Appendix 4E

Preliminary Final Report
period ending 30 June 2014

Results for announcement to the market

Financial Results			June 2014	June 2013
Revenue from ordinary activities	Down	6.8%	6,414,044	6,884,597
Comprehensive Profit / (Loss) from ordinary activities after tax attributable to members	Up	871%	580,456	(75,291)

Dividends	2014 Final Dividend	2013 Final Dividend
Amount per Ordinary Security (declared but not yet provided at 30 June 2014)	0.1 cent	Nil
Franked amount per Security	0.1 cent	Nil
Record date for determining entitlements to final dividends	10 Sept 2014	

Net Tangible Asset Backing	June 2014	June 2013
Net tangible asset backing per ordinary security	$0.04	$0.03

Commentary

Every operating segment is doing better. Victoria has grown very well in the last few years. To cope with its continuing growth, we moved to a new factory in June 2014. Costs associated with the moving resulted in a reduced profit for this year.

	Profit/(Loss) ($'000)			**Revenue** ($'000)		
	2014	2013	%	2014	2013	%
Western Australia	393	244	61	3,485	3,326	5
New South Wales	87	46	89	1,271	1,375	(8)
Victoria	88	105	(16)	836	744	12
Queensland [1]	84	90	(7)	822	1,439	(43)
Corporate	(72)	(560)	87	-	-	
Total Company	580	(75)	873	6,414	6,884	(7)

[1] *Queensland profit for 2014 is only for 6 months from 1 July to 31 Dec 2013 and 49% of 1 Jan to 30 Jun using equity method; whereas numbers for 2013 are for a full year from 1 July 2012 to 30 June 2013.*

Announcement was previously made to the Australian Securities Exchange (ASX) that Refresh sold a 51% stake in our wholly-owned subsidiary, Refresh Waters Queensland Pty Ltd (RWQ), to Saisan Co Ltd on 2 January 2014 for $750k. This allowed us to repay all borrowings putting Refresh in an enviable position of being totally debt-free. One consequence of the sale is that RWQ is now equity accounted for and from 2 January 2014 its financial are no longer included in our consolidated financial statement. This explains the drastic variances in our financials compared to last financial year. If financials from RWQ are included, we would have achieved a total revenue growth of 5% pa.

Refresh is now poised to progress into our next phase of growth. We started to produce our own PET bottles from 5L to 15L in Perth. Investment in the blowmoulder is one of the reasons for the higher capital expenditure in this financial year. This will soon be replicated in Brisbane. It would enable us to significantly reduce our cost. Having reduced costs would also help us be more competitive in the market and allow us to increase our market share. The savings is not yet realised in this financial year as bottles were only produced in late May 2014. Savings would flow through from next financial year. The Company will continue to upgrade its equipment to achieve higher cost savings and reduced product costs.

Refresh's turnaround has also attracted a number of new investors both in trading volumes achieved on ASX as well as the placement of 11,466,666 shares to 2 new shareholders. Coupled with the positive cash flow from the business, this has put our Company in a strong financial position with a cash balance of $1.26 million.

PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Note	CONSOLIDATED 2014 $	2013 $
Revenue	2a	6,414,044	6,884,597
Cost of Sales		(2,640,908)	(2,869,919)
Gross Profit		3,773,136	4,014,678
Other income		384,221	19,272
Marketing Expenses		(479,954)	(555,778)
Distribution Expenses		(1,203,621)	(1,301,992)
Administrative Expenses		(1,367,645)	(1,565,055)
Occupancy Expenses		(526,713)	(606,371)
Other Expenses		(6,000)	(5,500)
Share of Net Profits of associates		16,675	-
Results from operating activities		590,099	(746)
Finance income	2c	12,946	5,577
Finance costs	2d	(22,589)	(80,122)
Profit / (Loss) before income tax		580,456	(75,291)
Income tax expense		-	-
Net Profit/ (Loss) Attributable to Members of Refresh Group Limited		580,456	(75,291)
Other comprehensive income		-	-
Total comprehensive income/(loss) attributable to members of Refresh Group Limited		580,456	(75,291)
Basic earnings/(loss) per share (cents per share)		0.60	(0.08)

The accompanying notes form part of the Statement of Comprehensive Income

PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Notes	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
ASSETS			
Current Assets			
Cash and cash equivalents		1,261,630	224,194
Trade and other receivables	3	538,491	788,914
Inventories	4	740,888	969,208
Total Current Assets		2,541,009	1,978,316
Non-Current Assets			
Other receivables	3	474,099	-
Property, plant and equipment		1,528,399	1,919,847
Intangible assets		318,678	781,815
Investment in Associates		506,675	-
Total Non-current assets		2,827,851	2,701,662
TOTAL ASSETS		5,368,860	4,679,978
LIABILITIES			
Current Liabilities			
Trade and other payables	5	613,882	680,354
Financial liabilities		-	291,098
Short-term provisions and accruals		176,795	174,690
Total Current Liabilities		790,677	1,146,142
Non-current Liabilities			
Financial liabilities		-	25,452
Long-term provisions		24,487	27,075
Total Non-current Liabilities		24,487	52,527
TOTAL LIABILITIES		815,164	1,198,669
NET ASSETS		4,553,696	3,481,309
EQUITY			
Issued capital		9,275,015	8,783,084
Reserves		191,712	191,712
Accumulated losses		(4,913,031)	(5,493,487)
TOTAL EQUITY		4,553,696	3,481,309

The accompanying notes form part of the Statement of Financial Position

PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2014

	Issued Capital	Other Reserves	Accumulated Losses	Total
Balance at 1 July 2012	8,406,595	191,712	(5,418,196)	3,180,111
Equity fund raising costs	(3,411)	-	-	(3,411)
Issue of share capital	379,900	-	-	379,900
	8,783,084	191,712	(5,418,196)	3,556,600
Loss for the period	-	-	(75,291)	(75,291)
Balance at 30 June 2013	8,783,084	191,712	(5,493,487)	3,481,309
Balance at 1 July 2013	8,783,084	191,712	(5,493,487)	3,481,309
Equity fund raising costs	(24,070)	-	-	(24,070)
Issue of share capital	516,001	-	-	516,001
	9,275,015	191,712	(5,493,487)	3,973,240
Profit for the period	-	-	580,456	580,456
Balance at 30 June 2014	9,275,015	191,712	(4,913,031)	4,553,696

The accompanying notes form part of the Statements of Changes in Equity

PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	CONSOLIDATED	
	2014	**2013**
	$	**$**
Cash flows from operating activities		
Receipts from customers	6,476,355	6,884,597
Payments to suppliers and employees	(6,001,956)	(6,684,854)
Borrowing costs	(22,589)	(80,122)
Interest received	12,946	5,577
Net cash flows provided by operating activities	464,756	125,198
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment, and investment	-	(30,900)
Proceeds from disposal of controlling interest in subsidiary	679,357	-
Purchase of property, plant and equipment	(282,057)	(260,105)
Net cash flows provided by /(used in) investing activities	397,300	(291,005)
Cash flows from financing activities		
Proceeds from issue of shares	516,000	379,900
Share Issue expenses	(24,070)	(3,411)
Repayments of borrowings	(316,550)	(139,030)
Net cash flows provided by financing activities	175,380	237,459
Net increase in cash and cash equivalents	1,037,436	71,652
Cash and cash equivalents at beginning of period	224,194	152,542
Cash and cash equivalents at end of period	1,261,630	224,194

The accompanying notes form part of the Statement of Cash Flows

PRELIMINARY FINAL REPORT
NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

1. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

In identifying its operating segment, management follows the geographical location of the Group's operations. Corporate costs are included under "Other". Segment information can be analysed as follows for the reporting period under review.

	WA	NSW	VIC	QLD	OTHER (Corporate)	TOTAL
30 June 2014						
Revenue from external customers	3,484,738	1,270,945	835,702	822,659	-	6,414,044
Other Income	542	-	(582)	5,642	378,619[1]	384,221
Other Expense	-	-	6,000	-	-	6,000
Interest Expense	20,425	-	-	-	2,164	22,589
Depreciation Expense	154.306	69,230	53,609	53,822	-	330,967
Segment operating profit/(loss)	393,412	87,057	88,237	84,298	(72,548)	580,456
Total assets	3,141,659	817,942	505,458	-	903,801	5,368,860
Total liabilities	608,372	3,401	1,282	-	202,109	815,164
30 June 2013						
Revenue from external customers	3,325,745	1,375,542	743,718	1,439,592	-	6,884,597
Other Income	(2,133)	-	21,405	-	-	19,272
Other Expenses	-	-	5,500	-	-	5,500
Interest Expense	43,667	2,203	2,008	6,408	25,836	80,122
Depreciation Expense	165,452	52,547	36,310	44,494	-	298,803
Segment operating profit/(loss)	243,500	46,359	104,854	89,652	(559,656)	(75,291)
Total assets	1,832,345	881,636	500,269	1,302,042	163,686	4,679,978
Total liabilities	836,481	4,194	907	70,834	286,253	1,198,669

[1] *Includes Gain on disposal of controlling interest in Refresh Waters Queensland Pty Ltd.*

PRELIMINARY FINAL REPORT
NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

2. REVENUE AND EXPENSES

	CONSOLIDATED 2014 $	2013 $
a. Revenue		
Sale of bottled water and accessories	6,414,044	6,884,597
	6,414,044	6,884,597
b. Employee Benefits Expense		
Wages and salaries	1,921,849	2,248,762
Workers compensation costs	46,678	42,699
Superannuation costs	204,609	223,923
Provisions for annual and long service leave	33,488	32,088
Other employee benefits expense	40.610	43,802
	2,247,234	2,591,274
c. Finance Income		
Interest received	12,946	5,577
	12,946	5,577
d. Finance Costs		
Bank loans and other borrowings	18,217	74,214
Finance charges payable under finance leases and hire purchase contracts	4,372	5,908
	22,589	80,122
e. Cost of Sales		
Inventory expensed	2,556,370	2,821,796
Inventory write-off	84,538	48,123
	2,640,908	2,869,919
f. Depreciation & Amortisation		
Depreciation expense	330,967	293,302
Amortisation	6,000	5,500
	336,967	298,802

3. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2014	2013
Current	$	$
Trade receivables	436,924	615,720
Provision for impairment of receivables	(3,386)	(15,000)
	433,538	600,720
Other receivables	87,723	99,495
Prepayments	17,230	88,699
	538,491	788,914
Non-Current		
Loan to Associates	474,099	-
	474.009	-

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
			31-60	61-90	>90	
Consolidated						
2014						
Trade receivables	436,924	3,386	172,449	14,725	1,350	245,014
Other receivables	87,723	-	-	-	-	87,723
	524,647	3,386	172,449	14,725	1,350	332,737
2013						
Trade receivables	615,720	15,000	215,266	23,401	-	362,053
Other receivables	99,495	-	4,249	-	83,365	11,881
	715,215	15,000	219,515	23,401	83,365	373,934

4. INVENTORIES

	CONSOLIDATED	
	2014	**2013**
	$	$
Raw materials (at cost)	379,036	475,032
Finished goods (at cost)	410,943	560,210
Total inventories at cost or net realisable value	789,979	1,035,242
Provision for slow moving inventories	(49,091)	(70,034)
	740,888	969,208

5. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2014	**2013**
	$	**$**
Current		
Trade payables	305,245	324,564
Other payables	308,637	355,790
	613,882	680,354

Trade payables are non-interest bearing and are normally settled on 60-day terms.

6. SIGNIFICANT EVENTS

On 2 January 2014, Refresh Waters Pty Ltd (RW) sold 51% of its stake in Refresh Waters Queensland Pty Ltd (RWQ) to Saisan Co Ltd for $750,000. RW now owns 49% of RWQ but continues to manage the business. One consequence of the sale is that RWQ is now equity accounted for and from 2 January 2014 are no longer included in our consolidated financial statement.

On 16 June 2014, the Company raised $516,000 through the placement of 11,466,666 new shares to 2 new shareholders at 4.5 cents per share.

7. ACQUISITION

Nil

8. EVENTS AFTER THE BALANCE SHEET DATE

On 29 August 2014, the Company raised $100,000 through the placement of 2,000,000 new shares at 5 cents per share.

9. CONTINGENT ASSETS & LIABILITIES

Our Melbourne landlord holds a Banker’s Guarantee of $19,000 in lieu of rental bond. There is no other contingent liability between 30 June 2014 and the date of this report.

10. BASIS FOR PREPARATION

This preliminary final report has been prepared in accordance with ASX listing rule 4.3A and the disclosure requirements of ASX Appendix 4E. The accounting policies adopted in the preparation of the preliminary final report are consistent with those adopted in the preparation of the annual financial report.

11. UNAUDITED APPENDIX 4E

This report is in the process of being audited.