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Appendix 4E

Preliminary Final Report
period ending 30 June 2022

Results for announcement to the market

Financial Results			**June 2022**	**June 2021**
Revenue from ordinary activities	Up	6 %	13,977,257	13,186,164
Comprehensive (Loss) from ordinary activities after tax attributable to members	Up	26.9%	(205,505)	(161,878)

Dividends	**2022 Final Dividend**	**2021 Final Dividend**
Amount per Ordinary Security	nil	nil
Franked amount per Security	N/A	N/A
Record date for determining entitlements to final dividend	N/A	

Net Tangible Asset Backing	**June 2022**	**June 2021**
Net tangible asset backing per ordinary security	$0.034	$0.035

COMMENTARY

Eneco Refresh Ltd (Eneco) is pleased to announce a 6% increase in revenue this year. Eneco has continued to grow because of its diversified product offering. It continues to manufacture at 7 bottled water factories across Australia and 1 plastic factory in Melbourne.

While freight costs are now 3 to 4 times higher than pre-COVID-19 and rises in fuel costs and electricity prices have also impacted margins, we have still been able to achieve growth and revenue increases.

Operating losses have reduced and are on track to continue improving. The decline in figures is caused by receipt of only $58,880 of New South Wales government support against $532,469 from Federal and State government support in the previous year.

Refresh Waters

Refresh Waters as whole had good sales growth of 12% compared to the same period last year.

Victoria achieved the highest growth and highest positive profit variance in Eneco this year, mostly from the supply of distilled water for commercial use.

Western Australia increased sales by 16%. This was mainly from increased supply to mining companies, benefiting both our Perth and Kalgoorlie factories.

Despite a long lockdown in New South Wales and negative growth for several months in the first half of the year, it caught up rapidly in the second half and closed with 10% growth for the year.

The Northern Territory continues to feel the impact of floods and road closures coupled with government mandated isolations. The local economy is reliant on the tourism sector, which remains weak at the moment, but it is expected that the new financial year will bring improvements in this region.

Queensland experienced revenue growth and profit, helped by very good sales to Woolworths.

Refresh Plastics

Refresh Plastics had a high demand for its Ampi activity toys and containers for sanitisers in the previous financial year. These have slowed this financial year.

Refresh Plastics also lost the Petainer distributorship when Petainer set up their own factory in Thailand. Once the non-compete restraint was over, we successfully secured the Dolium one-way keg distributorship. This is anticipated to boost sales this financial year when stocks start arriving in November 2022.

A breakdown by Cash Generating Units is presented below.

	FY 2022	FY 2021	
	$'000	**$'000**	**Variance**
Revenue			
Western Australia	3,654	3,143	16%
New South Wales	2,336	2,129	10%
Victoria	1,724	1,385	24%
Northern Territory	1,392	1,491	-7%
Queensland	2,319	2,060	13%
Refresh Waters	11,425	10,208	12%
Refresh Plastics	2,553	2,978	-14%
Total	13,978	13,186	6%
Profit/(Loss)			
Western Australia	155	267	-42%
New South Wales	303	219	38%
Victoria	191	73	162%
Northern Territory	-356	-212	-68%
Queensland	187	131	43%
Refresh Waters	480	478	0%
Refresh Plastics	-122	-168	27%
	358	310	-25%
Corporate Expenses	-564	-472	-19%
Total	**-206**	-162	-27%

PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	CONSOLIDATED 2022 $	2021 $
Revenue	2a	13,977,257	13,186,164
Cost of Sales	2b	(8,572,147)	(8,094,098)
Gross Profit		5,405,110	5,092,066
Other Income		66,643	548,270
Other Expense		(14,235)	-
Marketing Expenses		(614,394)	(725,852)
Distribution Expenses		(1,758,164)	(1,652,525)
Administrative Expenses		(2,372,458)	(2,306,464)
Occupancy Expenses		(1,047,362)	(906,886)
Results from operating activities		(334,860)	48,609
Finance Income	2c	8,195	15,045
Finance Costs	2d	121,160	(225,532)
(Loss) before income tax		(205,505)	(161,878)
Income tax expense		-	-
(Loss) after income tax		(205,505)	(161,878)
Other comprehensive income			
Item not reclassified subsequently to profit or loss: Fair value gain/(loss) on financial assets at fair value through OCI		(24,628)	149,419
Total comprehensive loss for the period		**(230,133)**	**(12,459)**
Basic and diluted loss per share (cents)		(0.075)	(0.059)

The accompanying notes form part of the Statement of Comprehensive Income

PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Notes	CONSOLIDATED 2022 $	2021 $
ASSETS			
Current Assets			
Cash and cash equivalents		1,283,574	1,454,871
Trade and other receivables	3	1,275,871	1,213,716
Prepayments		130,175	80,744
Inventories	4	1,993,991	2,042,695
Current tax asset		34,361	34,361
Total Current Assets		4,717,972	4,826,387
Non-Current Assets			
Property, plant and equipment		6,618,342	6,788,318
Intangible assets		562,171	562,171
Financial assets at fair value through OCI	7	16,400	22,800
Investment in associate		50,000	50,000
Right of use asset		2,846,062	3,940,172
Total Non-Current Assets		10,092,975	11,363,461
TOTAL ASSETS		14,810,947	16,189,848
LIABILITIES			
Current Liabilities			
Trade and other payables	5	1,023,580	974,746
Financial liabilities		-	-
Short-term provisions and accruals		982,246	949,227
Lease liabilities		683,173	494,207
Total Current Liabilities		2,688,999	2,418,180
Non-current Liabilities			
Financial liabilities		-	-
Long-term provisions		25,616	40,966
Lease liabilities		2,200,324	3,604,561
Total Non-Current Liabilities		2,225,940	3,645,527
TOTAL LIABILITIES		4,914,939	6,063,707
NET ASSETS		9,896,008	10,126,141
EQUITY			
Issued capital		18,320,875	18,320,875
Reserves		191,712	191,712
2014 profit reserve		356,409	356,409
Financial asset revaluation reserve		50,683	75,311
Accumulated losses		(9,023,671)	(8,818,166)
TOTAL EQUITY		9,896,008	10,126,141

The accompanying notes form part of the Statement of Financial Position

PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2022

	Issued Capital	Other Reserves	Financial Assets Revaluation Reserve	2014 Profit Reserve	Accumulated Losses	Total
Balance at 1 July 2020	18,320,875	191,712	(74,108)	356,409	(8,656,288)	10,138,600
Fair value gain on available-for sale financial assets	-	-	149,419	-	-	149,419
	18,320,875	191,712	75,311	356,409	(8,656,288)	10,288,019
Total (Loss) for the year	-	-	-	-	(161,878)	(161,878)
Balance at 30 June 2021	18,320,875	191,712	75,311	356,409	(8,818,166)	10,126,141
Balance at 1 July 2021	18,320,875	191,712	75,311	356,409	(8,818,166)	10,126,141
Fair value gain on available-for sale financial assets	-	-	(24,628)	-	-	(24,628)
	18,320,875	191,712	50,683	356,409	(8,818,166)	10,101,513
Total (Loss) for the year	-	-	-	-	(205,505)	(205,505)
Balance at 30 June 2022	18,320,875	191,712	50,683	356,409	(9,023,671)	9,896,008

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 2022

	CONSOLIDATED	
	2022	2021
	$	$
Cash flows from operating activities		
Receipts from customers	14,474,803	13,633,748
Payments to suppliers and employees	(13,899,805)	(12,846,634)
Borrowing costs	-	(9,633)
Interest received	8,195	15,045
Government grants and tax incentives	58,880	532,469
Net cash flows provided by operating activities	642,073	1,324,995
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment, and investment	9,250	62,291
Purchase of property, plant and equipment	(329,396)	(528,829)
Investment	(18,228)	348,943
Intellectual property	-	-
Net cash flows used in investing activities	(338,374)	(117,595)
Cash flows from financing activities		
Repayments of borrowings	-	(432,906)
Other- AASB 16 Prepayment for the Principal	(474,996)	(746,356)
Net cash flows used in financing activities	(474,996)	(1,179,262)
Net (decrease) / increase in cash and cash equivalents	(171,297)	28,138
Cash and cash equivalents at beginning of period	1,454,871	1,426,733
Cash and cash equivalents at end of period	1,283,574	1,454,871

The accompanying notes form part of the Statement of Cash Flows

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 segments, management follows the geographical location of the Group's bottled water business, but show Refresh Plastics separately. Corporate costs are included under "Other". Segment information can be analysed as follows for the reporting period under review.

	WA	NSW	VIC	NT	QLD	Plastics	OTHER (Corporate)	TOTAL
30 June 2022								
Revenue from external customers	3,653,801	2,336,193	1,724,149	1,392,093	2,318,496	2,552,525	-	13,977,257
EBITDA	334,780	263,821	244,697	(279,234)	270,459	(171,344)	(564,281)	98,898
Depreciation Expense	(342,775)	(64,496)	(53,930)	(76,819)	(173,480)	(56,156)		(767,656)
Finance Income	1,056	-	-	-	5	17	7,117	8,195
Finance Costs	(40,465)	58,176	-	-	(15,397)	118,846	-	121,160
Segment operating profit/(loss)	154,922	303,530	190,767	(356,052)	187,532	(121,941)	(564,263)	(205,505)
Total assets	4,397,128	1,174,122	928,714	4,399,861	1,371,578	1,771,421	768,122	14,810,947
Total liabilities	1,144,152	726,196	537,653	431,612	1,067,837	685,710	321,777	4,914,939
30 June 2021								
Revenue from external customers	3,143,119	2,129,393	1,384,398	1,491,301	2,059,510	2,978,443	-	13,186,164
EBITDA	638,271	380,590	116,969	(134,409)	340,943	261,984	(476,107)	1,128,241
Depreciation Expense	(323,403)	(137,829)	(44,328)	(77,217)	(182,276)	(314,579)	-	(1,079,632)
Finance Income	2,370	-	-	-	7	30	12,638	15,045
Finance Costs	(49,945)	(24,221)	-	-	(28,145)	(114,962)	(8,259)	(225,532)
Segment operating profit/(loss)	267,293	218,540	72,641	(211,626)	130,529	(167,527)	(471,728)	(161,878)
Total assets	4,293,830	762,571	571,253	4,449,509	2,057,481	3,125,920	929,284	16,189,848
Total liabilities	2,545,813	22,181	-	-	1,130,603	2,096,086	269,024	6,063,707

2. REVENUE AND EXPENSES

	CONSOLIDATED	
	2022	**2021**
	$	**$**
a. Revenue		
Production and distribution of bottled water and accessories	11,424,732	10,207,721
Production and distribution of plastic products	2,552,525	2,978,443
	13,977,257	13,186,164
b. Cost of Sales		
Inventory expensed	8,627,233	8,203,104
Inventory write-off/(write-back)	(55,086)	(109,006)
	8,572,147	8,094,098
c. Finance Income		
Interest received	8,195	15,045
	8,195	15,045
d. Finance Costs		
Finance charges payable under finance leases and hire purchase contracts	121,160	(225,532)
	121,160	(225,532)
e. Employee Benefits Expense		
Wages and salaries	2,597,488	2,580,765
Workers compensation costs	75,439	68,566
Superannuation costs	399,387	393,713
Provisions for annual and long service leave	623,611	74,957
Other employee benefits expense	23,958	226,500
	3,719,883	3,344,501
f. Depreciation & Amortisation		
Depreciation expense	767,656	1,079,632
	767,656	1,079,632

3. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2022	**2021**
Current	$	$
Trade receivables	1,254,668	1,166,674
Provision for expected credit losses	(16,327)	(7,357)
Other receivables	37,530	54,399
	1,275,871	1,213,716

Movement in the provision for expected credit losses of trade receivables:

Balance at the beginning of the year	7,357	23,409
Additional provision for expected credit losses of trade receivables	15,120	6,119
Receivables written off during the year as uncollectable	(6,150)	(22,171)
Balance at the end of the year	16,327	7,357

Allowance for expected credit losses
The Group has recognised $6,150 (2021: $22,171) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022.

4. INVENTORIES

	CONSOLIDATED	
	2022	**2021**
	$	$
Raw materials (at cost)	1,310,356	1,212,747
Finished goods (at cost)	789,363	880,904
Total inventories at cost	2,099,719	2,093,651
Provision for slow moving inventories	(105,728)	(50,956)
	1,993,991	2,042,695

5. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2022	**2021**
	$	**$**
Current		
Trade payables	777,265	721,860
Other payables	246,315	252,886
	1,023,580	974,746

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

6. ACQUISITION

Nil

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (OCI)

On 30 June 2022, Refresh Eneco owns 16,400,000 shares in Eve Health Group Ltd, which is listed on the Australian Securities Exchange (ASX:EVE). This is carried in its books at $0.001 per share, being the last traded price on ASX on 30 June 2022. The fair value changes have been accounted for through OCI.

8. SIGNIFICANT EVENTS

Nil

9. EVENTS AFTER THE BALANCE SHEET DATE

Nil

10. CONTINGENT ASSETS & LIABILITIES

There is no contingent liability between 30 June 2022 and the date of this report.

11. 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.

12. UNAUDITED APPENDIX 4E

This report is in the process of being audited.