

**Soda Incorporation Pty Limited**  
**ABN 91 081 149 635**  
**Financial Statements**  
**For the Year ended 31st July 2005**

# **Soda Incorporation Pty Limited**

## **Annual Report for the Year Ended 31 July 2005**

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**Soda Incorporation Pty Limited**  
**ABN 91 081 149 635**  
**Compilation Report**

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**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 31st July 2005 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*

8<sup>th</sup> September 2005

**Soda Incorporation Pty Limited**  
**ABN 91 081 149 635**  
**Trading Statement**  
**For the period ended 31 July 2005**

	<i>Economic Entity</i>		<i>Parent Entity</i>	
	13 Month Period	Year	13 Month Period	Year
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	\$	\$	\$	\$
<b>Income</b>				
Sales	1,766,464	1,052,286	40,749	106,678
Rebates	226,518	157,956	-	-
Discounts Received	14	236	13	236
	<u>1,992,996</u>	<u>1,210,478</u>	<u>40,762</u>	<u>106,914</u>
<b>Less Cost of Sales</b>				
Opening Stock	325,813	9,451	19,223	9,451
Purchases	1,290,059	1,226,964	27,249	95,941
Customs Duty	1,033	481	1,496	481
Freight & Cartage	3,916	(5,227)	3,916	(5,267)
Discounts Allowed	75	1,250	-	33
	<u>1,620,821</u>	<u>1,232,919</u>	<u>51,884</u>	<u>100,639</u>
Closing Stock	(492,708)	(325,813)	(26,501)	(19,223)
	<u>1,128,113</u>	<u>907,106</u>	<u>25,383</u>	<u>81,416</u>
<b>Gross Profit</b>	<u>864,883</u>	<u>303,372</u>	<u>15,379</u>	<u>25,498</u>
 <b>Gross Profit Margin</b>	 42.69%	 25.06%	 28.36%	 23.85%

*The accompanying notes form part of these financial statements.*

**Soda Incorporation Pty Limited**  
**ABN 91 081 149 635**  
**Profit and Loss Statement**  
**For the period ended 31 July 2005**

	<i>Economic Entity</i>		<i>Parent Entity</i>	
	13 Month Period	Year	13 Month Period	Year
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>INCOME</b>				
Management Fees	-	-	700,586	262,757
Interest Received	154	284	154	259
Foreign Currency Exchanges	5,178	11,984	5,178	11,984
Gross Profit from Trading	864,833	303,372	15,379	25,498
	<u>870,165</u>	<u>315,640</u>	<u>721,297</u>	<u>300,498</u>
<b>EXPENDITURE</b>				
Accountancy	193	732	-	732
Advertising & Promotion	81,415	79,866	35,750	71,803
Audit Fees	9,500	6,500	9,500	6,500
Bank Charges	3,705	3,074	1,993	1,795
Catering	298	-	-	-
Consultancy Fee	80,802	36,394	20,955	-
Cleaning & Rubbish Removal	1,898	1,903	1,898	1,903
Computer Expenses & Training	6,285	7,430	6,285	7,430
Conference & Seminar Costs	1,536	8,815	1,536	8,815
Consultant's Salaries	133,394	127,235	133,394	127,235
Merchant Fees	7,345	3,201	-	816
Depreciation Plant & Equipment	35,172	19,902	17,925	15,804
Donations	-	850	-	850
Entertainment Expenses	2,066	1,083	2,066	1,083
Freight & Cartage	37,348	22,721	37,885	29,039
Insurance	16,350	12,593	16,350	12,593
Interest Paid	41,184	9,749	40,730	9,519
Legal Costs	8,630	35,100	8,630	35,100
Lodgement fees	821	-	821	-
Motor Vehicle Expenses	18,010	16,581	18,010	16,581
Office Expenses	-	979	-	979
Packing Materials	3,457	3,218	535	1,381
Postage	1,842	2,569	1,842	2,569
Printing & Stationery	5,207	9,140	5,030	8,690
Provision for Annual Leave	(4,500)	55	(4,500)	55
Rent	46,133	42,292	46,133	42,292
Repairs & Maintenance	353	-	353	-
Staff Amenities	501	1,087	501	1,087
Staff Recruitment	5,519	838	5,057	838
Stocktaking Expenses	3,460	-	3,460	-
Superannuation	36,073	32,580	36,073	32,580
Telephone	22,954	12,560	22,954	12,560
Travelling Expenses	23,028	7,179	23,028	7,179
Wages	314,734	274,719	314,734	274,719
Warehousing Costs	61,369	47,348	61,369	47,348
	<u>1,006,082</u>	<u>828,293</u>	<u>870,297</u>	<u>779,875</u>
<b>OPERATING LOSS BEFORE INCOME TAX</b>	<u>(135,917)</u>	<u>(512,653)</u>	<u>(149,000)</u>	<u>(479,377)</u>

*The accompanying notes form part of these financial statements.*

**Soda Incorporation Pty Limited**  
**ABN 91 081 149 635**  
**Statement of Financial Performance**  
**For the period ended 31 July 2005**

	<i>Economic Entity</i>		<i>Parent Entity</i>	
	13 Month Period	Year	13 Month Period	Year
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	\$	\$	\$	\$
Revenues from ordinary activities	1,998,328	1,222,746	746,680	381,914
Expenses from ordinary activities, excluding borrowing costs	(2,093,011)	(1,725,650)	(854,950)	(851,772)
Borrowing cost expense	(41,184)	(9,749)	(40,730)	(9,519)
<b>Loss from ordinary activities before income tax</b>	<b>(135,867)</b>	<b>(512,653)</b>	<b>(149,000)</b>	<b>479,377</b>
Income tax relating to ordinary activities	-	-	-	-
<b>Loss from ordinary activities after related income tax</b>	<b>(135,867)</b>	<b>(512,653)</b>	<b>(149,000)</b>	<b>479,377</b>
<b>Net loss for the period/year</b>	<b>(135,867)</b>	<b>(512,653)</b>	<b>(149,000)</b>	<b>(479,377)</b>
<b>Total revenues, expenses and valuation adjustments attributable to members of the company and recognised directly in equity</b>	<b>(135,867)</b>	<b>(512,653)</b>	<b>(149,000)</b>	<b>(479,377)</b>

*The accompanying notes form part of these financial statements.*

# Soda Incorporation Pty Limited

ABN 91 081 149 635

## Statement of Financial Position

As at 31 July 2005

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash	2	17,463	9,203	8,253	1,185
Receivables	3	226,873	171,517	5,276	6,315
Inventories	6	492,708	325,813	26,501	19,223
Current tax assets	4	77,114	-	-	-
Other	8	15,333	19,974	15,333	19,974
<b>TOTAL CURRENT ASSETS</b>		<b>829,491</b>	<b>526,507</b>	<b>55,363</b>	<b>46,697</b>
<b>NON-CURRENT ASSETS</b>					
Receivables	3	-	-	751,705	236,379
Investments	5	-	-	1	1
Property, plant and equipment	7	206,342	63,449	76,801	34,763
<b>TOTAL NON-CURRENT ASSETS</b>		<b>206,342</b>	<b>63,449</b>	<b>828,507</b>	<b>271,143</b>
<b>TOTAL ASSETS</b>		<b>1,035,833</b>	<b>589,956</b>	<b>883,870</b>	<b>317,840</b>
<b>CURRENT LIABILITIES</b>					
Payables	9	200,301	374,688	62,159	71,892
Current tax liabilities	11	99,412	2,596	65,447	-
Provisions	12	37,961	23,630	37,961	23,630
<b>TOTAL CURRENT LIABILITIES</b>		<b>337,674</b>	<b>400,914</b>	<b>165,567</b>	<b>95,522</b>
<b>NON-CURRENT LIABILITIES</b>					
Interest-bearing liabilities	10	700,000	217,516	700,000	217,516
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>700,000</b>	<b>217,516</b>	<b>700,000</b>	<b>217,516</b>
<b>TOTAL LIABILITIES</b>		<b>1,037,674</b>	<b>618,430</b>	<b>865,567</b>	<b>313,038</b>
<b>NET ASSETS</b>		<b>(1,841)</b>	<b>(28,474)</b>	<b>18,303</b>	<b>4,802</b>
<b>EQUITY</b>					
Contributed Equity	13	770,100	607,600	770,100	607,600
Accumulated losses	14	(771,941)	(636,074)	(751,797)	(602,798)
<b>TOTAL EQUITY</b>		<b>(1,841)</b>	<b>(28,474)</b>	<b>18,303</b>	<b>4,802</b>

The accompanying notes form part of these financial statements.

# Soda Incorporation Pty Limited

## Notes to the Financial Statements

### For the period ended 31 July 2005

#### 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.

##### (b) Investments

Investments are stated at cost or directors' valuation. Dividends are brought to account in the Profit & Loss Statement when received.

##### (c) Going Concern

These financial statements have been prepared on a going concern basis, which assumes that the shareholders will continue to support the operations of the Company by the way of additional loans and equity to enable it to meet its obligations as and when they fall due.

#### 2 CASH

	<i>Economic Entity</i>		<i>Parent Entity</i>	
	2005	2004	2005	2004
	\$	\$	\$	\$
Cash on Hand	40	41	40	40
Petty Cash	250	250	250	250
Cash at Bank	17,173	8,912	7963	895
	<u>17,463</u>	<u>9,203</u>	<u>8,253</u>	<u>1,185</u>

#### 3 RECEIVABLES

##### Current

Security Deposits	5,000	5,000	5,000	5,000
Trade Debtors	221,873	166,517	276	1,315
	<u>226,873</u>	<u>171,517</u>	<u>5,276</u>	<u>6,315</u>

##### Non-Current

Loan to Soda Distribution Pty Ltd	-	-	751,705	236,379
	<u>-</u>	<u>-</u>	<u>751,705</u>	<u>236,379</u>

# Soda Incorporation Pty Limited

## Notes to the Financial Statements For the period ended 31 July 2005

	<i>Economic Entity</i>		<i>Parent Entity</i>	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>4 CURRENT TAX ASSETS</b>				
<b>Non-Current</b>				
SO Distribution Pty Ltd	77,114	-	-	-
	<u>77,114</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>5 INVESTMENTS</b>				
<b>Non-Current</b>				
<i>Shares in Unlisted Co. - Wholly Owned Subsidiary</i>				
SO Distribution Pty Ltd	-	-	1	1
	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>6 INVENTORIES</b>				
<b>Current</b>				
Stock on Hand	492,708	325,813	26,501	19,223
	<u>492,708</u>	<u>325,813</u>	<u>26,501</u>	<u>19,223</u>
<b>7 PROPERTY, PLANT &amp; EQUIPMENT</b>				
<b>Plant &amp; Equipment</b>				
Office Furniture & Equipment	273,049	119,138	122,163	86,354
Less Accumulated Depreciation	(66,707)	(55,689)	(45,362)	(51,591)
	<u>206,342</u>	<u>63,449</u>	<u>76,801</u>	<u>34,763</u>
<b>8 OTHER</b>				
<b>Current</b>				
Prepayments	15,333	19,974	15,333	19,974
	<u>15,333</u>	<u>19,974</u>	<u>15,333</u>	<u>19,974</u>
<b>9 PAYABLES</b>				
<b>Current</b>				
PAYG Withholding Payable	18,027	1,870	18,027	1,870
Trade Creditors	179,636	372,818	41,494	70,022
Credit Card	2,638	-	2,638	-
	<u>200,301</u>	<u>374,688</u>	<u>62,159</u>	<u>71,892</u>

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**Soda Incorporation Pty Limited**  
**ABN 91 081 149 635**  
**Directors Declaration**  
**for the Year Ended 31 July 2005**

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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 31 July 2005;

- a) present fairly the company's financial position as at 31 July 2005 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 8<sup>TH</sup> day of SEPTEMBER 2005

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

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**Scope**

We have audited the attached financial report, being a special purpose financial report of Soda Incorporation Pty Limited for the year ended 31 July 2005, 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 31st July 2005 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 8<sup>th</sup> day of SEPTEMBER 2005