

Appendix 4E

Preliminary final report

Period ending 30 June 2007

Results for announcement to the market

			June 2007	June 2006
Financial Results				
Revenue from ordinary activities	Up	21 %	\$4,106,600	\$3,396,7344
Profit/(loss) from ordinary activities after tax attributable to members	Dn	551 %	(\$1,461,653)	(\$224,583)

Dividends	Amount per Ordinary Security	Franked amount per security
2007 interim dividend	Nil	Nil
2006 interim dividend	Nil	Nil
Record date for determining entitlements to interim dividends	N/A	

Net Tangible Asset Backing	June 2007	June 2006
Net tangible asset backing per ordinary security	\$0.08	\$0.11

REFRESH GROUP LIMITED
PRELIMINARY FINAL REPORT
CONDENSED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Note	CONSOLIDATED	
		2007	2006
		\$	\$
Continuing Operations			
Revenues from ordinary activities	2	4,106,600	3,396,734
Change in Inventories of finished goods and work in progress		(1,810,515)	(1,294,502)
Other income	2	25,391	78,794
Employee benefits expense		(1,960,460)	(1,318,878)
Depreciation and amortisation expense		(157,804)	(89,564)
Investment in associates written off		(151,036)	-
Loan to related parties written off		(112,140)	-
Finance costs – net		(86,269)	(83,564)
Professional fees		(234,555)	(75,272)
Advertising expenses		(52,943)	(334,973)
Motor vehicle expenses		(144,620)	(108,331)
Occupancy expenses		(215,120)	(151,786)
Other expenses		(417,449)	(384,691)
Share of net profits/(losses) of associates accounted for using the equity method		(35,062)	(64,822)
Net profit/(loss) From Continuing Operations Before Income Tax		(1,245,982)	(430,855)
Income tax attributable to operating loss (credit)		215,671	(206,272)
Net profit/(loss) attributable to members of Refresh Group Limited		(1,461,653)	(224,583)
Basic earnings/(loss) per share (cents per share)		(3.35)	(0.69)
Diluted earnings/(loss) per share (cents per share)		(3.35)	(0.69)

The accompanying notes form part of this Condensed Income Statement.

REFRESH GROUP LIMITED
PRELIMINARY FINAL REPORT
CONDENSED BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2007

	CONSOLIDATED	
	At	At
	30 June 2007	30 June 2006
	\$	\$
Current Assets		
Cash and cash equivalents	435,507	1,462,633
Trade and other receivables	538,996	585,150
Inventories	398,030	504,400
Total Current Assets	1,372,533	2,552,183
Non Current Assets		
Receivables	1,227	27,205
Other financial assets	26,000	26,990
Investment in associates accounted for using the equity method	86,580	176,888
Property, plant and equipment	3,547,231	2,942,889
Intangible assets	543,774	403,202
Total Non-Current Assets	4,204,812	3,577,174
Total Assets	5,577,345	6,129,357
Current Liabilities		
Trade and other payables	328,334	275,066
Interest-bearing loans and borrowings	190,996	114,899
Provisions	91,744	114,932
Current tax liabilities	1,034	(75,599)
Total Current Liabilities	612,108	429,298
Non-Current Liabilities		
Interest-bearing loans and borrowings	861,201	622,478
Deferred income tax liabilities	141,052	24,696
Provisions	32,039	33,596
Total Non-Current Liabilities	1,034,292	680,770
Total Liabilities	1,646,400	1,110,068
Net Assets	3,930,945	5,019,289
Equity		
Equity attributable to equity holders of the parent		
Issued capital	4,724,674	4,634,995
Reserves	885,868	602,238
Retained earnings/(Accumulated losses)	(1,679,597)	(217,944)
Total Equity	3,930,945	5,019,289

The accompanying notes form part of this condensed Balance Sheet.

REFRESH GROUP LIMITED
PRELIMINARY FINAL REPORT
CONDENSED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	CONSOLIDATED	
	2007	2006
	\$	\$
Cash flows from operating activities		
Receipts from customers	4,133,792	3,202,912
Payments to suppliers and employees	(4,650,803)	(3,346,383)
Interest paid	(86,269)	(83,564)
Interest received	30,970	42,515
Other	-	40,399
Net cash flows used in operating activities	(572,310)	(144,121)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	20,966	34,400
Purchase of property, plant and equipment	(509,190)	(572,572)
Loans to related parties	(95,067)	(28,584)
Additional investment in associates	(95,790)	-
Purchase of other financial assets	-	(10,000)
Acquisition of subsidiaries, net of cash acquired	(70,000)	(45,101)
Net cash flows used in investing activities	(749,081)	(621,857)
Cash flows from financing activities		
Proceeds from issue of shares	-	2,516,000
Proceeds from borrowing	847,000	-
Share issue expenses	(20,555)	(392,203)
Repayments of borrowings	(532,180)	(49,514)
Net cash flows from financing activities	294,265	2,074,283
Net (decrease)/increase in cash held	(1,027,126)	1,308,305
Cash at beginning of the year	1,462,633	154,328
Cash at end of the year	435,507	1,462,633

REFRESH GROUP LIMITED
PRELIMINARY FINAL REPORT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

	Issued Capital	FundRaising Costs	Other reserves	Retained Earnings/ (Accumulated Losses)	Revaluation Reserve	Total
CONSOLIDATED						
At 1 July 2006	4,933,070	(298,075)	81,128	(217,944)	521,110	5,019,289
Fair value revaluation of land buildings					250,000	250,000
Equity fund raising costs		(20,555)				(20,555)
Total income and expense for the year recognised directly in equity	4,933,070	(318,630)	81,128	(217,944)	771,110	5,248,734
Loss for the year				(1,461,653)		(1,461,653)
Total income and expense for the period					-	
Issue of share capital	122,000	-	-	(1,461,653)		(1,461,653)
AIFRS tax adjustment taken to equity		(11,766)				(11,766)
Cost of share-based payments			33,630			33,630
At 30 June 2007	5,055,070	(330,396)	114,758	(1,679,597)	771,110	3,930,945

REFRESH GROUP LIMITED
NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Refresh Group Ltd and its subsidiaries as at 30 June 2007 ('the Group').

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investment in associates

The Group's investment in its associates is accounted for under the equity method of accounting in the consolidated financial statements. These are entities in which the Group has significant influence and which are neither subsidiaries nor joint ventures.

The financial statements of the associates are used by the Group to apply the equity method. The reporting dates of the associates and the Group are identical and both use consistent accounting policies.

The investment in the associates are carried in the consolidated balance at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The consolidated income statement reflects the Group's share of the results of operations of the associates.

Where there has been a change recognised directly in any of the associate's equity, the Group recognises its share of any changes and discloses this, when applicable in the consolidated statement of changes in equity.

Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Buildings:	over 40 years
Plant and equipment	over 5 to 20 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the income statement.

REFRESH GROUP LIMITED
NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007

Property, Plant and Equipment (cont)

Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same asset previously recognised in the income statement.

Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve.

In addition, any accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

Any item of property, plant and equipment is derecognised upon disposal of when no future economic benefits are expected to arise from the continued used of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

Raw materials - purchase cost

Finished goods - cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

REFRESH GROUP LIMITED
NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Share-based payment transactions

The Group provides to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

There are currently two plans in place to provide these benefits:

- (i) The Directors and Executives Option Scheme (DEOS), which provides benefits to directors and senior executives, and
- (ii) The Employee Share Scheme (ESS), which provides benefits to all employees other than directors and senior executives.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. This is determined using the Black-Scholes pricing model.

Recoverable Amount of Assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount.

Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Loss per Share

Basic loss per share is calculated as net loss attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares on issue during the financial year adjusted for any bonus element.

Diluted loss per share is calculated as net loss attributable to members, adjusted for;

- o costs of servicing equity (other than dividends) and preference share dividends;
- o the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- o other non discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares on issue during the financial year adjusted for any bonus element.

REFRESH GROUP LIMITED
NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007

Other Taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing.

Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Details of Entities over which control has been gained or lost during the period

Nil

Unaudited Appendix 4E

This report has not been audited. The results of the group are subject to change post the review and audit of the current year.

REFRESH GROUP LIMITED
NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007

	CONSOLIDATED	
	30 June 2007	30 June 2006
	\$	\$
NOTE 2. REVENUE		
Revenue		
Sales	4,106,600	3,396,734
Total Revenue from ordinary activities	4,106,600	3,396,734
Other Income		
Interest received	30,970	42,515
Other income	(5,579)	36,279
Total Other Income	25,391	78,794

NOTE 3. EVENTS AFTER BALANCE SHEET DATE

On 2 July 2007, Refresh acquired the bottled water division of Sun Shower Springs Pty Ltd. This operation will be part of Refresh Waters Queensland Pty Ltd.

The Board recently approved to engage a property agent to market its premises at 17 Denninup Way, Malaga.

NOTE 4. SEGMENT INFORMATION

The company operates in one industry, namely the water purification industry, in one geographical segment, namely Australia.

NOTE 5. CONTINGENT ASSETS & LIABILITIES

There are no contingent liabilities or contingent assets as at 30 June 2007 and in the interval between 30 June 2007 and the date of this report.