

FORM: Half yearly final report

Name of *issuer*

SODA Brands Limited

ACN or ARBN

081 149 635

Half yearly
(tick)

✓

Preliminary
final (tick)

Half year/financial year ended
('Current period')

31 January 2009

For announcement to the market

				\$A,000
Revenue (item 1.1)	up	19.52%	to	1,549
Loss for the period (item 1.9)	up	24,373%	to	(5,384)
Loss for the period attributable to security holders (item 1.11)	up	24,373%	to	(5,384)
Income Distributions		Current period	Previous corresponding period	
Dividends		NIL	NIL	
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
NIL				

Consolidated income statement *(The figures are not equity accounted)*

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues <i>(item 7.1& item 7.2)</i>	1,549	1,296
1.2 Expenses, excluding finance costs <i>(item 7.1 & item 7.2)</i>	6,933	1,311
1.3 Finance costs	0	7
1.5 Profit (loss) before income tax	(5,384)	(22)
1.6 Income tax expense <i>(see note 4)</i>	0	0
1.7 Profit (loss) from continuing operations	(5,384)	(22)
1.9 Profit (loss) attributable to security holders for the period	(5,384)	(22)
1.10 Basic earnings per security <i>(item 9.1)</i> (cents)	(12.39)	(0.07)
1.11 Diluted earnings per security <i>(item 9.1)</i> (cents)	(9.71)	(0.06)
1.12 Distribution per security <i>(item 9.1)</i>	NIL	NIL

Consolidated balance sheet

Current assets		Current period - \$A'000	Previous corresponding period - \$A'000
3.1	Cash and cash equivalents	0	615
3.2	Trade and other receivables	479	423
3.3	Inventories	1,139	823
3.4	Other current assets	20	95
3.5	Total current assets	1,638	1,956
Non-current assets			
3.12	Property, plant and equipment (net)	91	246
3.14	Goodwill	-	3,022
3.17	Total non-current assets	91	3,268
3.18	Total assets	1,729	5,224
Current liabilities			
3.19	Trade and other payables	1,253	146
3.20	Short term borrowings	28	0
3.22	Short term provisions	94	8
3.26	Total current liabilities	1,346	154
Non-current liabilities			
3.29	Long term provisions	-	-
3.31	Total non-current liabilities	-	-
3.32	Total liabilities	1,375	154
3.33	Net assets	354	5,070
Equity			
3.34	Share capital	7,879	6,913
3.35	Other reserves	(10)	(10)
3.36	Accumulated Losses	(7,515)	(1,833)
3.37	Total equity	354	5,070

Consolidated statement of changes in equity

	Current period – A\$'000	Previous corresponding period – A\$'000
4.1 Net income recognised directly in equity	NIL	NIL
4.2 Loss for the period	(5,384)	(22)
4.3 Total recognised income and expense for the period	(5,384)	(22)
4.4 Effect of changes in accounting policy	NIL	NIL

Consolidated statement of cash flows

		Current period - \$A'000	Previous corresponding period - \$A'000
	Cash flows related to operating activities		
5.1	Receipts from customers	1,857	1,376
5.2	Payments to suppliers and employees	(2,456)	(1,409)
5.3	Interest and other costs of finance paid	0	(7)
5.6	Net cash used in operating activities	(599)	(40)
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment	0	(33)
5.9	Payment for purchases of equity investments	(50)	0
5.13	Interest and other items of similar nature received	1	20
5.16	Net cash used in investing activities	(49)	(13)
	Cash flows related to financing activities		
5.17	Proceeds from issues of securities (shares, options, etc.)	500	0
5.22	Net cash used in financing activities	500	0
	Net increase (decrease) in cash and cash equivalents	(148)	(53)
5.23	Cash at beginning of period (see <i>Reconciliations of cash</i>)	120	668
5.25	Cash at end of period (see <i>Reconciliation of cash</i>)	(28)	615

Reconciliation of cash provided by operating activities to profit or loss

	Current period \$A'000	Previous corresponding period \$A'000
6.1 Loss <i>(item 1.9)</i>	(5,384)	(22)
Adjustments for:		
6.2 Loss on disposal of Fixed assets	56	0
6.3 Depreciation	46	61
6.4 Impairment of goodwill	3,809	0
6.5 Increase/(decrease) in inventory	581	10
6.6 Increase/ (decrease) in current receivable	(117)	11
6.7 Increase/(decrease) in Other assets	347	(39)
6.8 Increase/(decrease) in trade payable and accruals	(7)	(40)
6.9 Increase/(decrease) in provisions	70	(1)
6.10 Net cash from operating activities <i>(item 5.6)</i>	(599)	(20)

Notes to the financial statements

Details of revenues and expenses

	Current period - \$A'000	Previous corresponding period - \$A'000
7.1 Revenue		
Sale of goods	1,548	1,276
Cost of sales	(1,591)	(576)
Gross profits	(43)	700
7.2 Sales, Marketing and branding	(190)	(106)
Employee benefits	(646)	(370)
Listing & compliance expenses	(74)	(41)
Impairment of goodwill	(3,809)	0
Other expense	(577)	(157)
Profit / (loss) before interest and depreciation	(5,339)	26
Interest income	1	20
Financing costs	0	(7)
Depreciation	(46)	(61)
Loss before tax	(5,384)	(22)

Ratios

	Current period	Previous corresponding period
Profit before tax / revenue		
8.1 Consolidated loss before tax (<i>item 1.5</i>) as a percentage of revenue (<i>item 1.1</i>)	(347.58%)	(1.69%)
Profit after tax / equity interests		
8.2 Consolidated loss after tax attributable to security holders (<i>item 1.11</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 3.37</i>)	(1520.90%)	(0.44%)

Earnings per Security

9.1

Earning per security (EPS)	Cent per share	Cent per share
Calculation of basic, and fully diluted, EPS in accordance with AASB 133 : Earning per share		
(a) Basic EPS	(12.39)	(0.07)
(b) Diluted EPS	(9.71)	(0.06)

EPS calculation have been based on weighted average shares outstanding, adjusted for shares options granted to directors and other entities and associates

Income distributions

10.1 Date the income distribution is payable

Not applicable

10.2 Record date to determine entitlements to the income distribution (i.e. on the basis of register able transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

Not applicable

10.3 The *distribution plans* shown below are in operation.

Not applicable

The last date(s) for receipt of election notices to the *distribution plans*

NIL

10.4 Any other disclosures in relation to *distributions*

NIL

Distributions paid or provided for on all securities

		Current period - \$A'000	Previous corresponding period - \$A'000	Franking rate applicable
Distributions paid or provided for during the reporting period				
10.5	Current year interim	NIL	NIL	N/A
10.6	Previous year final	NIL	NIL	N/A

Distributions per security

		Current year	Previous year	Franking rate applicable
Distributions paid or provided for during the reporting period				
10.7	Current year interim	NIL	NIL	N/A
10.8	Previous year final	NIL	NIL	N/A

Movements in Equity

		Number issued '000	Number listed '000	Paid-up value (cents)	Current period – A\$'000	Previous correspondin g period – A\$'000
14.6	Ordinary securities					
	Ordinary shares					
14.7	Balance at start of period	34,000	34,000	20.33	6,913	6,913
14.8	a) Increases through issues	12,092	12,092	7.99	966	0
14.10	Balance at end of period	46,092	46,092	17.09	7,879	6,913
		Number issued '000	Number listed '000	Paid-up value (cents)	Current period – A\$'000	Previous correspondin g period – A\$'000
14.16	Options					
	<i>(one ordinary share for every option issued)</i>					
14.17	Balance at start of period	1,750	0	0	0	0
14.18	Issued during period	13,082	0	0	0	0
14.21	Balance at end of period	14,832	0	0	0	0
14.32	Total Securities	60,924	46,092	12.93	7,879	6,913
				Current period – A\$'000	Previous corresponding period – A\$'000	
Reserves						
14.33	Balance at start of period			(10)	(10)	
14.36	Balance at end of period			(10)	(10)	
14.37	Total reserves			(10)	(10)	
Retained earnings						
14.38	Balance at start of period			(2,131)	(1,811)	
14.42	Total for the period			(5,384)	(22)	
14.43	Dividends			0	0	
14.44	Balance at end of period			(7,515)	(1,833)	

Control gained over entities having material effect

16.1	Name of <i>issuer</i> (or <i>group</i>)	Kistani Pty Ltd
		\$A'000
16.2	Consolidated 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	NIL
16.3	Date from which profit (loss) in <i>item 16.2</i> has been calculated	9 September 2008
16.4	Profit (loss) after tax of the <i>issuer</i> (or <i>group</i>) for the whole of the previous corresponding period	N/A

Reports for industry and geographical segments

	Current period - \$A'000	Previous corresponding period - \$A'000
Segments		
Revenue:		
19.1 External sales	1,548	1,276
19.2 Inter-segment sales		
19.3 Total (consolidated total equal to <i>item 1.1</i>)	1,548	1,276
19.4 Segment result	(43)	700
19.5 Unallocated expenses	(5,342)	(735)
19.6 Operating profit (equal to <i>item 1.5</i>)	(5,385)	(35)
19.7 Interest expense	0	(7)
19.8 Interest income	1	20
19.11 Net profit (consolidated total equal to <i>item 1.9</i>)	(5,384)	(22)
Other information		
19.12 Segment assets	1,729	5,224
19.15 Total assets (equal to <i>item 3.18</i>)	1,729	5,244
19.16 Segment liabilities	1,281	146
19.17 Unallocated liabilities	94	8
19.18 Total liabilities (equal to <i>item 3.32</i>)	1,375	154
19.19 Capital expenditure	0	33
19.20 Depreciation	46	61
19.21 Other non-cash expenses	1,522	NIL

NTA Backing

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security (cents)	0.77	4.35

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	NIL
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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
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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
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Comments by directors

Basis of accounts preparation

This statement is a half yearly statement, which 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. This report does not include all notes of the type normally included in an annual financial report.

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

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

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 are unusual because of their nature, size or incidence.

Obsolete inventory written off in the half year amounting to \$450,000
Doubtful debts provision in the half year amounted to \$140,117
Impairment charge to goodwill of \$3,808,871 based on value in use calculation as per AASB 136

These items increased the loss for the half year

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

The parent entity acquired the entire issued share capital of Kistani Pty Ltd on 9/09/2008.

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*, 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.

√

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

The financial statements have *not* yet been audited or reviewed.

5. The accounts have been reviewed by the auditors and there are no audit qualifications.
6. The issuer has a formally constituted audit committee.

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Director

Date: 21 April 2008

Andrew Fairfull