currently held under SGM's master title. An application to separate the HGU was submitted to the Land Office and the land will be pledged to the bank as security once the title separation approval is obtained. In addition, the terms and conditions of the loan agreement require KBSS to sell all the FFB produce to SGM and its plantation estate is to be managed by SGM. In view of these, the Group exposure to this contingent liability is minimised.

23 Disclosure of financial instruments and other risks

The Group's principal financial instruments comprise cash, short and long term bank loans, trade receivables and payables and receivables from local partners in respect of their investments.

The Group's accounting classification of each class of financial asset and liability at 31 December 2015 and 2014 were:

	Loans and receivables $000	**Financial liabilities at amortised cost $000**	**Total carrying value $000**
2015			
Non-current receivables	**3,655**	**-**	**3,655**
Trade and other receivables	**4,704**	**-**	**4,704**
Cash and cash equivalent	**104,614**	**-**	**104,614**
Borrowings due within one year	**-**	**(1,750)**	**(1,750)**
Trade and other payables	**-**	**(17,406)**	**(17,406)**
Borrowings due after one year	**-**	**(32,875)**	**(32,875)**
	112,973	**(52,031)**	**60,942**

	Loans and receivables $000	Financial liabilities at amortised cost $000	Total carrying value $000
2014			
Non-current receivables	3,007	-	3,007
Trade and other receivables	8,807	-	8,807
Cash and cash equivalent	125,937	-	125,937
Borrowings due within one year	-	(313)	(313)
Trade and other payables	-	(21,010)	(21,010)
Borrowings due after one year	-	(34,625)	(34,625)
	137,751	(55,948)	81,803

23 Disclosure of financial instruments and other risks - continued

Financial instruments not measured at fair value
Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, and borrowings due within one year.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value.

Please refer to the applicable notes for details of the fair value hierarchy, valuation techniques, and significant unobservable inputs related to determining the fair value of the following items:
- Non-current receivables (note 11); and
- Loans and borrowings (note 14).

The principal financial risks to which the Group is exposed are:
- commodity selling price changes;
- exchange movements; and

which, in turn, can affect financial instruments and/or operating performance.

With the exception described below, the Company does not hedge any of its risks. Its trade credit risks are low. There are no financial assets or liabilities that are held at fair value through the profit and loss.

The Board is directly responsible for setting policies in relation to financial risk management and monitors the levels of the main risks through review of regular operational reports.

Commodity selling prices
The Group does not normally contract to sell produce more than one month ahead.

Currency risk
Most of the Group's operations are in Indonesia. The Company and Group accounts are prepared in US Dollar which is not the functional currency of the operating subsidiaries. The Group does not hedge its net investment in its overseas subsidiaries and is therefore exposed to a currency risk on that investment. The historic cost of investment (including intercompany loans) by the parent in its subsidiaries amounted to $67,591,000 (2014: $68,042,000), while the fair value of the Group's share of underlying assets at 31 December 2015 amounted to $399,070,000 (2014: $457,002,000).

All the Group's sales are made in local currency and any trade receivables are therefore denominated in local currency. No hedging is therefore necessary.

Selling prices of the Group's produce are directly related to the US Dollar denominated world prices. Appreciation of local currencies therefore reduces profits and cash flow of the Indonesian and Malaysian subsidiaries in US Dollar terms and vice versa.

The Group's subsidiaries which are borrowing in US Dollar, as set out under *Liquidity Risk* below could face significant exchange losses in the event of depreciation of their local currency - and vice versa. This risk is mitigated to some extent by US Dollar denominated cash balances in those subsidiaries. The Company will continue to partially match US Dollar cash balances with US Dollar financial liabilities. The average interest rate on local currency deposits was 7.47% higher than on US Dollar deposits whereas interest rate for local currency borrowing was about 6.65% higher as compared to US Dollar borrowing. The unmatched balance at 31 December 2015 is represented by the $26,397,000 shown in the table below (2014: $20,250,000). If the Group's net cash position continues to improve then US Dollar cash balances will continue to increase through 2016.

The table below shows the net monetary assets and liabilities of the Group at 31 December 2015 and 2014 that were not denominated in the operating or functional currency of the operating unit involved.

	Net foreign currency assets/(liabilities)		
Functional currency of Group operation	**US Dollar $000**	**Sterling $000**	**Total $000**
2015			
Indonesian Rupiah	**(26,397)**	**-**	**(26,397)**
US Dollar	**-**	**117**	**117**
Total	**(26,397)**	**117**	**(26,280)**
2014			
Indonesian Rupiah	(20,250)	-	(20,250)
US Dollar	-	98	98
Total	(20,250)	98	(20,152)

23 Disclosure of financial instruments and other risks - continued

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to foreign exchange risk. The impact on profit before tax and equity if Ringgit or Rupiah strengthen or weaken by 10% against US Dollar is:

	2015			2014		
	Carrying Amount US$ $000	**-10% in Rp : $ and RM : $ $000**	**+10% in Rp : $ and RM : $ $000**	Carrying Amount US$ $000	-10% in Rp : $ and RM : $ $000	+10% in Rp : $ and RM : $ $000
Financial Assets						
Non-current receivables	**3,655**	**(224)**	**274**	3,007	(165)	202
Trade and other receivables	**4,704**	**(246)**	**300**	8,807	(618)	756
Cash and cash equivalents	**104,614**	**(9,410)**	**11,502**	125,937	(11,351)	13,873
Financial Liabilities						
Borrowings due within one year	**(1,750)**	**-**	**-**	(313)	-	-
Trade and other payables	**(17,406)**	**1,458**	**(1,782)**	(21,010)	1,770	(2,164)
Borrowings due after one year	**(32,875)**	**-**	**-**	(34,625)	-	-
Total increase / (decrease)		**(8,422)**	**10,294**		(10,364)	12,667

Liquidity risk

Profitability of new sizable plantations requires a period of between six and seven years before cash flow turns positive. Because oil palms do not begin yielding significantly until four years after planting, this development period and the cash requirement is affected by changes in commodity prices.

The Group attempts to ensure that it is likely to have either self-generated funds or further loan/equity capital to complete its development plans and to meet loan repayments. Long term forecasts are updated twice a year for review by the Board. In the event that falling commodity prices reduce self-generated funds below expectations and to a level where Group resources may be insufficient, further new planting may be restricted. Consideration is given to the funds required to bring existing immature plantings to maturity.

The Group's trade and tax payables are all due for settlement within a year. At 31 December 2015 the Group had the following loans and facilities.

	Borrowings $000	**Facilities $000**	**Repayable**
Indonesia:			
US Dollar denominated – long term loan	34,625	45,000	2016 – 2020 (note 14)

The total loan borrowings together with interest at current rates is as follows:

	2015 $000	2014 $000
Principal	**34,625**	34,938
Interest	**6,140**	8,134
Total	**40,765**	43,072

Forecasts prepared in December 2015 indicate that the Group has sufficient funds to meet its development plans and financial commitments through 2016.

All the long term loans include varying covenants covering minimum net worth and cash balances, dividend and interest cover and debt service ratios. The subsidiary companies concerned have complied with the covenants as stated in the loan agreement.

Notes to the Consolidated Financial Statements

23 Disclosure of financial instruments and other risks - continued

Interest rate risk

Both the Group's surplus cash and its borrowings are subject to variable interest rates. The Group had net cash throughout 2015, so the effect of variations in borrowing rates is more than offset. A 1% change in the borrowing or deposit interest rate would not have a significant impact on the Group's reported results as shown in table below. The rates on borrowings are set out in note 14.

	2015			2014		
	Carrying amount $000	**-1% in interest rate $000**	**+1% in interest rate $000**	Carrying amount $000	-1% in interest rate $000	+1% in interest rate $000
Financial Assets						
Cash and cash equivalents	**104,614**	**(797)**	**857**	125,937	(906)	1,053
Financial Liabilities						
Borrowings due within one year	**(1,750)**	**-**	**-**	(313)	-	-
Borrowings due after one year	**(32,875)**	**346**	**(346)**	(34,625)	349	(349)
Total increase / (decrease)		**(451)**	**511**		(557)	704

There is no policy to hedge interest rates, partly because of the net cash position and because the net interest is relatively small proportion of the Group profits.

Interest rate profiles of the Group's financial assets (comprising non-current receivables, trade and other receivables and cash) at 31 December were:

	Total $000	**Fixed rate $000**	**Variable rate $000**	**No interest $000**
2015				
Sterling	**117**	**-**	**22**	**95**
US Dollar	**11,423**	**1,193**	**6,108**	**4,122**
Rupiah	**97,790**	**-**	**76,202**	**21,588**
Ringgit	**3,643**	**-**	**3,361**	**282**
Total	**112,973**	**1,193**	**85,693**	**26,087**
2014				
Sterling	98	-	24	74
US Dollar	18,869	1,193	14,785	2,891
Rupiah	112,505	-	84,506	27,999
Ringgit	6,279	-	5,974	305
Total	137,751	1,193	105,289	31,269

Long term receivables of $1,193,000 (2014: $1,193,000) comprise US Dollar denominated amounts due from minority shareholders as described in note 11 on which interest is due at a fixed rate of 6%.

Average US Dollar deposit rate in 2015 was 1.50% (2014: 3.02%) and Rupiah deposit rate was 8.97% (2014: 9.18%).

Interest rate profiles of the Group's financial liabilities (comprising bank loans and other financial liabilities and trade and other payables) at 31 December were:

	Total $000	**Fixed rate $000**	**Variable rate $000**	**No interest $000**
2015				
Sterling	**-**	**-**	**-**	**-**
US Dollar	**(35,861)**	**-**	**(34,625)**	**(1,236)**
Rupiah	**(15,903)**	**-**	**-**	**(15,903)**
Ringgit	**(267)**	**-**	**-**	**(267)**
Total	**(52,031)**	**-**	**(34,625)**	**(17,406)**
2014				
Sterling	-	-	-	-
US Dollar	(36,338)	-	(34,938)	(1,400)
Rupiah	(19,100)	-	-	(19,100)
Ringgit	(510)	-	-	(510)
Total	(55,948)	-	(34,938)	(21,010)

23 Disclosure of financial instruments and other risks - continued

Weighted average interest rate on variable rate borrowings was 5.70% in 2015 (2014: 5.71%).

Credit risk
Sales of CPO and kernel are not despatched unless payment has been received in advance. Remaining sales are on credit for about 30 days. No provisions were considered necessary at 31 December 2015 (2014: Nil).

All cash is deposited with licensed banks. The list of the principal banks used by the Group is given on the inside of the back cover of this report.

Amounts receivable from local partners, amounting to $1,193,000 (2014: $1,193,000), in relation to their investments in operating subsidiaries are secured on those investments and are repayable from their share of dividends from those subsidiaries. Amounts due from village smallholder schemes are unsecured and are to be repaid from FFB supplied.

Amount receivable due from cooperatives under Plasma scheme as disclosed in note 11, are unsecured and are to be repaid from FFB supplied by the cooperatives. A subsidiary company has provided a corporate guarantee for one of the cooperatives in obtaining a bank loan in 2013. The amount drawdown from this loan was used to repay the advances made by the subsidiary. See note 22.

Capital
The Group defines its Capital as Share capital and Reserves, shown in the statement of financial position as "Issued capital attributable to owners of the parent" and amounting to $369,351,000 at 31 December 2015 (2014: $427,236,000).

The Board is mindful that the Group's development programme will require a considerable capital commitment. In this respect, the dividend level needs to be balanced against the planned capital expenditure.

Group policy is presently to attempt to fund development from self-generated funds and loans and not from issue of new share capital. At 31 December 2015 (2014: Nil) the Group had no net borrowings but, depending market conditions, the Board is prepared for the Group to have net borrowings.

Plantation industry risk
Please refer to pages 20 - 25.

Notes to the Consolidated Financial Statements

24 Subsidiary companies

The principal subsidiaries of the Company all of which have been included in these consolidated financial statements are as follows:

Name	Country of incorporation and principal place of business	Proportion of ownership interest at 31 December		Non-controlling interests ownership / voting interest at 31 December	
		2015	2014	**2015**	2014
Principal sub-holding company					
Anglo-Indonesian Oil Palms Limited	United Kingdom	**100%**	100%	**-**	-
Management company					
Indopalm Services Limited	United Kingdom	**100%**	100%	**-**	-
Operating companies					
Anglo-Eastern Plantations (M) Sdn Bhd	Malaysia	**55%**	55%	**45%**	45%
Anglo-Eastern Plantations Management Sdn Bhd	Malaysia	**100%**	100%	**-**	-
PT Alno Agro Utama	Indonesia	**90%**	90%	**10%**	10%
PT Anak Tasik	Indonesia	**100%**	100%	**-**	-
PT Bangka Malindo Lestari	Indonesia	**95%**	95%	**5%**	5%
PT Bina Pitri Jaya	Indonesia	**80%**	80%	**20%**	20%
PT Cahaya Pelita Andhika	Indonesia	**90%**	90%	**10%**	10%
PT Empat Lawang Agro Perkasa	Indonesia	**95%**	95%	**5%**	5%
PT Hijau Pryan Perdana	Indonesia	**80%**	80%	**20%**	20%
PT Kahayan Agro Plantation	Indonesia	**95%**	95%	**5%**	5%
PT Karya Kencana Sentosa Tiga	Indonesia	**95%**	95%	**5%**	5%
PT Mitra Puding Mas	Indonesia	**90%**	90%	**10%**	10%
PT Musam Utjing	Indonesia	**75%**	75%	**25%**	25%
PT Riau Agrindo Agung	Indonesia	**95%**	95%	**5%**	5%
PT Sawit Graha Manunggal	Indonesia	**82%**	82%	**18%**	18%
PT Simpang Ampat	Indonesia	**100%**	100%	**-**	-
PT Tasik Raja	Indonesia	**80%**	80%	**20%**	20%
PT United Kingdom Indonesia Plantations	Indonesia	**75%**	75%	**25%**	25%
PT Anglo-Eastern Plantations Management Indonesia	Indonesia	**100%**	100%	**-**	-
Dormant companies					
The Ampat (Sumatra) Rubber Estate (1913) Limited	United Kingdom	**100%**	100%	**-**	-
Gadek Indonesia (1975) Limited	United Kingdom	**100%**	100%	**-**	-
Mergeset (1980) Limited	United Kingdom	**100%**	100%	**-**	-
Musam Indonesia Limited	United Kingdom	**100%**	100%	**-**	-

The principal United Kingdom sub-holding company, UK management company and UK dormant companies are registered in England and Wales and are direct subsidiaries of the Company. The Malaysian operating companies are incorporated in Malaysia and are direct subsidiaries of the Company. The Indonesian operating companies are incorporated in Indonesia and are direct subsidiaries of the principal sub-holding company. The principal activity of the operating companies is plantation agriculture.

25 Non-controlling interests

The Group identified subsidiaries with material non-controlling interests (NCI) based on profit contribution or percentage of net assets in relation to the Group. A subsidiary's NCI is material if the subsidiary contributed more than 15% to the Group's profitability or it held more than 10% of the Group's net assets. The subsidiaries identified and their summarised financial information, before intra-group eliminations, are presented below:

Entity	PT Tasik Raja		PT Mitra Puding Mas		PT Alno Agro Utama		PT Bina Pitri Jaya		PT Sawit Graha Manunggal	
NCI percentage		20%		10%		10%		20%		18%
Summarised income statement										
For the year ended 31 December	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	$000	$000	**$000**	$000	**$000**	$000	**$000**	$000	**$000**	$000
Revenue	**38,888**	54,845	**29,559**	40,907	**46,775**	56,236	**37,129**	44,912	**11,426**	7,416
Profit / (Loss) after tax	**7,685**	11,932	**6,278**	9,152	**(2,759)**	11,189	**13,034**	16,434	**(6,284)**	(10,626)
Other comprehensive expense	**(16,423)**	(2,827)	**(7,710)**	(1,581)	**(9,453)**	(1,805)	**(12.446)**	(2,355)	**(2.210)**	(1,399)
Total comprehensive income / (expense)	**(8,738)**	9,105	**(1,432)**	7,571	**(12,212)**	9,384	**588**	14,079	**(8,494)**	(12,025)
Profit / (Loss) allocated to NCI	**1,537**	2,386	**628**	915	**(276)**	1,119	**2,607**	3,287	**(1,144)**	(1,934)
Other comprehensive expense allocated to NCI	**(3,285)**	(565)	**(771)**	(158)	**(945)**	(181)	**(2,489)**	(471)	**(402)**	(255)
Total comprehensive income / (expense) allocated to NCI	**(1,748)**	1,821	**(143)**	757	**(1,221)**	939	**118**	2,816	**(1,546)**	(2,189)
Dividends paid to NCI	**91**	106	**23**	24	**20**	200	**28**	92	**-**	-
Summarised statement of financial position										
As at 31 December	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	$000	$000	**$000**	$000	**$000**	$000	**$000**	$000	**$000**	$000
Non-current assets	**176,028**	163,376	**46,647**	51,274	**69,786**	90,545	**67,913**	54,774	**81,115**	75,190
Current assets	**20,640**	27,227	**24,698**	25,790	**10,452**	6,788	**41,309**	51,966	**3,446**	4,398
Non-current liabilities	**(63,180)**	(52,461)	**(6,335)**	(6,942)	**(8,483)**	(12,238)	**(6,872)**	(7,761)	**(71,007)**	(60,171)
Current liabilities	**(5,320)**	(4,048)	**(1,544)**	(6,255)	**(3,277)**	(5,988)	**(3,848)**	(3,693)	**(4,960)**	(2,617)
Net assets	**128,168**	134,094	**63,466**	63,867	**68,478**	79,107	**98,502**	95,286	**8,594**	16,800
Accumulated NCI	**25,634**	26,819	**6,347**	6,387	**6,848**	7,911	**19,700**	19,057	**1,564**	3,058
Summarised cash flows										
For the year ended 31 December	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	$000	$000	**$000**	$000	**$000**	$000	**$000**	$000	**$000**	$000
Cash flows from / (used in) operating activities	**9,016**	21,679	**1,844**	12,049	**7,542**	19,862	**14.207**	17,375	**(1,834)**	706
Cash flows from / (used in) investing activities	**(10,506)**	(6,265)	**(1,098)**	(2,205)	**(5,411)**	(2,661)	**(3,405)**	462	**(12,930)**	(21,529)
Cash flows from / (used in) financing activities	**(10,452)**	(13,418)	**(7,715)**	(5,272)	**(196)**	(17,876)	**(17,895)**	487	**15,081**	17,397
Net cash inflows / (outflows)	**(11,942)**	1,996	**(6,969)**	4,572	**1,935**	(675)	**(7,093)**	18,324	**317**	(3,426)

Company Balance Sheet
As at 31 December 2015

	Note	2015 $000	2014 $000
Fixed assets			
Investments in subsidiaries	3	**67,591**	68,042
		67,591	68,042
Current assets			
Debtors	4	**2,252**	4,579
Cash at bank and in hand		**1,099**	1,079
		3,351	5,658
Creditors: amount falling due within one year	5	**(3,996)**	(3,974)
Net current (liabilities) / assets		**(645)**	1,684
Net assets		**66,946**	69,726
Capital and reserves			
Share capital	6	**15,504**	15,504
Treasury shares	6	**(1,171)**	(1,171)
Share premium		**23,935**	23,935
Capital redemption reserve		**1,087**	1,087
Exchange reserve		**3,872**	3,872
Retained earnings		**23,719**	26,499
Shareholders' funds		**66,946**	69,726

The financial statements were approved by the Board of Directors and authorised for issue on 26 April 2016 and were signed on its behalf by

Dato' John Lim Ewe Chuan
Executive Director, Corporate Finance and Corporate Affairs

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

Company Statement of Changes in Equity
For the year ended 31 December 2015

	Share capital $000	Treasury shares $000	Share premium $000	Capital redemption reserve $000	Exchange reserve $000	Retained earnings $000	Total $000
Balance at 31 December 2013	15,504	(1,171)	23,935	1,087	3,872	28,601	71,828
Comprehensive income for the year							
Loss for the year	-	-	-	-	-	(104)	(104)
Total comprehensive expense for the year	-	-	-	-	-	(104)	(104)
Dividends paid	-	-	-	-	-	(1,998)	(1,998)
Balance at 31 December 2014	**15,504**	**(1,171)**	**23,935**	**1,087**	**3,872**	**26,499**	**69,726**
Comprehensive income for the year							
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(911)**	**(911)**
Total comprehensive expense for the year	**-**	**-**	**-**	**-**	**-**	**(911)**	**(911)**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(1,869)**	**(1,869)**
Balance at 31 December 2015	**15,504**	**(1,171)**	**23,935**	**1,087**	**3,872**	**23,719**	**66,946**

The accompanying notes are an integral part of this statement of changes in equity.

Notes to the Company Financial Statements

1 Accounting policies

Basis of preparation
The financial statements have been prepared in accordance with Financial Reporting Standard 100 *Application of Financial Reporting Requirements* ("FRS 100") and Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

Disclosure exemptions adopted
In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:
- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of Anglo-Eastern Plantations Plc group of companies.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the Company's consolidated financial statements. These financial statements do not include certain disclosures in respect of:
- Share based payments;
- Financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value); or
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value).

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

Basis of accounting
The separate financial statements of the Company are presented as required by the Companies Act 2006. They have been prepared under the historical costs. The presentation currency used is US Dollar and amounts have been presented in round thousands ("$000"). The principal accounting policies are summarised below.

First time application of FRS 100 and 101
In the current year the Company has adopted FRS 100 and FRS 101. In previous years the financial statements were prepared in accordance with applicable United Kingdom ("UK") Accounting Standards and law.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with UK Accounting Standards. Consequently the principal accounting policies are unchanged from the prior year. The change in basis of preparation has enabled the Company to take advantage of all of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised above. There have been no other material amendments to the disclosure requirements previously applied in accordance with UK Accounting Standards.

Foreign currency
The functional currency of the Company is US Dollar, chosen because the prices of the bulk of the Group's products are ultimately denominated in US Dollar. Transactions in sterling are translated to US Dollar at the actual exchange rate and exchange losses recognised in profit and loss. Sterling denominated assets and liabilities are converted to US Dollar at the rate ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Investments
Investments in subsidiaries are stated at cost less provision for any permanent diminution in value.

Dividends
Equity dividends are recognised when they become legally payable. The Company pays only one dividend each year as a final dividend which becomes legally payable when approved by the shareholders at the next following annual general meeting.

Share based payments
As set out under Group accounting policies on page 66.

Deferred taxation
A deferred tax asset has not been recognised in relation to brought forward tax losses of $9.5m (2014: $8.6m) because it is not certain those losses can be utilised in the foreseeable future.

Notes to the Company Financial Statements

1 Accounting policies - continued

Treasury shares
Consideration paid or received for the purchase or sale of the Company's own shares for holding in treasury is recognised directly in equity, where the cost is presented as the treasury share reserve. Any excess of the consideration received on the sale of treasury shares over the weighted average cost of shares sold, is taken to the share premium account. Any shares held in treasury are treated as cancelled for the purpose of calculating earnings per share.

Financial guarantee contracts
Where the Company enters into financial guarantee contracts and guarantees the indebtedness of other companies within the Group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time that it becomes probable that the Company will be required to make a payment under the guarantee.

2 Profit and loss account

As permitted by section 408 of the Companies Act 2006, a separate profit and loss account dealing with the results of the Company has not been presented. The loss before tax for the year for the Company dealt with in the consolidated financial statements of the Company was $906,000 (2014: $100,000) and loss after tax for the year was $911,000 (2014: $104,000).

The remuneration of the directors of the Company is disclosed in note 6 to the group financial statements. Auditor's remuneration is disclosed in to note 4 to the group financial statements.

3 Investments in subsidiaries

	Investments in subsidiary undertakings $000	Loans to subsidiary undertakings $000	Total $000
At 1 January 2014	874	65,022	65,896
Movements during the year	1,936	210	2,146
At 31 December 2014	**2,810**	**65,232**	**68,042**
Movements during the year	**-**	**(451)**	**(451)**
At 31 December 2015	**2,810**	**64,781**	**67,591**

	2015 $000	2014 $000
Net carrying amount		
At 31 December	**67,591**	68,042

Loans to subsidiary companies do not have fixed repayment terms and are repayable on demand. In practice they are effectively long term in nature and therefore classified with investments in subsidiaries.

The holding of preference shares in a subsidiary of $6.146m was due for full redemption in January 2012. On 15 January 2014, the shareholders of the subsidiary at EGM voted in favour of a capital reduction of its preference shares to enable partial redemption. A court order was obtained on 5 June 2014 allowing the partial redemption of $4.210m as proposed by the shareholders. The balance preference shares of $1.936m were extended to year 2017 with the terms and conditions remain unchanged.

The following subsidiary undertakings are directly held by the Company.

Directly held	**Proportion of voting rights and shares held**	**Nature of business**
Anglo-Indonesian Oil Palms Limited	100%	Investment holding
Indopalm Services Limited	100%	Management service
Anglo-Eastern Plantations (M) Sdn Bhd	55%	Plantation agriculture
Anglo-Eastern Plantations Management Sdn Bhd	100%	Management service

3 Investments in subsidiaries - continued

The following were subsidiaries undertakings at the end of the year of AEP Plc and have been included in the consolidated financial statements.

Indirectly held	**Proportion of voting rights and shares held**	**Nature of business**
PT Alno Agro Utama	90%	Plantation agriculture
PT Anak Tasik	100%	Plantation agriculture
PT Bangka Malindo Lestari	95%	Plantation agriculture
PT Bina Pitri Jaya	80%	Plantation agriculture
PT Cahaya Pelita Andhika	90%	Plantation agriculture
PT Empat Lawang Agro Perkasa	95%	Plantation agriculture
PT Hijau Pryan Perdana	80%	Plantation agriculture
PT Kahayan Agro Plantation	95%	Plantation agriculture
PT Karya Kencana Sentosa Tiga	95%	Plantation agriculture
PT Mitra Puding Mas	90%	Plantation agriculture
PT Musam Utjing	75%	Plantation agriculture
PT Riau Agrindo Agung	95%	Plantation agriculture
PT Sawit Graha Manunggal	82%	Plantation agriculture
PT Simpang Ampat	100%	Plantation agriculture
PT Tasik Raja	80%	Plantation agriculture
PT United Kingdom Indonesia Plantations	75%	Plantation agriculture
PT Anglo-Eastern Plantations Management Indonesia	100%	Management service
The Ampat (Sumatra) Rubber Estate (1913) Limited	100%	Investment holding
Gadek Indonesia (1975) Limited	100%	Investment holding
Mergeset (1980) Limited	100%	Investment holding
Musam Indonesia Limited	100%	Investment holding

4 Debtors

	2015	2014
	$000	$000
Amounts owed by group undertakings:		
Anglo-Eastern Plantations Management Sdn Bhd	**1,930**	4,183
Anglo-Eastern Plantations (M) Sdn Bhd	**305**	374
	2,235	4,557
Other debtors	**17**	22
	2,252	4,579

The amounts owed by group undertakings arise as a result of advances to subsidiary companies and expenses paid on their behalf. The amounts are unsecured, interest free and do not have fixed repayment terms.

5 Creditors: amounts falling due within one year

	2015	2014
	$000	$000
Amounts owed to group undertakings		
Mergeset (1980) Limited	**2,163**	1,857
Musam Indonesia Limited	**246**	142
PT Musam Utjing	**121**	121
PT Tasik Raja	**230**	455
	2,760	2,575
Accruals	**1,236**	1,399
	3,996	3,974

The amounts owed to group undertakings arise as a result of advances from subsidiary companies and expenses paid on our behalf. The amounts are unsecured, interest free and do not have fixed repayment terms.

6 Share capital and treasury shares

	Authorised Number	Issued and fully paid Number	Authorised £000	Issued and fully paid £000	Authorised $000	Issued and fully paid $000
Ordinary shares of 25p each						
Beginning and end of year	**60,000,000**	**39,976,272**	**15,000**	**9,994**	**23,865**	**15,504**

Treasury shares:	**2015 Number**	2014 Number	**Cost 2015 $'000**	Cost 2014 $'000
Beginning of year	**339,900**	339,900	**(1,171)**	(1,171)
Share options exercised	**-**	-	**-**	-
End of year	**339,900**	339,900	**(1,171)**	(1,171)

Market value of treasury shares:	$'000
Beginning of year (555.0p/share)	2,942
End of year (531.0p/share)	**2,675**

7 Related party transactions

During the year the Company engaged UHY Hacker Young, an accounting firm of which Dato' John Lim Ewe Chuan is a partner, to provide company secretarial and taxation services for a fee of $28,978 (2014: $23,548). This contract is on an arm's length basis. The balance outstanding at year end was $3,057 (2014: $3,483).

An office premises lease agreement was entered with Infra Sari Sdn Bhd, a company controlled by Madam Lim Siew Kim. The rental paid during the year was $227,318 (2014: $235,863). There was no balance outstanding at year end (2014: Nil).

Transactions between the Company and its subsidiaries are disclosed below:

Nature of transactions	Name	**2015 $000**	2014 $000
Management fees from	Anglo-Eastern Plantations Malaysia Sdn Bhd	**57**	69
Corporate guarantee fees from	PT Hijau Pryan Perdana	**50**	50
Corporate guarantee fees from	PT Sawit Graha Manunggal	**175**	175
Receivable from	Subsidiaries (note 4)	**2,235**	4,557
Payable to	Subsidiaries (note 5)	**2,760**	2,575

The details of the intercompany receivables and payables are disclosed in note 4 and note 5 of the Company financial statements respectively.

8 Employees' and Directors' remuneration

	2015 Number	2014 Number
Average numbers employed during the year		
- directors	**4**	4
- staff	**-**	-
	4	4

	2015 $000	2014 $000
Staff costs		
Wages and salaries	**-**	-
Social security costs	**-**	-
	-	-

The information required by the Companies Act and the Listing Rules of the Financial Conduct Authority is contained in the Directors' remuneration report on pages 47 - 51 of which certain information on pages 50 - 51 has been audited.

	2015 $000	2014 $000
Directors' emoluments	**240**	248

Notes to the Company Financial Statements

9 Dividends

	2015 $000	2014 $000
Paid during the year		
Final dividend of 3.0p per ordinary share for the year ended 31 December 2014 (2013: 3.0p)	**1,869**	1,998
Proposed final dividend of 1.75p per ordinary share for the year ended 31 December 2015 (2014: 3.0p)	**1,028**	1,854

The proposed dividend for 2015 is subject to shareholder approval at the forthcoming annual general meeting and has not been included as a liability in these financial statements.

10 Guarantees and other financial commitments

The Company has provided guarantees for loans to subsidiaries totalling $45,000,000 (2014: $45,000,000) as set out in note 14 of the consolidated financial statements.

11 First time adoption of FRS 101 Reduced Disclosure Framework

This is the first time that the Company has adopted FRS 101 having previously applied applicable UK Accounting Standards. The date of transition to FRS 101 was 1 January 2015. In applying FRS 101 for the first time the Company has elected to retain the cost of investment in subsidiary undertakings at their carrying amounts under applicable UK Accounting Standards.

There is no effect on the Company's equity and total comprehensive income of applying FRS 101 for the first time.

Notice of Annual General Meeting

Notice is hereby given that the thirty-first Annual General Meeting of Anglo-Eastern Plantations Plc will be held at the offices of UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London E1W 1YW on Monday 27 June 2016 at 11.00 a.m. for the following purposes:

1 To receive and consider the accounts and the reports of the directors and auditors thereon for the year ended 31 December 2015.

2 To approve the Directors' Remuneration Report as set out in the Company's annual report and accounts for the year ended 31 December 2015.

3 To declare a final dividend.

4 To re-elect Madam Lim Siew Kim, a Non-Executive Director, who has served more than nine years.

5 To re-elect Jonathan Law Ngee Song as a director.

6 To re-elect Dato' John Lim Ewe Chuan as a director.

7 To re-elect Lim Tian Huat as a director.

8 To re-appoint BDO LLP as auditors.

9 To authorise the directors to fix the remuneration of the auditors.

10 To consider the following resolution as a special resolution:

That the directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006, in substitution for all existing authorities to the extent unused, to exercise all the powers of the Company to allot:

(i) shares in the Company up to an aggregate nominal amount of £3,303,031 (representing 13,212,124 ordinary shares of 25p each) which is equal to one third of the issued ordinary share capital (excluding treasury shares) at the date of this resolution: and in addition

(ii) equity securities of the Company (within the meaning of section 560(1) of the Companies Act 2006) in connection with an offer of such securities by way of a rights issue up to an aggregate nominal amount of £3,303,031

provided that this authority shall expire on the date of the next annual general meeting after the passing of this resolution or 30 June 2017 whichever is earlier save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

"rights issue" means an offer of equity securities open for acceptance for a period fixed by the directors to holders of equity securities (other than the Company) on the register on a fixed record date in proportion to their respective holdings of such securities or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory).

11 To consider the following resolution as a special resolution:

That subject to and conditional on the passing of Resolution 10, the directors be empowered pursuant to section 570 of the Companies Act 2006) to allot equity securities (within the meaning of section 560 of that Act) for cash pursuant to the authority conferred by Resolution 10 and/or by way of sale of treasury shares as if section 561(1) of that Act did not apply to any such allotment or sale, provided that this authorisation shall be limited to:

(i) the allotment of equity securities and sale of treasury shares for cash in connection with an offer or issue of, or invitation to apply for, equity securities made to (but in the case of the authority granted under paragraph (ii) of Resolution 10 by way of a rights issue only);

(a) ordinary shareholders in proportion (as nearly may be practicable) to their existing holdings: and

(b) holders of other equity securities, as required by the rights of those securities, or as the directors otherwise consider necessary,

and permitting the directors to impose any limited or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlement, record dates, legal regulatory or practical problems in, or under, the laws of any territory, or any other matter; and

(ii) in the case of the authority granted under paragraph (i) of Resolution 10 and/or the sale of treasury shares for cash, to the allotment of equity shares or sale of treasury shares up to an aggregate nominal amount of £495,454.
Such power shall apply during the period expiring on the date of the next annual general meeting or on 30 June 2017 (whichever shall be earlier) but the directors may during such periods make offers or agreements which would or might require equity securities to be allotted (and treasury shares to be sold) after the expiry of such period.

12 To consider the following as a special resolution:

That the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of 25p each in the capital of the Company on such terms as the directors think fit, provided that:

(a) the maximum number of ordinary shares hereby authorised to be purchased is 3,963,637 (representing 10% of the issued ordinary share capital);

(b) the minimum price (exclusive of expenses) which may be paid for each ordinary share is 25p;

(c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of:

(i) an amount equal to 105% of the average of the middle market quotations for such share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date of purchase; and

(ii) the price of the last independent trade and the highest current independent bid on the London Stock Exchange; and

(d) the authority hereby conferred shall expire on 30 June 2017 or, if earlier, at the conclusion of the next annual general meeting of the Company save that the Company may before the expiry of this authority make a contract of purchase which will or may be executed wholly or partly after such expiry and may make a purchase of shares pursuant to any such contract.

13 To consider and if thought fit to pass the following resolution as a special resolution:

That a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board
CETC (Nominees) Limited
Company Secretary
26 May 2016

Notice of Annual General Meeting

Notes:

1. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders on the register of members of the Company on 23 June 2016 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the register of members after 23 June 2016 or, if the meeting is adjourned, in the register of members at 6.00 p.m. on the date which is two days before the day of the adjourned meeting shall be disregarded in determining the rights of any person to attend and vote at the meeting.

2. As at 26 May 2016 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital comprised 39,976,272 Ordinary Shares of 25p each. Each share carries one vote except 339,900 shares held as treasury shares and therefore the total number of voting rights in the Company as at 9.00 am on 26 May 2016 is 39,636,372.

3. A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak and vote at the meeting. Where more than one proxy is appointed in relation to the meeting, each proxy must be appointed to exercise rights attaching to a different share or shares. You may not appoint more than one proxy to exercise rights attached to any one share. A proxy need not be a member of the Company.

4. The instrument appointing a proxy must be deposited at the office of the registrars not less than forty-eight hours before the time appointed for holding the meeting (or any adjournment thereof).

5. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the annual general meeting to be held on 27 June 2016 and any adjournment thereof by using the procedures described in the CREST Manual on the Euroclear website (www.euroclear.com/CREST). CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy must be transmitted so as to be received by Capita Registrars [CREST ID: RA10] by 11.00 a.m. on 23 June 2016. It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

7. You may submit your proxy electronically using The Share Portal service at www.capitashareportal.com. If not already registered for The Share Portal you will need your Investor Code which can be found on your share certificate.

8. The statement of the rights of shareholders in relation to the appointment of proxies does not apply to a person who receives this notice of general meeting as a person nominated to enjoy "information rights" under section 146 of the Companies Act 2006. If you have been sent this notice of meeting because you are such a nominated person the following statements apply: (i) you may have a right under an agreement between you and the registered shareholder by whom you were nominated to be appointed (or to have someone else appointed) as a proxy for this general meeting and (ii) if you have no such a right, or do not wish to exercise it, you may have a right under such an agreement to give instructions to that registered shareholder as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

9. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

10. Members satisfying the requirements of section 527 of the Companies Act 2006 may require the Company to publish on a website a statement by them (at the Company's cost) relating to the audit of the Company's accounts which are being laid before this meeting (including the auditor's report and the conduct of the audit) or, where applicable, any circumstances connected with an auditor of the Company ceasing to hold office since the previous general meeting at which accounts were laid. Should such a statement be received, it will be published on the Company's website at www.angloeastern.co.uk. In those circumstances the Company would be under an obligation to forward a copy of the statement to the auditors forthwith and the statement would form part of the business which may be dealt with at this meeting.

11. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such questions relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation of the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Notice of Annual General Meeting

12. The following documents are available for inspection by members at the registered office of the Company during normal business hours (except Bank Holidays) and at the place of the meeting not less than 15 minutes prior to and during the meeting:

    (a) a copy of the Executive Director's service agreement;
    (b) copies of Non-Executive Directors' letters of appointment;
    (c) relationship agreement with the majority shareholder; and
    (d) a copy of the Company's Articles of Association.

13. A copy of this notice and the other information required by section 311A of the Companies Act 2006 can be found at www.angloeastern.co.uk.

14. If you are in any doubt as to any aspect of Resolutions 10 to 13 or as to the action you should take, you should immediately take your own advice from a stockbroker, solicitor, accountant or other independent financial advisor authorised under the Financial Services and Markets Act 2000. The Board believes that these Resolutions are in the best interests of the Company and shareholders as a whole.

15. If you have sold or otherwise transferred all your shares in the Company, please hand this document and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of existing shares please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

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