PLEASS BEVERAGES EQUIPMENT LTD.

FOOD, BEVERAGE EQUIPMENT

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9/04/2009

Pleass Beverages Announces Audited 2008 Financial Results

Pleass Beverage Equipment Ltd [trading as Pleass Beverage Packaging Ltd (PBP)] has announced its audited financial results for the financial year ended 31 December 2008.

The company recorded a net profit after tax (NPAT) of $398,584, a 47% increase on 2007 NPAT (2007: $271,013). This result was generated on the back of a 20% growth in revenue, with sales revenue for the year coming in at $4,837,424 (2007: $4,045,905).

Reflecting on the year, Founder and Executive Chairman, Warwick Pleass, said the results were very encouraging considering the tough business environment in which PBP operated throughout the year.

“Our water segment was able to generate 37% sales growth. Water currently makes up about 38% of our business and is our fastest growing segment. This growth has underlined our confidence in the future of water to our business.

“Packaging, our other segment, had a tough year especially in the second half. The decline in tourism and general consumer spending showed through in weaker than expected sales. Nevertheless packaging still grew 11% over the year”.

However, Pleass said that despite the strong growth in profitability, the company was very disappointed that it missed its profit targets for the year, as stated in its prospectus for the IPO and listing. The PBP IPO which opened in late 2008 raised $0.9m. This was followed by a listing on the SPSE in February 2009.

“We had projected a $477,229 NPAT figure. However our projections had been based partly on erroneous monthly data stemming from glitches in our accounting software. This related to the treatment of inventory in our books which understated cost of goods sold in some months and which ultimately affected profits. In addition, a tougher than expected fourth quarter, particularly in packaging did not help” he said.

Nevertheless Pleass said PBP was well placed to make it up to its investors.

“We have since made modifications to our accounting software and processes and are confident that this issue has been resolved. We are also in the process of appointing a specialist cost and management accountant and are implementing a programme of cost rationalisation and efficiency gains throughout the company.

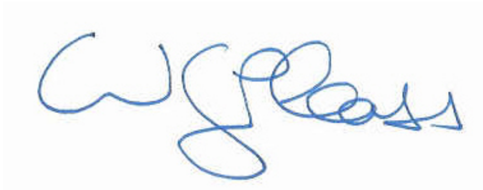
“In addition, the board of directors will be recommending to the Annual General Meeting later this year that a dividend of 3 cents per share be paid for 2008. This would see the company achieving its projected dividend payment as stated in the prospectus.

Looking ahead Pleass said the current financial year would be a tough one, not just for PBP but for business in general. However he said PBP remained cautiously optimistic.

“We recognise that many companies today face losses thanks to a difficult economic and political environment so in this context we remain in very good shape. We continue to develop plans for our new water processing plant and mixed-use development project in Namosi which will take the company to a new level. We have in fact now settled on the land identified for this purpose, totalling over 424 acres. Once details of this project are developed we will be announcing them to the market” he said.

On the SPSE PBP last traded at 94 cents a share, up 4 cents from the IPO and initial listing price.

Yours sincerely,



Warwick Pleass
<u>**Chairman, Managing Director**</u>

PLEASS BEVERAGE EQUIPMENT LIMITED

Financial Statements

Year Ended 31 December 2008

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In accordance with the resolution of the Directors, the Directors herewith submit the balance sheet of the company as at 31 December 2008, the related Income Statement, Statement of Cash Flows and Statement of Changes in Equity for the year ended on that date and report as follows.

DIRECTORS

The directors of the company at any time during the financial year and up to the date of this report are Warwick Pleass, Catherine Pleass and Griffon Emose.

PRINCIPAL ACTIVITY

The principal business activity of the company is trading in non-alcoholic beverages and wholesaling packaging materials and there has been no significant change in this activity during the year.

RESULTS

The operating profit for the year was $398,584 (2007: $271,013) after providing $182,585 (2007: $98,945) for income tax expense.

DIVIDENDS

No dividends were declared during the year (2007: $13,000).

RESERVES

The directors recommend that no transfer be made to reserves within the meaning of the Seventh Schedule of the Companies Act, 1983.

BAD AND DOUBTFUL DEBTS

Prior to the completion of the company's financial statements, the directors took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and the provision for doubtful debts. In the opinion of the directors, adequate provision has been made for doubtful debts.

As at the date of this report, the directors are not aware of any circumstances, which would render the amount written off for bad debts, or the provision for doubtful debts in the company inadequate to any substantial extent.

NON CURRENT ASSETS

Prior to the completion of the financial statements of the company, the directors took reasonable steps to ascertain whether any non current assets were unlikely to be realised in the ordinary course of business as compared to their values as shown in the accounting records of the company. Where necessary, these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the directors are not aware of any circumstances, which would render the values attributed to non current assets in the company's financial statements misleading.

UNUSUAL TRANSACTIONS

Apart from these matters and other matters specifically referred to in the financial statements, in the opinion of the directors, the results of the operations of the company during the year were not substantially affected by any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the company in the current financial year, other than those reflected in the financial statements.

EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to year-end, the company completed an Initial Public Offer of 1,000,000 shares at 20c issued at a premium of 70c per share and was subsequently listed on the South Pacific Stock Exchange in Suva on 4 February 2009. The directors also approved a dividend of 3 cents per share for the year ended 31 December 2008.

OTHER CIRCUMSTANCES

As at the date of this report:

(i) no charge on the assets of the company has been given since the end of the financial year to secure liabilities of any other person;

(ii) no contingent liabilities have arisen since the end of the financial year for which the company could become liable; and

(iii) no contingent liabilities or other liabilities of the company has become or is likely to become enforceable within the year of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the company to meet its obligations as and when they fall due.

As at the date of this report, the directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the company's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the company misleading or inappropriate.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements or received as the fixed salary of a full-time employee of the company or of a related corporation) by reason of contract made by the company or by a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial

Signed on behalf of the board of directors in accordance with a resolution of the directors this
9th day of April 2009.

Director: .... Director: ....

PLEASS BEVERAGE EQUIPMENT LIMITED

STATEMENT BY DIRECTORS

YEAR ENDED 31 DECEMBER 2008

In accordance with a resolution of the directors of Pleass Beverage Equipment Limited, we state that in the opinion of the directors:

(i) the accompanying income statement of the company is drawn up so as to give a true and fair view of the results of the company for the year ended 31 December 2008;

(ii) the accompanying balance sheet of the company is drawn up so as to give a true and fair view of the state of affairs of the company as at 31 December 2008;

(iii) the accompanying statement of changes in equity of the company is drawn up so as to give a true and fair view of the changes in equity of the company for the year ended 31 December 2008;

(iv) the accompanying cash flow statement of the company is drawn up so as to give a true and fair view of the cash flows of the company for the year ended 31 December 2008;

(v) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due; and

(vi) all related party transactions have been adequately recorded in the books of the company.

Signed on behalf of the board of directors in accordance with a resolution of the directors this 9th day of April 2009.

Director: ....

Director: ....

ERNST & YOUNG

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INDEPENDENT AUDIT REPORT

To the members of Pleass Beverage Equipment Limited

Scope

We have audited the Financial Statements of Pleass Beverage Equipment Limited for the year ended 31 December 2008 as set out on pages 6 to 30. The company's directors are responsible for the preparation and presentation of the Financial Statements and the information they contain. We have conducted an independent audit of these Financial Statements in order to express an opinion on them to the members of the company.

Our audit has been conducted in accordance with the International Standards on Auditing to provide reasonable assurance as to whether the Financial Statements are free of material misstatement. Our procedures included examination on a test basis of evidence supporting the amounts and other disclosures in the Financial Statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether in all material respects, the Financial Statements are presented fairly in accordance with International Financial Reporting Standards and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, changes in equity, the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion,

a) proper books of account have been kept by the company, so far as it appears from our examination of those books, and

b) the accompanying Financial Statements which have been prepared in accordance with International Financial Reporting Standards:

   i) are in agreement with the books of account;

   ii) to the best of our information and according to the explanations given to us:

      a) give a true and fair view of the state of affairs of the company as at 31 December 2008 and of the results, changes in equity and cash flows of the company for the year ended on that date; and

      b) give the information required by the Companies Act 1983 in the manner so required.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Ernst and Young

Suva, Fiji
9 April 2009

Ernst & Young
Chartered Accountants

PLEASS BEVERAGE EQUIPMENT LIMITED

INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2008

	Notes	2008 $	2007 $
Operating revenue	2	4,837,424	4,045,905
Cost of sales		(2,476,124)	(1,992,572)
Gross Profit		2,361,300	2,053,333
Other revenue	3	66,326	121,270
		2,427,626	2,174,603
Depreciation and amortisation expense		(223,059)	(195,958)
Salaries and employee benefits	3	(932,428)	(784,991)
Other operating expenses	3	(680,046)	(810,910)
		(1,835,533)	(1,791,859)
Finance costs	3	(10,924)	(12,786)
Profit before tax		581,169	369,958
Income tax expense	4	(182,585)	(98,945)
Net Profit for the year		398,584	271,013
Earnings per share			
Basic earnings per share	5	$ 0.08	$ 2.08

The Income Statement is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 30.

PLEASS BEVERAGE EQUIPMENT LIMITED

BALANCE SHEET

AT 31 December 2008

	Notes	2008 $	2007 $
CURRENT ASSETS			
Cash on hand and at bank	15	6,690	51,344
Trade receivables	7	796,831	773,591
Inventories	8	1,301,834	1,036,124
Other receivables	9	43,950	26,777
TOTAL CURRENT ASSETS		2,149,305	1,887,836
NON-CURRENT ASSETS			
Deferred tax asset	4	23,350	17,403
Intangible assets	11	4,422	17,023
Property, plant and equipment	10	928,245	766,893
TOTAL NON-CURRENT ASSETS		956,017	801,319
TOTAL ASSETS		3,105,322	2,689,155
CURRENT LIABILITIES			
Provisions	14	191,095	85,386
Interest bearing borrowings	13	105,005	100,127
Trade and other payables	12	758,427	756,240
TOTAL CURRENT LIABILITIES		1,054,527	941,753
NON-CURRENT LIABILITIES			
Deferred tax liability	4	27,775	25,346
Amount owing to related parties	17	-	97,620
TOTAL NON-CURRENT LIABILITIES		27,775	122,966
TOTAL LIABILITIES		1,082,302	1,064,719
NET ASSETS		2,023,020	1,624,436
SHAREHOLDERS' EQUITY			
Issued capital	16	1,000,000	130,000
Retained earnings		1,023,020	1,494,436
TOTAL SHAREHOLDERS' EQUITY		2,023,020	1,624,436

The Balance Sheet is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 30.

Signed on behalf of the board of directors

Director: C J Pleass

Director: ....

	Notes	2008 $	2007 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		4,893,795	4,121,900
Payments to suppliers and employees		(4,455,872)	(3,515,875)
Interest paid		(10,924)	(12,786)
Income taxes paid		(104,721)	(247,496)
Net Cash Flows from Operating Activities	18(i)	322,278	345,743
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(371,810)	(300,816)
Net Cash Flows (used in) Investing Activities		(371,810)	(300,816)
Net (decrease)/increase in cash held		(49,532)	44,927
Bank overdraft at beginning of the year		(48,783)	(93,710)
Net bank overdraft at the end of the year	15	(98,315)	(48,783)

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 30.

PLEASS BEVERAGE EQUIPMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2008

	Notes	Issued Capital	Retained Earnings	Total
		$	$	$
As at 1 January 2008		130,000	1,494,436	1,624,436
Profit for the year		-	398,584	398,584
Issue of bonus shares		870,000	(870,000)	-
Equity dividends paid		-	-	-
At 31 December 2008		1,000,000	1,023,020	2,023,020
As at 1 January 2007		130,000	1,236,423	1,366,423
Effect of change in accounting policy	27	-	-	-
Opening balances as restated under IFRS adoption		130,000	1,236,423	1,366,423
Profit for the year		-	271,013	271,013
Equity dividends paid		-	(13,000)	(13,000)
At 31 December 2007		130,000	1,494,436	1,624,436

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 30.

1. Corporate Information

The financial statements of Pleass Beverage Equipment Limited ("the Company") for the year ended 31 December 2008 were authorised for issue in accordance with a resolution of the directors on 6 April 2009. Pleass Beverage Equipment Limited is a limited liability company incorporated and domiciled in the Republic of the Fiji Islands.

The principal activities of the company are described in Note 23.

1.2 Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the historical cost accounting and do not take into account changing money values or current valuations of non-current assets unless otherwise stated.

Statement of compliance

The financial statements of Pleass Beverage Equipment Limited have been prepared in accordance with International Financial Reporting Standards ("IFRS").

1.3 Changes in accounting policy and disclosures

For all periods up to and including the year ended 31 December 2007, the company prepared its financial statements in accordance with Fiji Accounting Standards. These financial statements, for the year ended 31 December 2008, are the first the company has prepared in accordance with IFRS.

Accordingly, the company has prepared financial statements which comply with IFRS applicable for periods beginning on or after 1 January 2007 as described in the accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 January 2007, the company's date of transition to IFRS. This note explains the principal adjustments made by the company in restating its Fiji Accounting Standards balance sheet at 1 January 2007 and its previously published Fiji Accounting Standards financial statements for the year ended 31 December 2007.

Adoption of these standards did not have any effect on the performance or position of the company. They did however give rise to additional disclosures, including in some cases, revisions to accounting policies.

Exemptions applied

IFRS 1 First -Time Adoption of International Financial Reporting Standards allows first-time adopters certain exemptions from the general requirement to apply IFRS as effective for December 2008 year ends retrospectively. The company has elected not to apply any of the exemptions available on first time adoption.

Other changes

Changes to accounting policies as a result of the adoption of IFRS are:

- *IAS 1* *Presentation of Financial Statements*
- *IFRS 7* *Financial Instruments: Disclosures*
- *IAS 12* *Income Taxes*
- *IAS 16* *Property, plant and equipment*
- *IAS 24* *Related Party Disclosures*
- *IAS 39* *Financial Instruments: Recognition and measurement*

The impact of the change in accounting policies is nil. However, there were additional disclosures required and the format of presentation of the financial statements has been amended to comply with IFRS requirements.

1.3 Changes in accounting policy and disclosures (Continued)

IFRS 7 Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the company's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial instruments. While there has been no effect on the financial position or results, comparative information has been revised where needed.

IAS 1 Presentation of Financial Statements

This standard requires the company to make new disclosures to enable users of the financial statements to evaluate the company's objectives, policies and processes for managing capital. These new disclosures are shown in Note 19.

IAS 12 Income Taxes

Deferred tax assets and liabilities are recognised and measured using the balance sheet approach replacing the "income approach" in previous years. The balance sheet approach recognises deferred tax balances when there is a difference between the carrying value of an asset or liability and its value in a tax based balance sheet. Carried forward tax losses are recognised as a future tax asset if recovery is probable. Probability replaces the 'virtual certainty' test contained in the previous policy. The tax value of assets and liabilities are determined based on tax rules applicable in Fiji.

IAS 16 Property, Plant and Equipment

Software costs which does not form an integral part of the hardware is expensed in the year of acquisition.

IAS 24 Related Party Disclosures

The standard requires that the company's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and income statement may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. The new disclosure included the requirement to disclose the compensation paid to the key management personnel. This is reflected in Note 17.

IAS 39 Financial Instruments: Recognition and measurement

The objective of this Standard is to establish principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. Requirements for presenting and disclosing information about financial instruments are set out in *IFRS 7 Financial Instruments: Disclosures* .

The adoption of IFRS also gave rise to additional disclosures and changes in presentation. A reconciliation of the impact of IFRS on the company is outlined in Note 27.

1.4 Significant accounting judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

1.4 Significant accounting judgements, estimates and assumptions (continued)

Judgements

In the process of applying the company's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments

The company has entered in commercial property leases. The company has determined based on an evaluation of the terms and conditions of the arrangements, that it does not retain all the significant risks and rewards of ownership of the property and so accounts for the contracts as operating leases.

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustments to the carrying amount of assets and liabilities within the next financial year are discussed below:

Impairment of non financial assets

The company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely and level of future taxable profits together with future tax planning strategies. Further details are contained in Note 4.

1.5 Summary of significant accounting policies

a) Foreign currencies

The financial statements are presented in Fiji dollars, which is the company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates when the fair value is determined.

Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined.

b) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs includes the cost of replacing part of the plant and equipment when that cost in incurred, if the recognition criteria is met . Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in income statement as incurred.

1.5 Summary of significant accounting policies (Continued)

b) Property, plant and equipment (continued)

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

Building	1.25% - 12%
Plant and equipment	7% -24 %
Motor vehicles	10% - 18%
Office equipment, furniture and fittings	7% - 24%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

c) Impairment of non financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds it recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate value model is used.

For assets an assignment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the income statement.

d) Investments and other financial assets

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The company determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognised on the trade date that the company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

1.5 Summary of significant accounting policies - (Continued)

d) Investments and other financial assets (Continued)

Receivables

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables are initially recognised at original invoice (inclusive of VAT where applicable). After initial measurement loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in the income statement when the receivables are derecognised or impaired, as well as through the amortisation process. Bad debts are written-off as incurred.

Amortised cost

Loans and receivables are measured at amortised cost. This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Impairment of financial assets carried at amortised cost

The company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the income statement.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

e) Inventories

Inventories, comprising of finished goods, are valued at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes an appropriate proportion of fixed and variable production costs where relevant raw materials comprise of invoice plus customs duty and other relevant costs to bring inventory to store. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

g) Employee entitlements

Provisions are made for wages and salaries, incentive payments and annual leave estimated to be payable to employees at balance date on the basis of statutory and contractual requirements.

1.5 Summary of significant accounting policies - (Continued)

h) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Where the company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when reimbursement is virtually certain. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

i) Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Company as a lessee

Finance leases, which transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

Company as a lessor

Leases where the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

j) Taxes

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

1.5 Summary of significant accounting policies - (Continued)

j) Taxes (Continued)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that it is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes related to the same taxable entity and the same taxation authority.

Sales Tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax recognised as part of the acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of sales tax included.

The net amount of sales taxes recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

k) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the entity. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial year.

l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

1.5 Summary of significant accounting policies - (Continued)

l) Revenue recognition (Continued)

Sale of goods

Sales revenue represents revenue earned from the sale of the company's products and is stated net of returns, trade allowances and Value Added Tax.

m) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current year.

n) Earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to shareholders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

o) Segment information

The company operates predominately in trading non-alcoholic beverages and wholesaling packaging materials.

(a) Industry segment

The company's major business segments are wholesaling packaging materials, trading non-alcoholic beverages and beverage equipment.

(b) Geographical segment

The company operates predominantly in Fiji and is therefore one geographical area for reporting purposes.

p) Dividends

Dividends are recorded in the company's financial statements in the period in which the directors approve them.

2. SEGMENT INFORMATION

The company's major business segments are wholesaling packaging materials and trading non-alcoholic beverages. While the business segments are distinct, the business is not organised or managed separately according to the nature of the products and services provided. The company operates predominantly in Fiji.

The following presents revenue and profit information for each business segment.

		2008	2007
Revenue		$	$
Packaging		3,008,673	2,713,825
Water		1,828,751	1,332,080
		4,837,424	4,045,905
Result			
Segment results -	Packaging	1,133,424	985,600
	Water	1,227,876	1,067,733
	Other	66,326	121,270
Unallocated expenses		(1,835,533)	(1,791,859)
Profit from operating activities		592,093	382,744
Finance costs		(10,924)	(12,786)
Income tax expense		(182,585)	(98,945)
Net profit after tax		398,584	271,013
Segment fixed assets			
Water segment fixed assets		228,122	147,641
Unallocated fixed assets		700,123	619,252
Total fixed assets		928,245	766,893

3. REVENUES AND EXPENSES

(a) Other revenue, other operating expenses and finance costs include the following for the year ended 31 December:

	$	$
Other revenue		
Debt forgiven	-	102,759
Interest income	-	7,693
Miscellaneous income	66,326	10,818
	66,326	121,270
Included in other operating expenses are:		
Auditor's remuneration	5,775	5,250
Director's emoluments	167,567	163,000
Bad and doubtful debts	(3,688)	9,597
Legal fees	68	1,020
Listing expenses	18,500	-
Loss on disposal of fixed assets	-	5,116
Operating lease rentals	146,819	137,139
Subscriptions	14,485	3,463
Other operating expenses	330,520	480,238
	680,046	810,910

3. REVENUES AND EXPENSES (Continued)

	2008	2007
Staff costs	$	$
Wages and salaries	766,934	665,189
Contribution to superannuation funds	90,691	53,664
TPAF and staff training	14,495	24,958
Staff allowances and other benefits	35,981	32,701
Provision for employee entitlements	24,327	8,479
	932,428	784,991
Finance costs	$	$
Interest charges	10,924	12,786

4. INCOME TAX EXPENSE

The amount of income tax attributable to the final year differed from the prima facie amount payable on the operating profit. The difference is reconciled as follows:

	2008	2007
Operating profit before income tax	581,169	369,958
Prima facie income tax expense calculated at 31% on the operating profit	180,162	114,687
Tax effect of non-deductible items	(6,294)	(30,902)
Under provision in prior year	9,022	15,160
Effect of change in tax rate from 31% to 29%	(305)	-
INCOME TAX attributable to operating profit	182,585	98,945
Income statement		
Current income tax charge	188,443	85,063
Origination and reversal of temporary differences	(14,880)	(1,278)
Adjustments in respect of previous year	9,022	15,160
	182,585	98,945

Deferred income tax
Deferred tax asset/liability at 31 December relates to the following:

	2008	2007
Provision for doubtful debts	1,071	5,263
Provision for stock obsolescence	3,530	3,773
Provision for employee entitlements	18,749	12,501
Accelerated depreciation for tax purposes	(27,775)	(29,480)
	(4,425)	(7,943)

Represented on the balance sheet as:

	2008	2007
Deferred tax asset	23,350	17,403
Deferred tax liability	(27,775)	(25,346)
	(4,425)	(7,943)

5. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2008	2007
	$	$
Net profit after tax	398,584	271,013
Number of ordinary shares outstanding	5,000,000	130,000
Basic earnings per share ($)	0.08	2.08

During the year, the company issued 870,000 bonus shares to shareholders. The shares on issue were then split at a ratio of 5:1 increasing the number of shares on issue to 5 million ordinary shares at 20c each.

6. DIVIDENDS PAID OR PROPOSED

	$	$
Equity dividends on ordinary shares declared and/or paid in the year:	180,000	13,000

7. TRADE RECEIVABLES

	$	$
Trade receivables	800,525	790,570
Provision for doubtful debts	(3,694)	(16,979)
	796,831	773,591

Trade and other receivables are non-interest bearing and are generally 30 - 90 day terms. As at 31 December 2008, trade receivables at nominal value of $3,694(2007: $16,979) were impaired and fully provided for.

Movement in the provision for impairment of receivables were as follows:

As at 1 January	16,979	7,382
Charge for the year	-	9,597
Utilised	(9,597)	-
Unused amount reversed	(3,688)	-
As at 31 December	3,694	16,979

At 31 December, the ageing analysis of trade receivables is as follows:

Year	Total	< 30 days	*Past due but not impaired* 30 - 60 days	60 - 90 days	90+ days
2008	796,831	430,124	195,282	48,976	122,449
2007	773,591	367,701	300,407	102,703	2,780

8. INVENTORIES

	$	$
Finished goods	1,184,617	914,707
Goods in transit	97,814	99,393
Raw materials and consumables	31,575	34,196
	1,314,006	1,048,296
Less Provision for obsolescence	(12,172)	(12,172)
Total inventories at the lower of the cost and net realisable value	1,301,834	1,036,124

During the year, the amount charged to the income statement to write down in inventories is nil (2007: credit $1,229).

		2008	2007
9. OTHER RECEIVABLES		$	$
Deposits		14,248	13,998
Other receivables		4,028	12,779
Owing by related party	(i)	25,674	-
		43,950	26,777

(i) The amount owed by related party is repayable on demand.

10. PROPERTY, PLANT AND EQUIPMENT	$	$
Plant and equipment		
Cost:		
At 1 January	578,197	429,270
Additions	50,139	148,927
Disposals	-	-
At 31 December	628,336	578,197
Depreciation and impairment		
At 1 January	172,389	92,947
Depreciation charge for the year	93,434	79,442
Disposals	-	-
At 31 December	265,823	172,389
Net book value	362,513	405,808
Motor vehicles		
Cost:		
At 1 January	292,506	254,284
Additions	31,111	38,222
Disposals	-	-
At 31 December	323,617	292,506
Depreciation and impairment		
At 1 January	129,056	87,606
Depreciation charge for the year	46,541	41,450
Disposals	-	-
At 31 December	175,597	129,056
Net book value	148,020	163,450
Office equipment, furniture and fittings		
Cost:		
At 1 January	163,920	127,420
Additions	27,886	36,500
Disposals	-	-
At 31 December	191,806	163,920

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

	2008 $	2007 $
<u>Office equipment, furniture and fittings (continued)</u>		
Depreciation and impairment		
At 1 January	113,926	86,317
Depreciation charge for the year	29,090	27,609
Disposals	-	-
At 31 December	143,016	113,926
Net book value	48,790	49,994
<u>Water Coolers</u>		
Cost:		
At 1 January	338,248	271,621
Additions	121,874	66,627
Disposals	-	-
At 31 December	460,122	338,248
Depreciation and impairment		
At 1 January	190,607	143,140
Depreciation charge for the year	41,393	47,467
Disposals	-	-
At 31 December	232,000	190,607
Net book value	228,122	147,641
<u>Work in progress</u>		
Carrying amount at beginning	-	-
Additions	140,800	-
Transfers	-	-
	140,800	-
NET WRITTEN DOWN VALUE	928,245	766,893

11. INTANGIBLE ASSETS

	$	$
Software - at cost	24,079	24,079
Accumulated amortisation	(19,657)	(7,056)
At 31 December	4,422	17,023

12. TRADE AND OTHER PAYABLES

	$	$
Trade payables	244,999	363,488
Refundable deposits	321,394	299,123
Other accruals and payables	192,034	93,629
	758,427	756,240

Terms and conditions of the above financial liabilities:

- Trade payable are non-interest bearing and are normally settled on 60-day terms;
- For terms and conditions relating to related parties, refer to Note 17; and
- Refundable deposits are received from customers renting water coolers. A lifetime usage fee is charged for assets rented with effect from October 2007. This fee is recorded as income on receipt.

13. INTEREST BEARING BORROWINGS

	Maturity	Effective interest rate	2008 $	2007 $
Current				
Bank overdraft	On demand	9%	105,005	100,127

The bank overdraft is secured by an unlimited guarantee by a director/shareholder. Interest is charged at the rate of 9% per annum.

14. PROVISIONS

	Employee entitlements	Income tax	Total
	$	$	$
At 1 January 2008	40,325	45,061	85,386
Arising during the year	45,250	182,585	227,835
Utilised/paid	(20,923)	(101,203)	(122,126)
At 31 December 2008	64,652	126,443	191,095
At 31 December 2007	40,325	45,061	85,386

15. CASH AND CASH EQUIVALENTS

$ $

Cash at bank earns interest at floating rates on daily bank deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	$	$
Cash at bank and on hand	6,690	51,344
Bank overdraft [Note 13]	(105,005)	(100,127)
Net bank overdraft	(98,315)	(48,783)

16. SHARE CAPITAL

	$	$
Authorised Capital		
100,000,000 ordinary shares at $0.20 each (2007: 500,000 shares at $1 each).	20,000,000	500,000
Issued and Paid Up Capital		
5,000,000 ordinary shares at $0.20 each (2007: 130,000 at $1 each).	1,000,000	130,000

PLEASS BEVERAGE EQUIPMENT LIMITED

17. RELATED PARTY TRANSACTIONS

(a) Directors

The names of persons who were directors of Pleass Beverage Equipment Limited at any time during the financial year are Warwick Pleass, Catherine Pleass and Griffon Emose.

(b) Transactions with related parties are as follows:

Transactions with related parties during the year ended 31 December 2008 with approximate transaction value are summarised as follows:

Name	Relationship	Nature of transaction	Value
Warwick Pleass	Director	Managing Director's remuneration	194,200
Kontiki Group	Shareholder	IPO costs	10,000

(c) Amounts receivable/(payable) to related entities at 31 December were:

	2008 $	2007 $
Amount receivable from/(payable) to director	25,674	(97,620)

(d) Compensation of key management personnel	$	$
Short term employee benefits	194,200	172,600
Post employment benefits	10,400	8,800

18. NOTES TO THE STATEMENT OF CASH FLOWS

(i) Reconciliation of operating profit after income tax to the net cash flows from Operating Activities

	$	$
Operating profit after income tax	398,584	271,013
Add/(less) non-cash items:		
Depreciation and amortisation	223,059	206,508
Provision for employee entitlements	24,327	8,479
Provision for stock obsolescence	-	(1,229)
Provision for doubtful debts	(13,285)	9,597
Net cash provided by operating activities before changes in assets and liabilities	632,685	494,368
Changes in assets and liabilities:		
(Increase)/decrease in trade receivables	(9,955)	(54,872)
(Increase)/decrease in inventories	(265,710)	166,595
Decrease / (increase) in other debtors	8,501	(5,210)
Increase/ (decrease) in trade creditors and other accruals	2,187	(13,448)
Increase in deferred tax asset	(5,947)	(5,222)
(Decrease)/ increase in deferred tax liability	2,429	1,586
Increase / (decrease) in income tax payable	81,382	(144,915)
Decrease in amount payable to shareholder	(123,294)	(93,139)
Net cash flows from Operating Activities	322,278	345,743

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Principal financial liabilities comprise bank overdraft and trade payables. The main purpose of these financial liabilities is to raise finance for the company's operations. The company has various financial assets such as trade receivables and cash which arise directly from its operations.

The main risk arising from the company's financial statements are foreign currency risk, interest rate risk, credit risk, and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks.

Credit risk

It is the company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the company.

Liquidity risk

The company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from operations.

The table below summarises the maturity profile of the company's financial liabilities at 31 December 2008 based on contractual undiscounted payments.

	On demand	3-12 months	1-5 years	Total
Year ended 31 December 2008				
Trade and other payables	-	758,427	-	758,427
Bank overdraft	105,005	-	-	105,005
	105,005	758,427	-	863,432
Year ended 31 December 2007				
Trade and other payables	-	756,240	-	756,240
Bank overdraft	100,127	-	-	100,127
	100,127	756,240	-	856,367

Interest rate risk

The company's exposure to the risk of changes in market interest rates relates primarily to the company's bank overdraft facility with floating interest rates. The company's policy is to manage its utilisation of its facility.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance date:

	Increase / decrease in interest rate	Effect on profit before tax
For the year ended 31 December 2008	5%	(4,943)
	-5%	4,943
For the year ended 31 December 2007	5%	(8,604)
	-5%	8,604

Foreign currency risk

The Company has transactional currency exposures. Such exposures arises from purchases by the company in currency other Fijian dollars. The bulk of the purchases are made in AUD, NZD and USD.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital Management

The primary objective of the company's capital management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximise shareholder value.

The company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, polices or processes during the years 31 December 2007 and 31 December 2008.

The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, trade and other payables less cash and cash equivalents. Capital includes equity attributable to equity holders less the net unrealised gains reserve.

	2008 $	2007 $
Trade and other payables	758,427	756,240
Interest bearing borrowings	105,005	100,127
Less cash and short term deposits	(6,690)	(51,344)
Net debt	856,742	805,023
Equity	2,023,020	1,624,436
Gearing ratio	30%	33%

20. FINANCIAL INSTRUMENTS

Set out below is a comparison by category of carrying amounts and fair values of all of the company's financial instrument that are carried on the financial statements.

	Carrying amount		Fair value	
	$ 2008	$ 2007	$ 2008	$ 2007
Financial assets				
Cash	6,690	51,344	6,690	51,344
Trade and other receivables	840,781	800,368	840,781	800,368
Financial liabilities				
Bank overdraft	105,005	100,127	105,005	100,127
Trade and other payables	758,427	756,240	758,427	756,240

The fair value of derivatives and borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates. The fair value of financial assets have been calculated using market interest rates.

21. CONTINGENT LIABILITIES

	2008 $	2007 $
Customs bonds	30,000	30,000

22. EXPENDITURE COMMITMENTS

	2008	2007
	$	$
a) Capital commitments	900,000	-

b) Operating leases

Future operating lease rentals not provided for in the financial statements and payable:

	2008	2007
Not later than one year	153,072	153,072
Later than one year but not later than three years	306,144	306,144
Later than three years but not later than five years	306,144	306,144
	765,360	765,360

23. PRINCIPAL BUSINESS ACTIVITY

The principal business activity of the company is trading in non-alcoholic beverages and wholesaling packaging materials and there has been no significant change in this activity during the year.

24. SUBSEQUENT EVENTS

Subsequent to year-end, the company completed an Initial Public Offer of 1,000,000 shares at 20c issued at a premium of 70c per share and was subsequently listed on the South Pacific Stock Exchange in Suva on 4 February 2009. The direcotrs also approved a dividend of 3 cents per share for the year ended 31 December 2008.

25. COMPANY DETAILS

Registered office / Principal place of business
16 Amra Street
Walu Bay, Suva
Fiji Islands

Number of employees at the end of the year: 84

26. SOUTH PACIFIC STOCK EXCHANGE DISCLOSURE REQUIREMENTS

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in the financial statements)

Statement of interest of each Director in the share capital of the company or in a related corporation as at 31 December 2008 in compliance with Listing Requirements:

Warwick Pleass (Direct interest 70%) - 3,500,000 shares.
Catherine Pleass (Direct interest) - Nil
Griffon Emose (Direct interest) - Nil

26. SOUTH PACIFIC STOCK EXCHANGE LISTING REQUIREMENTS (Continued)

Distribution of Share Holding

Holding	No. of holders	% Holding
Less than 500 shares	0	0%
501 to 5,000 shares	0	0%
5,001 to 10,000 shares	0	0%
10,001 to 20,000 shares	0	0%
20,001 to 30,000 shares	0	0%
30,001 to 40,000 shares	0	0%
40,001 to 50,000 shares	0	0%
50,001 to 100,000 shares	0	0%
Over 100,000 shares	4	100%
Total	4	100%

Share Register

SPSE Central Share Registry
Level 2, Provident Plaza 1
Suva, Fiji.

27. RESTATEMENT OF EQUITY FROM FIJI ACCOUNTING STANDARDS TO IFRS

RECONCILIATION OF PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER 2007

Revenue	FAS $	Adjustments $	IFRS $
Operating income	4,045,905	-	4,045,905
Other revenue	121,270	-	121,270
Total revenue	4,167,175	-	4,167,175
Cost of sales	(1,992,572)	-	(1,992,572)
Depreciation expense	(195,958)	-	(195,958)
Salaries and employee benefits	(784,991)	-	(784,991)
Other operating expenses	(810,910)	-	(810,910)
Total operating expenses	(3,784,431)	-	(3,784,431)
Finance costs	(12,786)	-	(12,786)
Profit before tax	369,958	-	369,958
Income tax expense	(98,945)	-	(98,945)
PROFIT FOR THE YEAR	271,013	-	271,013

27. RESTATEMENT OF EQUITY FROM FIJI ACCOUNTING STANDARDS TO IFRS (Continued)

RECONCILIATION OF EQUITY AS AT 1 JANUARY 2007 (date of transition to IFRS)

	FAS $	Adjustments $	IFRS $
ASSETS			
Non-current assets			
Property, plant and equipment	689,608	-	689,608
Deferred tax asset	12,181	-	12,181
	701,789	-	701,789
Current assets			
Cash and short-term deposits	21,252	-	21,252
Trade and other receivables	728,316	-	728,316
Inventories	1,202,719	-	1,202,719
Other debtors	21,567	-	21,567
	1,973,854	-	1,973,854
TOTAL ASSETS	2,675,643	-	2,675,643
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	130,000	-	130,000
Retained earnings	1,236,423	-	1,236,423
Total equity	1,366,423	-	1,366,423
Current liabilities			
Interest bearing borrowings	114,962	-	114,962
Trade and other payables	757,917	-	757,917
Provisions	221,822	-	221,822
	1,094,701	-	1,094,701
Non-current liabilities			
Amount owing to shareholder	190,759	-	190,759
Deferred tax liability	23,760	-	23,760
	214,519	-	214,519
Total liabilities	1,309,220	-	1,309,220
TOTAL EQUITY AND LIABILITIES	2,675,643	-	2,675,643

27. RESTATEMENT OF EQUITY FROM FIJI ACCOUNTING STANDARDS TO IFRS (Continued)

RECONCILIATION OF EQUITY AS AT 1 JANUARY 2008

	Note	FAS $	Adjustments $	IFRS $
ASSETS				
Non-current assets				
Property, plant and equipment	A	783,916	(17,023)	766,893
Deferred tax asset		17,403	-	17,403
Intangible assets	A	-	17,023	17,023
		801,319	-	801,319
Current assets				
Cash and short-term deposits		51,344	-	51,344
Trade and other receivables		773,591	-	773,591
Inventories		1,036,124	-	1,036,124
Other debtors		26,777	-	26,777
		1,887,836	-	1,887,836
TOTAL ASSETS		2,689,155	-	2,689,155
EQUITY AND LIABILITIES				
Shareholders' equity				
Issued capital		130,000	-	130,000
Retained earnings		1,494,436	-	1,494,436
Total equity		1,624,436	-	1,624,436
Current liabilities				
Interest bearing borrowings		100,127	-	100,127
Trade and other payables		756,240	-	756,240
Provisions		85,386	-	85,386
		941,753	-	941,753
Non-current liabilities				
Amount owing to shareholder		97,620	-	97,620
Deferred tax liability		25,346	-	25,346
		122,966	-	122,966
Total liabilities		1,064,719	-	1,064,719
TOTAL EQUITY AND LIABILITIES		2,689,155	-	2,689,155

A Software costs

Software costs not integral to equipment have been classified as intangible assets.