

Soda Incorporation Pty Limited
ABN 91 081 149 635
Financial Statements
For the Year ended 30th June 2004

Soda Incorporation Pty Limited

**Annual Report
for the Year Ended 30 June 2004**

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Soda Incorporation Pty Limited
ABN 91 081 149 635
Compilation Report

Scope

On the basis of information provided by the directors, we have compiled in accordance with APS 9 "Statement on Compilation of Financial Reports" the trading statement and profit & loss statement of the company for the period ended 30th June 2004 as set out in the financial statements.

The specific purpose for which the trading statement and profit & loss statement have been prepared is set out in Note 1. The extent to which Accounting Standards and other mandatory professional reporting requirements have not or have been adopted in the preparation of the trading statement and profit & loss statement are set out in Note 1.

The directors are solely responsible for the information contained in the trading statement and profit & loss statement. They have determined that the accounting policies used are consistent with the financial reporting requirements of the company's constitution and are appropriate to meet the needs of the members and directors of the company.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, into a trading statement and profit & loss statement. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the company, may suffer arising from any negligence on our part. No person should rely on the trading statement and profit & loss statement without having an audit or review conducted.

The trading statement and profit & loss statement were prepared for the benefit of the members and directors of Soda Incorporation Pty Limited. We do not accept responsibility to any other person for the contents of the trading statement and profit & loss statement.

R.A.S. Rothsay Accounting Services

Chartered Accountants
Sydney

Rothsay Accounting Services Pty Ltd

3rd February 2005

Soda Incorporation Pty Limited
ABN 91 081 149 635
Trading Statement
For the Year ended 30 June 2004

	2004	2003
	\$	\$
Income		
Sales	106,678	2,076,814
Discounts Received	236	-
	<u>106,914</u>	<u>2,076,814</u>
Less Cost of Sales		
Opening Stock	9,451	571,771
Purchases	108,824	810,548
Customs Duty	481	(474)
Freight & Cartage	(5,267)	(3,582)
Discounts Allowed	33	10,756
	<u>113,522</u>	<u>1,389,019</u>
Closing Stock	32,106	9,451
	<u>81,416</u>	<u>1,379,568</u>
	<u>25,498</u>	<u>697,246</u>
Gross Profit	<u>25,498</u>	<u>697,246</u>
Gross Profit Margin	23.8%	33.6%

*The accompanying notes form part of these financial statements.
These financial statements have not been subject to audit or review and should be read in conjunction
with the attached Compilation Report.*

Soda Incorporation Pty Limited
ABN 91 081 149 635
Profit and Loss Statement
For the Year ended 30 June 2004

	2004	2003
	\$	\$
INCOME		
Consulting Fees	-	26,000
Management Fees	262,757	-
Interest Received	259	595
Foreign Currency Exchanges	11,984	58,681
Gross Profit from Trading	25,498	697,246
	<u>300,498</u>	<u>782,522</u>
EXPENDITURE		
Accountancy	732	1,629
Advertising & Promotion	71,803	48,307
Agency Commissions	-	12,662
Bad Debts	-	277
Audit Fees	6,500	7,800
Bank Charges	1,795	5,069
Cleaning & Rubbish Removal	1,903	2,492
Computer Expenses & Training	7,430	3,456
Client Conference	8,815	18,191
Consultant's Salaries	127,235	150,856
Merchant Fees	816	20,443
Depreciation Plant & Equipment	15,804	13,465
Depreciation Motor Vehicles	-	8,868
Donations	850	151
Entertainment Expenses	1,083	1,406
Filing Fees	-	4,418
Freight & Cartage	29,039	-
Insurance	12,593	20,088
Interest Paid	9,519	43,229
Legal Costs	35,100	455
Motor Vehicle Expenses	16,581	7,438
Office Expenses	979	-
Packing Materials	1,381	7,452
Postage	2,569	3,063
Printing & Stationery	8,690	6,195
Provision for Annual Leave	55	-
Rent	42,292	39,647
Repairs & Maintenance	-	1,533
Staff Amenities	1,087	1,435
Staff Recruitment	838	733
Subscriptions	-	62
Superannuation	32,580	36,188
Telephone	12,560	15,402
Travelling Expenses	7,179	23,764
Wages	274,719	300,733
Warehousing Costs	47,348	59,138
	<u>779,875</u>	<u>866,045</u>
OPERATING LOSS BEFORE INCOME TAX	<u>(479,377)</u>	<u>(83,523)</u>

*The accompanying notes form part of these financial statements.
These financial statements have not been subject to audit or review and should be read in
conjunction with the attached Compilation Report.*

Soda Incorporation Pty Limited
ABN 91 081 149 635
Statement of Financial Performance
For the Year ended 30 June 2004

	Note	2004 \$	2003 \$
Revenues from ordinary activities		381,914	2,162,090
Expenses from ordinary activities, excluding borrowing costs		851,772	2,202,384
Borrowing cost expense		9,519	43,229
Loss from ordinary activities before income tax		<u>(479,377)</u>	<u>(83,523)</u>
Income tax relating to ordinary activities		-	-
Loss from ordinary activities after related income tax		(479,377)	(83,523)
Net loss		<u><u>(479,377)</u></u>	<u><u>(83,523)</u></u>
Total revenues, expenses and valuation adjustments attributable to members of the company and recognised directly in equity		<u><u>(479,377)</u></u>	<u><u>(83,523)</u></u>

The accompanying notes form part of these financial statements.

Soda Incorporation Pty Limited
ABN 91 081 149 635
Statement of Financial Position
As at 30 June 2004

	Note	2004 \$	2003 \$
CURRENT ASSETS			
Cash	2	1,185	53,231
Receivables	3	6,315	35,695
Inventories	4	19,223	9,451
Current tax assets	5	-	1,086
Other	7	19,974	21,812
TOTAL CURRENT ASSETS		<u>46,697</u>	<u>121,275</u>
NON-CURRENT ASSETS			
Receivables	3	236,380	-
Property, plant and equipment	6	34,763	48,379
TOTAL NON-CURRENT ASSETS		<u>271,143</u>	<u>48,379</u>
TOTAL ASSETS		<u>317,840</u>	<u>169,654</u>
CURRENT LIABILITIES			
Payables	8	71,892	11,070
Provisions	10	23,630	20,000
TOTAL CURRENT LIABILITIES		<u>95,522</u>	<u>31,070</u>
NON-CURRENT LIABILITIES			
Borrowings	9	217,516	31,905
TOTAL NON-CURRENT LIABILITIES		<u>217,516</u>	<u>31,905</u>
TOTAL LIABILITIES		<u>313,038</u>	<u>62,975</u>
NET ASSETS		<u>4,802</u>	<u>106,679</u>
EQUITY			
Contributed Equity	11	607,600	230,100
Accumulated losses	12	(602,798)	(123,421)
TOTAL EQUITY		<u>4,802</u>	<u>106,679</u>

The accompanying notes form part of these financial statements.

Soda Incorporation Pty Limited

Notes to the Financial Statements

For the Year ended 30th June 2004

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report has been prepared for use by the directors and members of the company and is a special purpose financial report. The directors have determined that the company is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AAS 5 Materiality; and
AAS 8 Events Occurring After Reporting Date.

No other applicable Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The report is also prepared on an accruals basis and is based on historic costs and except where stated does not take into account changing money values or current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report for Soda Incorporation Pty Limited ;

(a) Inventories

Inventories are measured at the lower of cost or net realisable value. Costs are allocated on a first-in first-out (FIFO) basis and also includes direct labour, direct materials and an appropriate amount of fixed and variable overhead expenses.

2. CASH

Cash on Hand	40	40
Petty Cash	250	250
Cash at Bank	895	52,941
	<u>1,185</u>	<u>53,231</u>

3. RECEIVABLES

Current

Security Deposits	5,000	5,000
Trade Debtors	1,315	30,695
	<u>6,315</u>	<u>35,695</u>

Non-Current

Loan to Soda Distribution Pty Ltd	236,380	-
	<u>236,380</u>	<u>-</u>

Soda Incorporation Pty Limited
Notes to the Financial Statements
For the Year ended 30th June 2004

4. INVENTORIES

Current

Stock on Hand	19,223	9,451
	<u>19,223</u>	<u>9,451</u>

5. CURRENT TAX ASSETS

Provision for GST	-	1,086
	<u>-</u>	<u>1,086</u>

6. PROPERTY, PLANT & EQUIPMENT

Plant & Equipment

Motor Vehicles	-	83,167
Less Accumulated Depreciation	<u>-</u>	<u>52,619</u>
	-	30,548

Office Furniture & Equipment	86,354	53,618
Less Accumulated Depreciation	<u>51,591</u>	<u>35,787</u>
	34,763	17,831

Total Plant & Equipment	<u>34,763</u>	<u>48,379</u>
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7. OTHER

Current

Prepayments	19,974	21,812
	<u>19,974</u>	<u>21,812</u>

8. PAYABLES

Current

PAYG Withholding Payable	1,870	7,720
Trade Creditors	<u>70,022</u>	<u>3,350</u>
	71,892	11,070

9. BORROWINGS

Non-Current

Shareholders Loans		
- Mary Ghattas	104,804	31,905
- WHSP	<u>112,712</u>	<u>-</u>
	217,516	31,905

Soda Incorporation Pty Limited
Notes to the Financial Statements
For the Year ended 30th June 2004

10. PROVISIONS

Current

Provision for Employee Entitlements	10,000	20,000
Superannuation Payable	13,630	-
	<u>23,630</u>	<u>20,000</u>

11. CONTRIBUTED EQUITY

Issued Capital

Fully Paid Ordinary Shares	607,600	230,100
	<u>607,600</u>	<u>230,100</u>

12. RETAINED PROFITS

Accumulated losses at the beginning of the financial year	(123,421)	(39,898)
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Less

Net loss attributable to members of the company	479,377	83,523
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Accumulated loss at the end of the financial year	<u>(602,798)</u>	<u>(123,421)</u>
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Soda Incorporation Pty Limited
ABN 91 081 149 635
Directors Declaration
for the Year Ended 30 June 2004

The directors have determined that the company is not a reporting entity. The directors have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company hereby declare that:

The accompanying financial statements and notes of the company as at 30 June 2004;

- a) present fairly the company's financial position as at 30 June 2004 and its performance for the year ended on that date in accordance with the accounting policies as described in Note 1 of the financial statements.
- b) comply with Australian Accounting Standards as detailed in Note 1 of the financial statements and the Corporations Act.
- c) there is reasonable grounds to believe that the company will be able to meet its debts as and when they become payable.

This declaration is made in accordance with a resolution of the Board of Directors:

Nicholas Ghattas
Director



Mary Ghattas
Director



Dated this 3RD day of FEBRUARY 2005

SODA INCORPORATION PTY LIMITED
ABN 91 081 149 635
INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
SODA INCORPORATION PTY LIMITED

Scope

We have audited the attached financial report, being a special purpose financial report of Soda Incorporation Pty Limited for the year ended 30 June 2004, as set out on pages 4 to 9 therein. The company's directors are responsible for the financial report and the directors have determined that the accounting policies described at Note 1 to the financial statements are appropriate to meet the needs of members and also the company's constitution. We have conducted an independent audit of this financial report in order to express an opinion on them to the members of the company. No Opinion is expressed as to whether the accounting policies used within Note 1 to the financial statements are appropriate to the needs of the members.

The financial statements have been prepared to distribute to members of the company so as to fulfill the directors' financial reporting requirements under the company's constitution. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial statements to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included the evaluation of accounting policies and significant accounting estimates, examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with accounting policies as described in Note 1 so as to present a view which is consistent with our understanding of the Company's financial position and the results of its operations. The accounting policies within Note 1 do not require the application of all Australian Accounting Standards and other mandatory professional reporting requirements.

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

Audit Opinion

In our opinion, the financial report presents fairly in accordance with the accounting policies stated in Note 1 to the financial statements the financial position of Soda Incorporation Pty Limited as at 30th June 2004 and the results of its operations for the year then ended.

R.A.S. Rothsay Accounting Services
Chartered Accountants
Sydney, NSW

Rothsay Accounting Services Pty Ltd

Frank Vrachas
Partner

Dated this 3RD day of FEBRUARY 2005