

# Half yearly report

Name of *issuer*

Soda Brands Limited

ACN

Half yearly  
(tick)

Preliminary  
final (tick)

Half year ended ('Current period')

081 149 635



31 January 2007

## For announcement to the market

				\$A,000
Revenue (Item 1.1)	Up	32.16%	to	1,167
Loss for the period (Item 1.5)	Up	157.94%	to	(411)
Loss for the period attributable to members of the parent (Item 1.11)	Up	157.94%	to	(411)
<b>Dividends</b>	Current Period		Previous Corresponding Period	
Dividends declared or paid during the period	NIL		NIL	

## Consolidated profit and loss account

		Current period	Previous corresponding period
		\$A'000	\$A'000
1.1	Revenue (Item 7.1)	1,167	883
1.2	Expenses, excluding finance costs (Item 7.2)	(1,536)	(1,007)
1.3	Finance costs	(42)	(35)
1.5	<b>Loss before income tax</b>	(411)	(159)
1.6	Less Income tax expense	-	-
1.11	<b>Loss for the period attributable to members of the parent</b>	(411)	(159)
1.12	<b>Basic earnings per security (Item 9.1)</b> (cents per share)	(3.45)	(3.12)
1.13	Diluted earnings per security (Item 9.1)	(3.14)	(3.12)
1.14	Dividends per security (Item 10.1)	-	-

## Consolidated balance sheet

		Current period \$A'000	Previous corresponding period \$A'000
	<b>Current assets</b>		
3.1	Cash and cash equivalents	1,336	25
3.2	Trade and other receivables	307	139
3.3	Inventories	813	548
3.4	Other current assets	115	200
3.5	<b>Total current assets</b>	2,571	912
	<b>Non-current assets</b>		
3.12	Property, plant and equipment (net)	277	216
3.14	Goodwill	3,022	-
3.16	Other assets	10	5
3.17	<b>Total non-current assets</b>	3,309	221
3.18	<b>Total assets</b>	5,880	1,133
	<b>Current liabilities</b>		
3.19	Trade and other payables	341	295
3.22	Short term provisions	9	34
3.26	<b>Total current liabilities</b>	350	329
	<b>Non-current liabilities</b>		
3.27	Long term borrowings	-	915
3.31	<b>Total non-current liabilities</b>	-	915
3.32	<b>Total liabilities</b>	350	1,244
3.33	<b>Net assets</b>	5,530	(111)
	<b>Equity</b>		
3.34	Share capital	6,957	820
3.36	Accumulated losses	(1,427)	(931)
3.37	<b>Parent interest</b>	5,530	(111)
3.39	<b>Total equity</b>	5,530	(111)

## Consolidated statement of cash-flows

		Current period \$A'000	Previous corresponding period \$A'000
	<b>Cash flows related to operating activities</b>		
5.1	Receipts from customers	1,165	883
5.2	Payments to suppliers and employees	(1,754)	(1,053)
5.3	Interest and other costs of finance paid	(42)	(35)
5.4	Income taxes paid	-	-
5.6	<b>Net cash used in operating activities</b>	(631)	(205)
	<b>Cash flows related to investing activities</b>		
5.7	Payments for purchases of plant and equipment	(23)	(52)
5.9	Payment for purchase of goodwill	(3,022)	-
5.16	<b>Net cash used in investing activities</b>	(3,045)	(52)
	<b>Cash flows related to financing activities</b>		
5.17	Proceeds from issues of securities (ordinary shares)	5,617	50
5.19	Repayment of borrowings	(620)	-
5.21	Other	-	215
5.22	<b>Net cash used in financing activities</b>	4,997	265
	<b>Net increase (decrease) in cash held</b>	1,321	8
5.23	Cash at beginning of period (see <i>Reconciliations of cash</i> )	15	17
5.25	<b>Cash at end of period</b> (see <i>Reconciliation of cash</i> )	1,336	25

## 6.0 Reconciliation of cash provided by operating activities to profit or loss

	Current period	Previous corresponding period
	\$A'000	\$A'000
Loss from ordinary activities after income tax	(411)	(159)
Non-cash flows in loss from ordinary activities		
Depreciation	44	(23)
Increase/(decrease) in trade and term receivables	(42)	(83)
Increase/(decrease) in prepayments	(77)	52
Increase/(decrease) in inventories	(152)	54
Increase/(decrease) in other assets	35	(25)
(Increase)/decrease in trade payables and accruals	(103)	(17)
Increase/(decrease) in other liabilities	75	
Increase/(decrease) in provisions	-	(4)
Cash flow from operations (Item 5.6)	(631)	(205)

## Notes to the financial statements

### Details of revenues and expenses

	Current period	Previous corresponding period
	\$A'000	\$A'000
Revenue		
Sale of goods	1,167	883
7.1 Total revenue	1,167	883
Expenses		
Cost of sales	(639)	(496)
Sales, marketing and branding	(316)	(49)
Employee benefits	(379)	(312)
Depreciation	(44)	(23)
Other expenses	(158)	(127)
Financing costs	(42)	(35)
7.2 Total expenses	(1,578)	(1,042)

<b>Ratios</b>		Current period	Previous corresponding period
<b>Profit before tax/revenue</b>			
8.1	Consolidated operating loss before abnormal items and tax (items 1.5) as a percentage of sales revenue (items 1.1)	(35.2%)	(18.0%)
<b>Profit after tax/equity interests</b>			
8.2	Consolidated operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period	(7.4%)	N/A

<b>Earnings per security (EPS)</b>		Cents per share	Cents per share
9.1	Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a)	Basic EPS	(3.45)	(3.12)
(b)	Diluted EPS	(3.14)	(3.12)
EPS calculations have been based on weighted average shares outstanding, adjusted for the share reduction which occurred on 30 September 2006.			

#### **Dividends**

10.1 No dividends were declared or paid during the period or the previous corresponding period.

# **Movement s in equity**

		Current Period			Previous corresponding period		
Category of securities		Number issued	Value	Paid-up value per share	Number issued	Value	Paid-up value per share cents
		'000	\$A'000	cents	'000	\$A'000	
14.6	<b>Ordinary securities</b>						
	<b>Ordinary Shares</b>						
14.7	Balance at start of period	19,000	1,340	0.07	10,000	770	0.08
	1 October 2005	-	-	-	333	50	0.15
	30 September 2006	1,000	100	0.10	-	-	-
	30 September 2006						
	Share consolidation	(10,000)	N/A	N/A	-	-	-
	<b>Sub Total</b>	10,000	1,440	0.14	10,333	820	0.08
	12 January 2007						
	Shares issued in pursuant to the company listing on the NSX (net of issue costs)	20,000	4,517	0.25	-	-	-
	12 January						
	Shares issued in consideration of acquisition of Salon Only Pty Ltd	4,000	1,000	0.25	-	-	-
14.10	Balance at end of period	34,000	6,957	0.20	10,333	820	0.08
14.16	<b>Options</b>						
	Directors' options						
14.18	Issued during period						
	30 September 2006	1,750	-	-	-	-	-
14.21	Balance at end of period	1,750	-	-	-	-	-
14.32	<b>Total Securities</b>	35,750	6,957	0.19	10,333	820	0.08

	Current period \$A'000	Previous corresponding period \$A'000
<b>Accumulated Losses</b>		
14.38 <b>Balance at start of period</b>	(1,016)	(772)
14.39 Changes in accounting policy	-	-
14.40 Restated balance	(1,016)	(772)
14.41 Loss for the period	(411)	(159)
14.42 Total for the period	(411)	(159)
14.43 Dividends	-	-
14.44 <b>Balance at end of period</b>	(1,427)	(931)

**Control gained over entities having material effect**

16.1	Name of entity	Salon Only Pty Limited
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		\$A'000
16.2	Consolidated operating profit (loss) after tax of the <i>issuer</i> (or <i>group</i> ) since the date in the current period on which control was acquired	-
16.3	Date from which such profit (loss) has been calculated	12/01/2007
16.4	Profit (loss) after tax of the <i>issuer</i> (or <i>group</i> ) for the whole of the previous corresponding period	-

**Loss of control of entities having material effect**

17.1	Name of entity (or <i>group</i> )	Not Applicable
17.2	Consolidated operating profit (loss) after tax of the entity (or <i>group</i> ) for the current period to the date of loss of control	Not Applicable
17.3	Date from which the profit (loss) in item 17.2 has been calculated	Not Applicable
17.4	Consolidated operating profit (loss) after tax of the entity (or <i>group</i> ) while controlled during the whole of the previous corresponding period	Not Applicable
17.5	Contribution to consolidated operating profit (loss) from sale of interest leading to loss of control	Not Applicable



## Material interests in entities which are not controlled entities

Not Applicable

## Reports for industry and geographical segments

Primary Segment – The consolidated entity operates only in one industry being distribution of hair and beauty care products and it operates Australia wide.

		Current period	Previous corresponding period
		\$A'000	\$A'000
<b>Segments</b>			
Revenue:			
19.1	External sales	1,167	883
19.3	<b>Total</b>	<b>1,167</b>	<b>883</b>
19.4	Segment result	1,167	883
19.5	Unallocated expenses	(1,536)	(1,007)
19.6	<b>Operating loss</b>	<b>(369)</b>	<b>(124)</b>
19.7	Interest expense	(42)	(35)
19.11	<b>Net loss</b>	<b>(411)</b>	<b>(159)</b>
<b>Other information</b>			
19.12	Segment assets	5,880	1,133
19.15	<b>Total assets</b> (equal to item 3.18)	<b>5,880</b>	<b>1,133</b>
19.16	Segment liabilities	350	1,244
19.17	Unallocated liabilities	-	-
19.18	<b>Total liabilities</b> (equal to item 3.32)	<b>350</b>	<b>1,244</b>
19.19	Capital expenditure	23	52
19.20	Depreciation	44	23

NTA backing	Current period	Previous corresponding period
20.1	\$AUD	\$AUD
Net tangible asset backing per ordinary security	\$0.074	N/A

## Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows:

21.1 Part funding of the acquisition of Salon Only Pty Ltd. 4,000,000 ordinary shares issued at a price of 25 cents amounting to \$1,000,000.

### International Financial Reporting Standards

*Under paragraph 39 of AASB 1: First –time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.*

22.1 Not applicable.

*Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.*

22.2 Not applicable.

### Comments by *directors*

Comments by directors have been included in the address by the chairman of the board of directors.

### Basis of accounts preparation

*If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period.*

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

None

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

None

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

No dividends have been declared for the next financial year

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

None

An *issuer* shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows.

Not applicable, transition occurred in previous financial period.

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year.

NIL

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report.

NIL

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that is unusual because of their nature, size or incidence

NIL

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations.

Not applicable

### Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange.
2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed.
4. This statement is based on financial statements to which one of the following applies:

The financial statements have been audited.	✓	The financial statements have been subject to review by a registered auditor (or overseas equivalent).
The financial statements are in the process of being audited or subject to review.		The financial statements have <i>not</i> yet been audited or reviewed.
5. The accounts have been reviewed and the audit report is attached, there are no audit qualifications.
6. The *issuer* has a formally constituted audit committee.



Sign here: .....  
Non-Executive Chairman

Andrew Fairfull

Date: 13 April 2007