



Little World Beverages LIMITED

FY11 Year End Results

19 August 2011

The Little World Beverages Group's activity for the year to 30 June 2011 has delivered a very strong result.

Financial Highlights:

- a 24.1% increase in revenue above 2010, to \$70.0m;
- a 28.8% increase in EBITDA above 2010, to \$16.6m;
- a 35.6% increase in net profit after tax above 2010, to \$9.2m;
- a 41.0% increase in operating cash flows above 2010, to \$11.2m;
- a final dividend of 5.0 cents per share fully franked, bringing total dividends declared for the year to 10.0 cents per share, an increase of 5% on the prior year.

Operational Highlights:

- the White Rabbit Brewery has now achieved economic volumes which have contributed to increased profitability
- an increase in distribution from an energetic and expanded sales effort
- the breweries continuing to sharpen product quality and consistency across the range
- the purchase of a strategic site in Geelong Victoria to establish an eastern seaboard brewing facility in support of White Rabbit and Little Creatures growth
- the recruitment and development of talent, building organisational depth and capability

With sales of Little Creatures in the major east coast markets growing at pace and the pleasing performance of the newer White Rabbit beers, the decision to establish a brewery at the Valley Mill site in Geelong for future production is economically sensible and environmentally responsible. Input supply is largely nearer to the point of production, and our national transport partner is within an hour.

The necessary approvals for the plans and the associated funding strategy are well advanced and we are hopeful of commissioning the facility late in 2012, ahead of our previous forecast of mid 2013.

LWB is fortunate that in an uncertain global economy the business is very localised. Whilst the company has introduced products to a number of international markets, the contribution is immaterial at this stage. The focus is very much on the opportunities within Australia.

The Board would like to congratulate Ross Sudano on his appointment to Chief Executive Officer after an impressive two years as Chief Operating Officer and on the wonderful results achieved by him and his team.

- End -

For further information please contact:

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Ross Sudano
CEO - Little World Beverages Limited
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Appendix 4E

Preliminary Final Report

Little World Beverages Limited
ABN 25 081 128 225

1. Reporting Periods

Financial year ended (‘current period’)	Financial year ended (‘previous corresponding period’)
30 June 2011	30 June 2010

2. Results for Announcement to the Market

Revenue from ordinary activities	up	24.1%	to	\$70.0 mill
Net profit after tax attributable to members	up	35.6%	to	\$9.2 mill
EBITDA	up	28.8%	to	\$16.6 mill
Operating cash flow	up	41.0%	to	\$11.2 mill

Dividends:	Amount per security	Franked amount per security
Interim dividend (record date 23 March 2011)	5.0 cents	5.0 cents
Final dividend ¹ (record date 23 September 2011)	5.0 cents	5.0 cents
Total dividends per security for the year	10.0 cents	10.0 cents

¹The final dividend in respect of ordinary shares for the year ended 30 June 2011 has not been recognised in the financial report because the dividend was declared subsequent to 30 June 2011. The final dividend for 2011 of 5.0 cents per share, fully franked at 30% will be paid on or around 30 September 2011.

3. Statement of Comprehensive Income

		Consolidated	
	Notes	30 June 2011 \$'000	30 June 2010 \$'000
Revenues from continuing operations	1	70,020	56,433
Raw material and consumables		(12,455)	(10,511)
Marketing & distribution expenses		(6,578)	(4,765)
Depreciation & amortisation expenses	3	(2,562)	(2,340)
Employee expenses		(15,609)	(13,547)
Bad & doubtful debts		-	(13)
Excise tax		(11,159)	(8,440)
Occupancy costs		(2,729)	(2,397)
Consumables, repairs & replacements		(1,294)	(1,217)
Loss on sale of assets		(45)	(51)
Other expenses		(3,597)	(2,644)
Results from operating activities		13,992	10,508
Finance income	2	62	39
Finance expenses	2	(847)	(1,193)
Net finance income		(785)	(1,154)
Profit before income tax expense		13,207	9,354
Income tax expense	4	(3,997)	(2,563)
Profit for the year		9,210	6,791
Profit attributable to members of Little World Beverages Limited and controlled entities		9,210	6,791
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share		14.40	11.50
Diluted earnings per share		13.80	10.00

4. Statement of Financial Position

		Consolidated	
	Notes	30 June 2011 \$'000	30 June 2010 \$'000
Assets			
Current Assets			
Cash and cash equivalents	5	520	670
Trade and other receivables	6	6,093	4,445
Inventories	7	2,270	2,483
Other	8	704	510
		<u>9,587</u>	<u>8,108</u>
Non-current Assets			
Financial assets	9	385	385
Other	8	644	-
Property, plant and equipment	10	52,472	44,601
Intangible assets	11	1,165	1,165
Deferred tax assets	12	749	597
Total Non-Current Assets		<u>55,415</u>	<u>46,748</u>
Total Assets		<u>65,002</u>	<u>54,856</u>
Liabilities			
Current Liabilities			
Trade and other payables	13	4,659	3,610
Provisions	14	750	507
Current tax liabilities	15	1,529	1,280
Loans and borrowings	16	16,000	-
Total Current Liabilities		<u>22,938</u>	<u>5,397</u>
Non-Current Liabilities			
Loans and borrowings	16	-	16,000
Total Non-Current Liabilities		<u>-</u>	<u>16,000</u>
Total Liabilities		<u>22,938</u>	<u>21,397</u>
Net Assets		<u>42,064</u>	<u>33,459</u>
Equity			
Contributed equity	17	28,196	22,093
Reserve	18(a)	2,236	2,422
Retained profits	18(b)	11,632	8,944
Total Equity		<u>42,064</u>	<u>33,459</u>

5. Statement of Changes in Equity

In AUD

	Note	Share Capital \$'000	Share based payments reserve \$'000	Treasury shares reserve \$'000	Retained earnings \$'000	Total \$'000
Balance as at 1 July 2009		22,024	1,933	-	6,294	30,251
Profit for the year		-	-	-	6,791	6,791
Total comprehensive income for the year		-	-	-	6,791	6,791
Transactions with owners of the Company recognised directly in equity						
Issue of shares under ARP		69	-	-	-	69
Dividends paid		-	-	-	(4,141)	(4,141)
Share based payments net of tax		-	489	-	-	489
Total contributions by and distributions to owners of the Company.		69	489	-	(4,141)	(3,583)
Balance as at 30 June 2010		22,093	2,422	-	8,944	33,459
Balance as at 1 July 2010		22,093	2,422	-	8,944	33,459
Profit for the year		-	-	-	9,210	9,210
Total comprehensive income for the year		-	-	-	9,210	9,210
Transactions with owners of the Company recognised directly in equity						
Issue of shares		6,000	-	-	-	6,000
Issue of shares under ARP		103	-	-	-	103
Treasury shares purchased		-	-	(483)	-	(483)
Dividends paid		-	-	-	(6,522)	(6,522)
Share based payments net of tax		-	297	-	-	297
Total contributions by and distributions to owners of the Company.		6,103	297	(483)	(6,522)	(605)
Balance as at 30 June 2011		28,196	2,719	(483)	11,632	42,064

6. Statement of Cash Flow

		Consolidated	
	Notes	30 June 2011 \$'000	30 June 2010 \$'000
Cash flows from operating activities:			
Receipts from customers (inclusive of goods and services tax)		74,900	61,712
Payments to suppliers and employees (inclusive of goods and services tax)		(54,933)	(46,805)
Cash generated from operations		19,967	14,907
Borrowing costs		(1,003)	(1,148)
Interest received	2	62	39
Income taxes paid		(3,900)	(2,590)
Net GST paid to the ATO		(3,957)	(3,288)
Net cash provided by operating activities	20	11,169	7,920
Cash flows from investing activities:			
Purchase of property, plant and equipment		(10,313)	(1,830)
Payments for investments in external entities	9	-	(75)
Sale of property, plant and equipment		-	19
Net cash used in investing activities		(10,313)	(1,886)
Cash flows from financing activities:			
Dividends paid		(6,523)	(4,141)
Purchase of treasury shares		(483)	-
Proceeds of shares issued		6,000	-
Proceeds from other borrowings	16	-	(2,500)
Net cash provided by financing activities		(1,006)	(6,641)
Net increase/(decrease) in cash held		(150)	(607)
Cash and cash equivalents at the beginning of the year		670	1,277
Cash and cash equivalents at the end of the year		520	670

Notes to the Financial Statements:

		Consolidated	
		30 June 2011 \$'000	30 June 2010 \$'000
1. Revenue			
Sale of goods		68,755	55,263
Rental revenue from property subleases		663	659
Other income		602	511
Total revenue from continuing operations		70,020	56,433
2. Finance Income and Expenses			
Interest income – other parties		62	39
Interest expense – other parties		(842)	(1,171)
Foreign exchange losses		(5)	(22)
		(847)	(1,193)
3. Expenses			
Profit before income tax includes the following specific expenses:			
Cost of goods sold		23,614	18,950
Depreciation and amortisation of non-current assets:			
plant and equipment		2,074	1,886
amortisation of leasehold improvements		488	454
Total depreciation and amortisation cost		2,562	2,340
Rental and outgoings on operating sublease over land & buildings and other property		1,432	1,404
Defined superannuation contribution expense		1,075	924
4. Income Tax Expense			
Current tax		4,149	2,969
Deferred tax		(152)	(406)
		3,997	2,563
Deferred income tax expense included in income tax expense comprises:			
Decrease in deferred tax assets		152	406
		152	406

		Consolidated	
		2011	2010
		\$'000	\$'000
4. Income Tax Expense (continued)			
<i>Numerical reconciliation of income tax expense to prima facie tax payable</i>			
Profit before income tax expense		13,207	9,354
Tax at 30%		3,962	2,806
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Share-based payments		89	147
Achievement rights plan		142	56
Investment allowance		-	(140)
Capitalised interest		(50)	-
Tax losses brought to account		(35)	(182)
Sundry		(111)	(124)
		3,997	2,563
<i>Amounts recognised directly in equity</i>			
Deferred tax arising in the reporting period not recognised in profit or loss but directly credited to equity			
Deferred tax credited directly to equity		-	(64)
<i>Tax consolidation legislation:</i>			
Little World Beverages Limited and its wholly-owned Australian controlled entities have not implemented the tax consolidation legislation.			
5. Cash			
Cash at bank and in hand		520	670
<i>Cash at bank and on hand</i>			
The cash at bank and on hand bear interest rates of between 0% and 4.7%.			
6. Trade and Other Receivables			
Trade receivables		5,946	4,307
Amounts receivable from director & key management personnel related entities		6	4
Total trade receivables		5,952	4,311
Provision for doubtful receivables		(16)	(16)
Sundry debtors due from director & key management personnel related entities		-	5
Sundry debtors and deposits		157	145
		6,093	4,445

		Consolidated	
		2011	2010
		\$'000	\$'000
7. Inventories			
At cost			
Raw materials and stores		847	1,057
Work in progress		152	167
Finished goods		1,271	1,259
		<u>2,270</u>	<u>2,483</u>

Inventories recognised as cost of sales during the year ended 30 June 2011 amounted to \$23,613,823 (2010: \$18,950,259).

8. Other Assets			
<u>Current assets</u>			
Prepayments		382	510
Other		322	-
		<u>704</u>	<u>510</u>
<u>Non current assets</u>			
Prepayments		644	-
		<u>644</u>	<u>-</u>
9. Financial Assets			
Unlisted shares		385	385
		<u>385</u>	<u>385</u>

10. Property, Plant & Equipment

	Land & Buildings	Leasehold Improvements	Plant & Equipment	Works in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2009:					
Cost	9,311	12,939	27,893	-	50,144
Accumulated depreciation	(8)	(488)	(4,131)	-	(4,627)
Net book amount	<u>9,303</u>	<u>12,451</u>	<u>23,762</u>	<u>-</u>	<u>45,516</u>
Year ended 30 June 2010:					
Opening net book amount	9,303	12,451	23,762	-	45,516
Additions	-	309	1,192	-	1,501
Disposals / adjustments	-	3	(79)	-	(76)
Depreciation charge	(7)	(446)	(1,887)	-	(2,340)
Closing net book amount	<u>9,296</u>	<u>12,317</u>	<u>22,988</u>	<u>-</u>	<u>44,601</u>

10. Property, Plant & Equipment (continued)

	Land & Buildings \$'000	Leasehold Improvements \$'000	Plant & Equipment \$'000	Works in Progress \$'000	Total \$'000
At 30 June 2010:					
Cost	9,312	13,247	28,962	-	51,521
Accumulated depreciation	(16)	(930)	(5,974)	-	(6,920)
Net book amount	9,296	12,317	22,988	-	44,601
Year ended 30 June 2011:					
Opening net book amount	9,296	12,317	22,988	-	44,601
Additions	6,993	620	1,277	1,587	10,477
Disposals / adjustments			(44)	-	(44)
Depreciation charge	(7)	(481)	(2,074)	-	(2,562)
Closing net book amount	16,282	12,456	22,147	1,587	52,472
At 30 June 2011:					
Cost	16,305	13,867	30,026	1,587	61,785
Accumulated depreciation	(23)	(1,411)	(7,879)	-	(9,313)
Net book amount	16,282	12,456	22,147	1,587	52,472

Property, plant and equipment under construction

During the year the Group acquired a property in Geelong, Victoria for the purpose of constructing a new brewery on the site. The cost of acquisition was \$6.828m. Capitalised borrowing costs related to the acquisition of the land amounted to \$165,502. Works in progress includes \$154,344 relating to costs incurred in gaining approvals for the Geelong site and \$1,432,573 in deposits paid for capital expansion works being undertaken at the Fremantle and White Rabbit breweries.

11. Intangible Assets

	Consolidated	
	2011 \$'000	2010 \$'000
Goodwill purchased	1,065	1,065
Licences purchased	100	100
	1,165	1,165

12. Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

Consolidated	Assets		Liabilities		Net	
	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Doubtful debts	(5)	(5)	-	-	(5)	(5)
Property, plant and equipment	(201)	(193)	-	-	(201)	(193)
Tax losses recoverable	(147)	(182)	-	-	(147)	(182)
Sundry accruals	-	(4)	3	-	3	(4)
Prepayments	-	-	8	3	8	3
Employee leave accruals	(166)	(76)	-	-	(166)	(76)
Other provisions	(228)	(118)	-	-	(228)	(118)
Capital raising costs	(13)	(22)	-	-	(13)	(22)
Unearned income	-	-	-	-	-	-
Tax (assets) liabilities	(760)	(600)	11	3	(749)	(597)
Set off of tax	11	3	(11)	(3)	-	-
Net tax (asset) liabilities	(749)	(597)	-	-	(749)	(597)

13. Trade and Other Payables

	Consolidated	
	2011	2010
	\$'000	\$'000
Trade creditors	3,100	2,295
Sundry creditors & accruals	1,514	1,286
Amounts payable to director & key management personnel related entities	45	29
	<u>4,659</u>	<u>3,610</u>

14. Provisions

Provision for annual leave	452	326
Provision for employee bonuses	100	-
Provision for long service leave	101	68
Provision for lost keys	97	113
	<u>750</u>	<u>507</u>

15. Current Tax Liabilities

Income tax	<u>1,529</u>	<u>1,280</u>
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16. Loans and Borrowings

Current liability - Secured bank loan

Consolidated	
2011 \$'000	2010 \$'000
16,000	-

Non current liability – Secured bank loan

-	16,000
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Subsequent to the end of the financial year, the Group had received a conditional offer to increase the amount of the facility and extend the term for a further three years. At the date of this report, the Group had not completed its review of the proposed terms.

17. Contributed Equity

Ordinary share capital

Company

2011 # Shares	2010 # Shares	2011 \$'000	2010 \$'000
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Ordinary share capital

Ordinary shares – fully paid

65,225,222	59,165,106	28,196	22,093
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Date	Details	# shares	Issue price	\$'000
1 July 2010	Opening balance	59,165,106		22,093
14 September 2010	Exercise of Options	3,000,000	\$1.00	3,000
15 September 2010	Exercise of Options	3,000,000	\$1.00	3,000
16 September 2010	Achievement Rights Issue	60,116	\$1.71	103
30 June 2011	Balance	65,225,222		28,196

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll, each share is entitled to one vote.

18. Reserves and retained profits

a) Reserves

Share-based payments reserve

Consolidated	
2011 \$'000	2010 \$'000
2,719	2,422
Movements:	
Balance 1 July	2,422
Option expense	297
Balance 30 June	2,719

18. Reserves and retained profits (continued)

	Consolidated	
	2011 \$'000	2010 \$'000
a) Reserves (continued)		
Share based payments reserve	2,719	2,422
Treasury share reserve	(483)	-
Total reserves	2,236	2,422
b) Retained profits		
Movements in retained profits were as follows:		
Balance 1 July	8,944	6,294
Net profit for the year	9,210	6,791
Dividends	(6,522)	(4,141)
Balance 30 June	11,632	8,944

19. Parent Entity Disclosures

	Parent Entity	
Result of the parent entity		
Profit for the period	6,641	4,294
Other comprehensive income	-	-
Total comprehensive income for the period	6,641	4,294
Financial position of the parent entity at year end		
Current assets	28	3
Total assets	31,279	24,756
Current liabilities	20	15
Total liabilities	20	15
Total Equity of the parent entity comprising of:		
Share capital	28,196	22,093
Option reserve	2,719	2,422
Retained earnings	344	226
Total Equity	31,259	24,741

20. **Reconciliation of Profit after Income Tax to Net Cash Inflow From Operating Activities**

	Consolidated	
	2011 \$'000	2010 \$'000
Profit for the year	9,210	6,791
Non-Cash Items		
Depreciation and amortisation	2,562	2,340
Loss on sale of non current assets	45	57
Foreign exchange (gains)/losses	1	22
Options, achievement rights & employee shares granted	400	489
Other non-cash items	-	47
Changes in assets and liabilities		
(Increase) in trade and other receivables	(1,648)	(758)
(Increase) in capitalised borrowing costs	(165)	-
(Increase)/decrease in inventories	213	(509)
(Increase)/decrease in other assets	(838)	(350)
(Increase)/decrease in deferred tax assets	(152)	(406)
Increase/(decrease) in trade and other payables	1,049	(290)
Increase in provisions	243	109
Increase in current tax liabilities	249	378
Net cash inflow from operations	11,169	7,920

7. Dividends

		Date dividend payable	Amount per security (cents)	Amount per security of foreign sourced dividends (cents)
Final dividend	Current year	30 September 2011	5.0	nil
	Previous year	30 September 2010	5.0	nil
Interim dividend	Current year	23 March 2011	5.0	nil
	Previous year	24 March 2010	4.5	nil
		Current period		Previous corresponding period
		Cents per share	Total \$'000	Cents per share
Total dividends per share				Total \$'000
<i>Recognised amounts:</i>				
Final dividend – fully franked at 30%		-	-	-
Interim dividend – fully franked at 30%		5.0	3,261	4.5
<i>Unrecognised amounts:</i>				
Final dividend – fully franked at 30% ¹		5.0	3,261	5.0
Total		10.0	6,522	9.5

¹The final dividend in respect of ordinary shares for the year ended 30 June 2011 has not been recognised in the financial report because the dividend was declared subsequent to 30 June 2011. The final dividend of 5.0 cents per share, fully franked at 30% will be paid on or around 30 September 2011.

8. Dividend reinvestment plans

The company does not have a Dividend Re-investment Plan.

9. Statement of retained earnings

	Current period \$'000	Previous corresponding period \$'000
Balance 1 July	8,944	6,294
Net profit for the year	9,210	6,791
Dividends paid	(6,522)	(4,141)
Balance 30 June	11,632	8,944

10. Net tangible assets backing

	Current period \$	Previous corresponding period \$
Net tangible assets per ordinary share	0.62	0.55

11. Controlled entities

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2010 %	2009 %
Little Creatures Brewing Pty Ltd	Australia	Ordinary	100	100
Little Green Steps Pty Ltd	Australia	Ordinary	100	100
Fremantle Harbour Properties Pty Ltd	Australia	Ordinary	100	100

12. Associates and Joint ventures

There were no associates or joint venture entities associated with the consolidated group for the period.

13. Other significant information

See commentary below

14. Foreign entities

N/A

15. Commentary on the results for the year ended 30 June 2011

Financial Highlights:

- a 24.1% increase in revenue above 2010, to \$70.0m;
- a 28.8% increase in EBITDA above 2010, to \$16.6m;
- a 35.6% increase in net profit after tax above 2010, to \$9.2m;
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Operational Highlights:

- the White Rabbit Brewery has now achieved economic volumes which have contributed to increased profitability
- an increase in distribution from an energetic and expanded sales effort
- the breweries continuing to sharpen product quality and consistency across the range
- the purchase of a strategic site in Geelong Victoria to establish an eastern seaboard brewing facility in support of White Rabbit and Little Creatures growth

- the recruitment and development of talent, building organisational depth and capability

With sales of Little Creatures in the major east coast markets growing at pace and the pleasing performance of the newer White Rabbit beers, the decision to establish a brewery at the Valley Mill site in Geelong for future production is economically sensible and environmentally responsible. Input supply is largely nearer to the point of production, and our national transport partner is within an hour.

The necessary approvals for the plans and the associated funding strategy are well advanced and we are hopeful of commissioning the facility late in 2012, ahead of our previous forecast of mid 2013.

LWB is fortunate that in an uncertain global economy the business is very localised. Whilst the company has introduced products to a number of international markets, the contribution is immaterial at this stage. The focus is very much on the opportunities within Australia.

16. Compliance statement

1. This report, and the accounts upon which this report is based, have been prepared in accordance with AASB Standards.
2. This report, and the accounts upon which the report is based, use the same accounting policies.
3. This report gives a true and fair view of the matters disclosed.
4. This report is based upon accounts to which one of the following applies:

☒

The accounts have been audited.

☐

The accounts have been subject to review.

☐

The accounts are in the process of being audited or subject to review.

☐

The accounts have *not* yet been audited or reviewed.

5. The auditors' audit report is attached to the financial statements.
6. The entity has a formally constituted Audit and Finance Committee.

Signed:



Date: 19 August 2011

Name:

Company Secretary
Kylie Webster



Independent auditor's report to the members of Little World Beverages Limited

Report on the financial report

We have audited the accompanying financial report of Little World Beverages Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2011, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 38 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Report on the remuneration report

We have audited the Remuneration Report included on pages 10 to 16 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Little World Beverages Limited for the year ended 30 June 2011, complies with Section 300A of the *Corporations Act 2001*.

KPMG

Trevor Hart
Partner

Perth

19 August 2011