

**DESNOES AND GEDDES LIMITED**  
**UNAUDITED OPERATING RESULTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

The Directors of Desnoes and Geddes Limited, producers of Jamaica's beer, Red Stripe, and distributors of leading spirits Johnnie Walker and Smirnoff, wish to present the unaudited results of the Group for the quarter ended September 30, 2012.

<b>Profit and Loss Summary</b>			
<b>3-months ended September 30</b>			
	2012	2011	change
	J\$m	J\$m	%
Net sales value	2,563	2,625	(2)%
Trading profit	511	210	143 %
Profit before tax	510	213	139 %
Profit after tax	340	152	123 %
Earnings per stock unit (cents)	12.09	5.43	123 %

**Performance Highlights**

Profit after tax for the quarter ended September 30<sup>th</sup>, 2012 was a strong \$340 million, up 123% versus the same period last year translating directly to earnings per stock of 12.09 cents (2011: 5.43 cents).

Net Sales Value for the quarter was \$2,563 million representing a 2% decrease versus the same period last year. The domestic portfolio performance improved resulting in a 9% overall increase in domestic net sales value. This was offset by a 25% decline in export sales versus last year following the business decision to change our direct export model for the USA to a royalty (produce and sell under license) based structure. This is currently resulting in lower NSV but has however had a positive impact on trading profit after factoring the exclusion of costs of sales and marketing expenses previously required to support that market. Cost of sales for the quarter at \$1,488 million decreased by 13% versus the prior year. Our improved domestic performance was buoyed by new product innovations Talawah and D&G white overproof rum as well as solid performance in the existing brewed and spirits portfolios.

Gross profit for the quarter improved by 17% (\$153 million), this was due to a combination of higher domestic sales as well as the elimination of direct costs by Red Stripe with the new royalty structure for sales in the US market.

Marketing expenses of \$313 million for the quarter decreased by \$113 million (27%) when compared to the same period last year. The domestic marketing expenditure was \$49 million (19%) above last year largely due to increased promotional activities on new product innovations, special Jamaica 50 celebrations and the timing of certain advertising and promotional expenses. The Red Stripe Premier League, Sumfest and Dream Week

sponsorships represented significant marketing expenditures during the period. Our Red Stripe International licensee partners particularly in the US, also made significant marketing investments mainly through advertising as part of agreed plans to grow the brand in their markets. These expenses are borne by the licensee and have allowed us to achieve these savings locally versus last year as a result of the aforementioned change in business model.

General, selling and administrative (GS&A) expenses were 8% (\$23 million) higher than last year due mainly inflationary pressures as well as increased resources to drive further growth in international platforms. Notwithstanding overheads will be an area of focus in the 2013 financial year.

### Enriched Communities

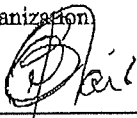
In this quarter, 120 students successfully completed training in the Diageo Learning for Life Project Bartender/Montego Bay cohort. All have been placed on three months paid internships to commence in the latter part of October with some of our key partners in the entertainment and hospitality industry including Sandals Resorts, Iberostar, Riu Resorts, Pier 1, Margaretville, Secrets, Jewels and Hilton Rose Hall.

The company received four highly prized industry awards at the Jamaica Manufacturers' Association (JMA) 44th Annual Awards Banquet.

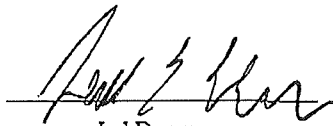
The honours conferred on Red Stripe were:

1. Robert Lightbourne Award for Productivity in the category of large manufacturer
2. Champion Exporter Award for large manufacturer
3. Special Recognition Award for Community Development
4. Special Recognition Award for HIV/AIDS Advocacy

The Board wishes to thank all employees and our key stakeholders for their continued support and dedication to the organization.



Cedric Blair  
Managing Director  
October 26, 2012



Jed Dryer  
Finance Director  
October 26, 2012

**DESNOES AND GEDDES LIMITED**  
**GROUP STATEMENT OF FINANCIAL POSITION**

**As at September 30, 2012**

	Unaudited September 30, 2012 \$'000	Unaudited September 30, 2011 \$'000 (Restated)*	Audited June 30, 2012 \$'000
<b>ASSETS</b>			
Investments	889,740	401,907	889,740
Investment properties	152,650	152,650	152,650
Property, plant and equipment	4,651,442	4,804,793	4,674,345
Employee benefit asset	780,000	1,172,500	795,000
<b>Total non-current assets</b>	<b>6,473,832</b>	<b>6,531,850</b>	<b>6,511,735</b>
Cash resources	1,236,387	637,401	970,945
Short-term deposits	1,948	2,448	1,948
Accounts receivable	738,857	641,390	606,529
Due from fellow subsidiaries	595,672	316,270	536,311
Inventories	1,356,886	1,419,432	1,255,627
<b>Total current assets</b>	<b>3,929,750</b>	<b>3,016,941</b>	<b>3,371,360</b>
Accounts payable	1,755,393	1,582,514	1,785,616
Taxation payable	290,638	249,909	208,360
Due to fellow subsidiaries	241,475	329,605	99,736
<b>Total current liabilities</b>	<b>2,287,506</b>	<b>2,162,028</b>	<b>2,093,712</b>
<b>Net current assets/(liabilities)</b>	<b>1,642,244</b>	<b>854,913</b>	<b>1,277,648</b>
<b>Total assets less current liabilities</b>	<b>8,116,076</b>	<b>7,386,763</b>	<b>7,789,383</b>
<b>EQUITY</b>			
Share capital	2,174,980	2,174,980	2,174,980
Capital reserves	7,770	7,770	7,770
Other reserves	1,391,383	1,090,967	1,401,883
Retained earnings	3,991,575	3,220,971	3,650,382
<b>Shareholders' equity</b>	<b>7,565,708</b>	<b>6,494,688</b>	<b>7,235,015</b>
Minority interest	7,447	7,447	7,447
<b>Total equity</b>	<b>7,573,155</b>	<b>6,502,135</b>	<b>7,242,462</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefit obligation	103,000	129,750	104,000
Deferred tax liabilities	439,921	754,878	442,921
<b>Total non-current liabilities</b>	<b>542,921</b>	<b>884,628</b>	<b>546,921</b>
<b>Total equity and non-current liabilities</b>	<b>8,116,076</b>	<b>7,386,763</b>	<b>7,789,383</b>

\* Restated due to change in accounting policy

**DESNOES AND GEDDES LIMITED**  
**COMPANY STATEMENT OF FINANCIAL POSITION**  
**As at September 30, 2012**

	Unaudited September 30, 2012 \$'000	Unaudited September 30, 2011 \$'000 (Restated)*	Audited June 30, 2012 \$'000
<b>ASSETS</b>			
Investments	890,895	403,061	890,895
Investment properties	152,650	152,650	152,650
Property, plant and equipment	4,651,442	4,804,793	4,674,345
Employee benefit asset	780,000	1,172,500	795,000
<b>Total non-current assets</b>	<b>6,474,987</b>	<b>6,533,004</b>	<b>6,512,890</b>
Cash and bank	1,234,631	635,645	969,189
Short-term deposits	1,948	2,448	1,948
Accounts receivable	738,857	641,390	606,529
Due from fellow subsidiaries	595,672	316,270	536,311
Inventories	1,356,886	1,419,432	1,255,627
<b>Total current assets</b>	<b>3,927,994</b>	<b>3,015,185</b>	<b>3,369,604</b>
Accounts payable	1,752,685	1,579,805	1,782,908
Taxation payable	290,650	249,921	208,372
Due to fellow subsidiaries	241,475	329,605	99,736
<b>Total current liabilities</b>	<b>2,284,810</b>	<b>2,159,331</b>	<b>2,091,016</b>
<b>Net current assets/(liabilities)</b>	<b>1,643,184</b>	<b>855,854</b>	<b>1,278,588</b>
<b>Total assets less current liabilities</b>	<b>8,118,171</b>	<b>7,388,858</b>	<b>7,791,478</b>
<b>EQUITY</b>			
Share capital	2,174,980	2,174,980	2,174,980
Other reserves	1,391,383	1,090,967	1,401,883
Retained earnings	3,851,652	3,081,048	3,510,459
<b>Total equity</b>	<b>7,418,015</b>	<b>6,346,995</b>	<b>7,087,322</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefit obligation	103,000	129,750	104,000
Long-term liabilities	157,235	157,235	157,235
Deferred tax liabilities	439,921	754,878	442,921
<b>Total non-current liabilities</b>	<b>700,156</b>	<b>1,041,863</b>	<b>704,156</b>
<b>Total equity and non-current liabilities</b>	<b>8,118,171</b>	<b>7,388,858</b>	<b>7,791,478</b>

\* Restated due to change in accounting policy

**DESNOES AND GEDDES LIMITED**

Company and Group Income Statements

3 month period ended September 30, 2012

	Unaudited 3 months to Sept. 30, 2012 \$'000	Unaudited 3 months to Sept. 30, 2011 \$'000 (Restated)*
Turnover	3,121,249	3,105,354
Special Consumption Tax (SCT)	(558,077)	(480,849)
<b>Net sales</b>	<b>2,563,172</b>	<b>2,624,505</b>
Cost of sales	(1,487,962)	(1,702,636)
<b>Gross profit</b>	<b>1,075,210</b>	<b>921,869</b>
Marketing costs	(312,913)	(426,152)
Contribution after marketing	762,297	495,717
General, selling and administration expenses	(310,144)	(287,420)
Other income	59,098	2,039
<b>Trading profit</b>	<b>511,251</b>	<b>210,336</b>
Employee benefit expense	(5,000)	(5,250)
Non-operating (expenses)/income	(2,871)	2,846
Finance income - interest	6,160	2,272
Profit on disposal of property, plant & equipment	-	2,653
<b>Profit before taxation</b>	<b>509,540</b>	<b>212,857</b>
Taxation	(169,847)	(60,382)
<b>Profit for the period attributable to equity holders of the parent company, all dealt with in the financial statements of the company</b>	<b>339,693</b>	<b>152,475</b>
Earnings per stock unit	<u>12.09</u> ¢	<u>5.43</u> ¢

\* Restated due to change in accounting policy

**DESNOES AND GEDDES LIMITED**  
**Company and Group Statement of Comprehensive Income**  
**3 month period ended September 30, 2012**

	Unaudited September 30, 2012	Unaudited September 30, 2011
	\$'000	\$'000
Profit for the year	<u>339,693</u>	<u>152,475</u> *
<b>Other comprehensive income/ (loss):</b>		
Change in unrecognised employee benefit asset	62,000	(29,000)
Deferred taxation on employee benefit asset	3,000	8,755
Actuarial losses recognised in equity	(74,000)	1,000
Total other comprehensive (loss)	<u>(9,000)</u>	<u>(19,245)</u>
Total comprehensive income for the period	<u>330,693</u>	<u>133,230</u>

\* Restated due to change in accounting policy

**DESNOES & GEDDES LIMITED**  
**Unaudited Group Statement of Changes in Equity**  
**3 month ended September 30, 2012**

	<u>Attributable to equity holders of the parent company</u>				Minority interest	Total
	Share capital	Capital reserves	Other reserves	Retained earnings		
	\$'000	\$'000	\$'000	\$'000		
Balances at June 30, 2011, as restated	2,174,980	7,770	1,108,467	3,070,241	7,447	6,368,905
Total comprehensive income for the period	-	-	-	133,230	-	133,230
Movement between reserves:						
Transfer to pension equalisation reserve	-	-	(17,500)	17,500	-	-
Balances at September 30, 2011	<u>2,174,980</u>	<u>7,770</u>	<u>1,090,967</u>	<u>3,220,971</u>	<u>7,447</u>	<u>6,502,135</u>
Balances at June 30, 2012	2,174,980	7,770	1,401,883	3,650,382	7,447	7,242,462
Total comprehensive income for the period	-	-	-	330,693	-	330,693
Movement between reserves:						
Transfer to pension equalisation reserve	-	-	(10,500)	10,500	-	-
Balances at September 30, 2012	<u>2,174,980</u>	<u>7,770</u>	<u>1,391,383</u>	<u>3,991,575</u>	<u>7,447</u>	<u>7,573,155</u>

**DESNOES & GEDDES LIMITED**  
**Unaudited Company Statement of Changes in Equity**  
**3 month period ended September 30, 2012**

	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000
Balances at June 30, 2011, as restated	2,174,980	1,108,467	2,930,318	6,213,765
Total comprehensive income for the period	-	-	133,230	133,230
Movement between reserves:				
Transfer to pension equalisation reserve	-	(17,500)	17,500	-
Balances at September 30, 2011	2,174,980	1,090,967	3,081,048	6,346,995
Balances at June 30, 2012	2,174,980	1,401,883	3,510,459	7,087,322
Total comprehensive income for the period:	-	-	330,693	330,693
Movement between reserves:				
Transfer to pension equalisation reserve	-	(10,500)	10,500	-
Balances at September 30, 2012	2,174,980	1,391,383	3,851,652	7,418,015



**DESNOES & GEDDES LIMITED****Group Statement of Cash Flows****3 month period ended September 30, 2012**

	Unaudited September 30, 2012 \$'000	Unaudited September 30, 2011 \$'000 (Restated) *
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the year	339,693	152,475
Adjustments for:		
Items not involving cash:		
Interest income	(5,858)	(2,272)
Depreciation	172,227	162,940
(Gain) on disposal of property, plant and equipment	-	(2,653)
Deferred taxation	3,000	-
Income tax charge	169,847	60,382
Increase in employee benefit asset and obligation	5,000	5,250
	<u>683,909</u>	<u>376,122</u>
Changes in working capital		
Accounts receivable	(132,629)	(81,874)
Due from fellow subsidiary	(59,360)	496,231
Inventories	(101,259)	(47,342)
Accounts payable	(32,929)	(236,182)
Due to fellow subsidiaries	141,740	29,733
Cash generated from operations	499,472	536,688
Pension Contribution	(3,000)	(7,000)
Interest paid	-	(629)
Income taxes paid	(87,563)	(77,703)
Net cash provided by operating activities	<u>408,908</u>	<u>451,356</u>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(149,324)	(110,317)
Proceeds from disposal of property, plant and equipment	-	22,483
Interest received	5,858	2,272
Net cash used by investing activities	<u>(143,466)</u>	<u>(85,562)</u>
Net increase in cash and cash equivalents	265,442	365,794
Cash and cash equivalents at beginning of year	<u>972,893</u>	<u>274,055</u>
Cash and cash equivalent at end of year	<u><b>1,238,335</b></u>	<u><b>639,849</b></u>
Comprised of:-		
Cash and bank balances	1,236,387	637,401
Short-term deposits	1,948	2,448
	<u><b>1,238,335</b></u>	<u><b>639,849</b></u>

\* Restated due to change in accounting policy

**DESNOES & GEDDES LIMITED**

## Company Statement of Cash Flows

3 month period ended September 30, 2012

	Unaudited September 30, 2012 \$'000	Unaudited September 30, 2011 \$'000 (Restated) *
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the year	339,693	152,475
Adjustments for:		
Items not involving cash:		
Interest income	(5,858)	(2,272)
Depreciation	172,227	162,940
(Gain) on disposal of property, plant and equipment	-	(2,653)
Deferred taxation	3,000	-
Income tax charge	169,847	60,382
Increase in employee benefit asset and obligation	5,000	5,250
	<u>683,909</u>	<u>376,122</u>
Changes in working capital		
Accounts receivable	(132,629)	(81,874)
Due from fellow subsidiaries	(59,360)	496,231
Inventories	(101,259)	(47,342)
Accounts payable	(32,929)	(236,182)
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Acquisition of property, plant and equipment	(149,324)	(110,317)
Proceeds from disposal of property, plant and equipment	-	22,483
Interest received	5,858	2,272
Net cash used by investing activities	<u>(143,466)</u>	<u>(85,562)</u>
Net (decrease)/ increase in cash and cash equivalents	265,442	365,794
Cash and cash equivalents at beginning of year	971,137	272,299
Cash and cash equivalent at end of year	<u>1,236,579</u>	<u>638,093</u>
Comprised of:-		
Cash and bank balances	1,234,631	635,645
Short-term deposits	1,948	2,448
	<u>1,236,579</u>	<u>638,093</u>

**DESNOES AND GEDDES LIMITED**  
**Financial Information by Geographical Segment**  
**3 month period ended September 30, 2012**

	Domestic		Export		Group	
	Unaudited Sept. 30, 2012 \$'000	Unaudited Sept. 30, 2011 \$'000	Unaudited Sept. 30, 2012 \$'000	Unaudited Sept. 30, 2011 \$'000	Unaudited Sept. 30, 2012 \$'000	(Restated) * Unaudited Sept. 30, 2011 \$'000
Turnover	2,477,991	2,244,128	643,259	861,226	3,121,249	3,105,354
Special consumption tax	(558,077)	(480,849)	-	-	(558,077)	(480,849)
Net external revenue	1,919,913	1,763,279	643,259	861,226	2,563,172	2,624,505
Cost of sales	(1,058,888)	(999,903)	(429,074)	(702,733)	(1,487,962)	(1,702,636)
Gross profit	861,025	763,376	214,185	158,493	1,075,210	921,869
Marketing costs	(309,118)	(260,085)	(3,795)	(166,067)	(312,913)	(426,152)
Segment profit	551,909	503,291	210,390	(7,574)	762,298	495,717
General, selling & administration expenses					(310,144)	(287,420)
Other income/(expenses), net					59,098	2,039
Trading profit					511,250	210,336
Employee benefit (expense)/income, net					(5,000)	(5,250)
Non-operating (expenses)/income					(2,871)	2,846
Finance income - interest					6,160	2,272
Profit on disposal of property, plant and equipment					-	2,653
Profit before taxation					509,538	212,857
Taxation					(169,847)	(60,382)
Profit after taxation					339,691	152,475
Segment assets					10,403,582	9,548,791
Segment liabilities					2,830,426	3,046,656
Depreciation					172,227	162,940
Capital expenditure					149,324	110,317

\* Restated due to change in accounting policy

## DESNOES & GEDDES LIMITED

Notes to the Financial Statements  
September 30, 2012

### 1. Identification

Desnoes & Geddes Limited (“the company”) is incorporated and domiciled in Jamaica and is a 58% subsidiary of Udiam Holdings AB, a company incorporated in Sweden. The ultimate parent company is Diageo PLC, incorporated in the United Kingdom. The company’s registered office is located at 214 Spanish Town Road, Kingston 11. The principal activities of the company comprise the brewing, bottling and distribution of beers, stouts and spirits.

### 2. Basis of preparation

#### (a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations, issued by the International Accounting Standards Board (IASB).

#### (b) Basis of measurement:

The financial statements are prepared on the historical cost basis, except for available-for-sale investments (other than those for which a reliable measure of fair value is not available), and investment properties.

#### (c) Functional and presentation currency:

The financial statements are presented in Jamaica dollars, which is the company’s functional currency. All financial information presented has been rounded to the nearest thousand unless otherwise indicated.

#### (d) Use of estimates and judgments:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant area of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is in respect of the measurement of defined benefit obligations and the fair value of certain available-for-sale investments.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)  
September 30, 2012

2. Basis of preparation (cont'd)

(d) Use of estimates and judgments (cont'd):

The amounts recognised in the statements of financial position and income statements for pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-retirement obligations and the expected rate of increase in medical costs for post-retirement medical benefits.

The expected return on plan assets is assumed considering the long-term historical returns, asset allocation and future estimates of long-term investment returns. The discount rate is determined based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the company's obligation. In the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. The estimate of expected rate of increase in medical costs is determined based on inflationary factors. Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

The carrying amount for available for sale investment is determined by a professional valuator using a maintainable earnings approach. Certain assumptions are made in respect of increased profitability, future tax rate, applicable multiple and discount rate for a minority share in an unquoted investment.

It is reasonably probable, based on existing knowledge, that outcomes within the next financial year that are different from these assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

3. Significant accounting policies

(a) Revenue:

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and special consumption taxes. Revenue is recognised in the income statements when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)  
September 30, 2012

3. Significant accounting policies

(b) Property, plant and equipment:

(i) Items of property, plant and equipment are measured at cost, except for plant and equipment and freehold land and buildings which are measured at valuation, less accumulated depreciation and impairment losses.

(ii) Depreciation:

Depreciation is calculated on the straight-line basis at annual rates estimated to write off the carrying value of each asset over the period of its expected useful life. Annual rates are as follows:

Buildings	2%-2½%
Plant and equipment	2%-12½%
Furniture, fixtures and computer equipment	25%
Vending equipment	20%
Returnable bottles	20%
Returnable crates	10%

The depreciation methods, useful lives and residual values are reassessed annually.

(c) Inventories:

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based mainly on standard cost (which approximates to actual on a FIFO basis). Standard cost, where applicable, includes an appropriate share of production overheads based on normal operating capacity. Used cases and bottles (returnable packaging) which were previously stated at the customers' deposit value, are now reclassified as property, plant and equipment. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

(d) Taxation:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)  
September 30, 2012

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3. Significant accounting policies (cont'd)

(e) Employee benefits:

Employee benefits are all forms of consideration given by the group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, annual leave, and non-monetary benefits such as medical care and housing, post-employment benefits such as pension and other long-term employee benefits such as termination benefits.

(f) Segment reporting:

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the group's other components. All operating segments' operating results are reviewed regularly by the groups CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(g) Earnings per share:

The group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year.

4. Prior year adjustment

On June 30, 2012 the group changed its accounting policy with respect to certain property, plant and equipment from the revaluation model to the cost model. The change was made to achieve compliance with the parent company's accounting policies. The change in accounting policy was applied retrospectively. The effects of the adjustments are detailed below:

(a) Statement of financial position - group

	Property Plant & Equipment	Capital Reserve	Deferred Tax Liability	Retained Earnings/ profit or loss
Balance as reported at September 30, 2011	6,432,312	(2,021,518)	(1,052,100)	2,537,521
Effect of unwinding revaluation	(1,722,353)	2,093,665	318,669	689,981
Effect on profit or loss	94,834	(64,377)	(21,447)	(6,531)
<b>Restated Balance at September 30, 2011</b>	<b>4,804,793</b>	<b>7,770</b>	<b>(754,878)</b>	<b>3,220,971</b>

Notes to the Financial Statements (Continued)  
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(b) Statement of financial position - company

	Property Plant & Equipment	Capital Reserve	Deferred Tax Liability	Retained Earnings/ profit or loss
Balance as reported at September 30, 2011	6,432,312	(2,013,748)	(1,052,100)	2,397,598
Effect of unwinding revaluation	(1,722,353)	2,093,665	318,669	689,981
Effect on profit or loss	94,834	(79,917)	(21,447)	(6,531)
<b>Restated Balance at September 30, 2011</b>	<b>4,804,793</b>	<b>-</b>	<b>(754,878)</b>	<b>3,081,048</b>