refresh group

Annual Report 2015

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Contents

CHAIRMAN'S REVIEW

Dear Shareholders,

I am pleased to present you Refresh's Annual Report for the financial year ended 30 June 2015. Refresh would not be where we are today without guidance from the Board of Directors, our auditors, tax advisers and lawyers. I would like to thank them for their valuable advice. I also want to thank my colleagues and most of all to you our shareholders for your continued support.

We are pleased that for the second year running, a distribution of 0.1 cent per share dividend was paid on 22 September 2015. The dividend was fully franked.

The last few months have been a very busy time for Refresh. Only one factory in Sydney produces 5-litre PET bottles. Freighting them to Perth cost too much which is why although we supply to Woolworths supermarkets from Queensland to Victoria, we were unable to supply them in Western Australia (WA). Perth started to produce our own 5L PET bottles and it is now also sold in all Woolworths in WA. The launch of our new non-returnable 12-litre bottles, compatible with all water coolers and dispensers, has been very well received by the market.

Coconut water is now one of the fastest growing products in the beverage industry. Refresh is proud to be appointed by Universal Food Corporation, Thailand, as one of the Australian distributors of Refresh Coconut Water (RCW). RCW is the winner of 2 Golden Stars from the International Taste and Quality Institute, Brussels and has often been voted one of the best tasting coconut waters.

To prime for growth, we moved our Melbourne factory to bigger premises on 1 July 2014. Over at Perth we invested in a new integrated blowmoulder and filling line. Bottles from 330ml to 1.5-litre are now produced on site that feeds directly into the filling line thereby saving costs substantially. To help reduce our carbon footprint, 40kw of solar panels were installed in Perth with 2 x 15kw inverters.

Unfortunately, the Melbourne move and Perth upgrading incurred a lot of once off expenses. This resulted in a small loss of $59k for the financial year. Despite the high capital expenditure for future growth, Refresh still has a healthy bank balance and has no borrowing at all. We could now focus on merger and acquisition opportunities for financial year 2016 so that we could escalate the company's growth.

Henry Heng
Chairman

DIRECTORS' REPORT

The directors of Refresh Group Limited (Refresh) present the annual financial report of the consolidated entity, being Refresh Group Limited and its controlled entities (Group) for the financial year ended 30 June 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows.

Directors

The names and particulars of the directors of the company during or since the end of the financial year are:

Henry Heng *MBA, ACIB, G Dip PM* *Chairman and Managing Director*

Appointed on 11 August 1997, Henry Heng is a founding shareholder and director of Refresh.

He started his career in banking and is an Associate of the Chartered Institute of Bankers, London. He subsequently held management positions in multinational corporations. Henry's experience extends to small and medium enterprises, being founding partner of a chain of child care centres and a distribution business in Singapore. He was a licensed securities dealer with the Singapore Stock Exchange.

Henry is active in social and community services and was a volunteer migration agent. He was on the Board of Grace City Church for 11 consecutive years. Henry subsequently sat on the Governing Council of Edith Cowan University for 3 years and was also a member of their Resources Committee. Henry has been Honorary Secretary of the Full Gospel Business Australia, Perth since July 2010. He is also Branch Secretary of Family First Party WA since August 2012.

He holds a Master of Business Administration from Edith Cowan University, a Graduate Diploma in Personnel Management from Singapore Institute of Management and a Banking Diploma from The Chartered Institute of Bankers.

Henry did not hold directorship in any listed company in the last three years.

Nicholas Mun Yew Chan *B Arts (Hons), CA* *Independent, Non-Executive Director*

Appointed on 13 July 2010. Chairman of Audit Committee, member of Remuneration Committee.

Nicholas has almost 30 years of financial management experience at senior management levels in fast moving consumer goods, electronics, telecommunications, oilfield service and public accounting. He began his career at Ernst & Young and went on to hold Financial Controller/Director positions with major multinational corporations listed on NYSE and NASDAQ namely National Semiconductor, Quantum Corp, Schlumberger Inc. and Glenayre Inc.

He holds a Bachelor of Arts (Honours) in Economics and Accounting from the University of Newcastle, United Kingdom and is a Chartered Accountant (ICAEW).

Nicholas is a director of World Outreach International. He was an independent non-executive director of Jade Technologies Holdings Ltd, a company listed on the Catalist Board of Singapore Exchange Ltd. Besides being Chairman of the Audit Committee, he was also a member of the Nominating & Corporate Governance Committee and Remuneration Committee. Nicholas does not currently hold directorship in any other listed company.

DIRECTORS' REPORT

Dato' Eddie Soong *BA Independent, Non-Executive Director*

Appointed on 9 October 2013. Chairman of Remuneration Committee; member of Audit Committee

Eddie was previously the General Manager of Malaysia Airlines for 8 years based in Perth. He has worked with the airline for more than 25 years and held senior management positions including as Director of Industrial Relations. His qualifications include a Bachelor of Arts from the University of Malaya.

Eddie is currently a director of three private limited companies involved in information technology, financial and hospitality services in Australia and Malaysia. From February 2010 to December 2012, he was a Non-Executive Director of ASX-listed Coziron Resources Limited, a company involved in mining. Eddie does not currently hold directorship in any other listed company.

Roy Ong *B Comp Non-Executive Director*

Appointed on 18 June 2014. Member of Audit Committee and Remuneration Committee

Roy graduated from Monash University in 1998 with a Bachelor of Computing. Since then, he has extensive experience in the field of Information Technology. He has worked for multi-national corporations such as The International Business Machines Corporation (IBM) and ExxonMobil in Singapore.

In 2003, Roy founded Basis Systems Services Asia and became their Managing Director. Its clientele ranges from the financial and banking sector to the automobile industry and includes renowned international companies. This spreads across the Asia Pacific region including China, Hong Kong, Japan, South Korea, Vietnam, Philippines, Myanmar, Malaysia, Indonesia and Singapore. Roy continues to maintain very strong business networks in these countries.

Roy is also active in social and community services and is an Honorary Treasurer of a Buddhist temple in Singapore.

Roy did not hold directorship in any listed company in the last three years.

Jamie Gee Choo Khoo *MBA, B Acc Independent, Non-Executive Director*

Appointed on 1 November 2010; Resigned on 12 September 2014

Jamie was Chairman of Remuneration Committee and member of Audit Committee until her resignation.

She graduated with a Master of Business Administration from University of Hull, UK and is a member of the Institute of Singapore Chartered Accountants. She has over 20 years' experience in accounting and corporate finance with extensive experience in corporate funding, investment evaluation, due diligence and corporate structuring.

Jamie holds directorships in ASX-listed Bunuru Corporation Ltd, Lionhub Group Ltd and StemCell United Ltd. She was previously a director of MDS Financial Group Ltd.

DIRECTORS' REPORT

Secretary

The name and particulars of the secretaries of the company during or since the end of the financial year are:

Dato' Eddie Soong *BA*

Appointed on 12 September 2014

Eddie was previously the General Manager of Malaysia Airlines for 8 years based in Perth. He has worked with the airline for more than 25 years and held senior management positions including as Director of Industrial Relations. His qualifications include a Bachelor of Arts from the University of Malaya.

He is currently a director of three private limited companies involved in information technology, financial and hospitality services in Australia and Malaysia. From February 2010 to December 2012, Eddie was a Non-Executive Director of ASX-listed Coziron Resources Limited, a company involved in mining.

Jamie Gee Choo Khoo *MBA, B Acc*

Appointed on 1 March 2011; Resigned 12 September 2014

Jamie graduated with a Master of Business Administration from University of Hull, UK and is a member of the Institute of Singapore Chartered Accountants. She has over 20 years' experience in accounting and corporate finance with extensive experience in corporate funding, investment evaluation, due diligence and corporate structuring.

She holds directorships in ASX-listed Bunuru Corporation Ltd, Lionhub Group Ltd and StemCell United Ltd. She was previously a director of MDS Financial Group Ltd.

DIRECTORS' REPORT

(a) Review of Operations and Financial Results

We're pleased to report that every operating segment is profitable in this financial year. Unfortunately, after consolidating with corporate expenses, we ended the year with a small loss.

Victoria has grown very well in the last few years. To cope with its continuing growth, we moved our Melbourne factory to bigger facilities in July 2014. Costs associated with the move resulted in a reduced profit for this year. We have also spent a substantial amount in upgrading our plant and equipment in Perth so that we could reduce product costs and compete more aggressively in the market. We are now able to produce our own PET bottles from 330ml to 15 litres instead of having to buy them. Besides producing them for our own use, we have started to market the empty bottles as well. Unfortunately a lot of costs associated with the upgrade could not be capitalised and have to be expensed. These include the need to rent another warehouse to stock up for the factory shutdown, costs to remove the old filling line and additional costs to put in the new filling line, etc. The additional expenses are necessary to prepare for the long term growth we are expecting.

Previously, it costs us too much to freight 5-litre PET bottles from Sydney to Perth. As a result, we only sell our 5-litre in Woolworths supermarkets in Queensland, New South Wales, Australian Capital Territory and Victoria. We now produce our own 5-litre PET bottles in Perth and it is now available in Woolworths in Western Australia as well.

Our Brisbane factory has also started to blow their own 5-litre to 15-litre bottles. With our multiple location business model, we are able to supply our products nationally without having to freight them from only one factory like what some of our competitors are doing. This translates to a substantial savings in freight. Sale of our new 12-litre non-returnable bottles for coolers and dispensers has been very well received. Besides selling directly to customers, we have also signed up a number of national distributors.

(b) Significant Changes in State of Affairs

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

(c) Principal Activities

During the year, the principal activity of Refresh was the production and distribution of bottled water and accessories. It is Australia's largest producer of distilled drinking water with a capacity to produce more than 10,000 litres of distilled water per hour. It also distributes filtration systems and water purifiers. There was no significant change in the nature of these activities.

(d) Our Business Model and Objectives

Refresh's primary business is in the home and office delivery sector of the bottled water market. It is the second biggest company in this sector after Neverfail, which is wholly-owned by Coca-cola Amatil, Empty bottles have to be returned for cleaning and reuse. For this reason, Refresh has to locate our factories nearer to the customer and hence our model of having 6 factories in Australia.

Having multiple locations also help us reduce our transport cost, e.g. our 5L sold in Woolworths are delivered out of Brisbane for Queensland, Sydney for New South Wales and Australian Capital Territory, Melbourne for Victoria and Perth for Western Australia. Blowing our own bottles allows us to reduce our costs and Refresh is well position to supply more products to other supermarkets as well.

(e) Financial Position

We now have a much stronger cash and financial position, with $782k cash as at end June 2015. The Group has no borrowing.

(f) Significant Events after Balance Date

Nil

DIRECTORS' REPORT

(g) Future Developments, Prospects and Business Strategies

The Group has been producing its own 15L, 12L and 5L PET bottles in Perth and recently commenced production of the same in Brisbane. Perth has also acquired an integrated blowmoulder and filling line. Bottles from 330ml to 1.5-litre are now produced on site that feeds directly into the filling line. Refresh would progressively increase the use of bottles blown in house. This will significantly reduce our costs.

(h) Business Risks

Perth has obtained accreditation under the Hazard Analysis and Critical Control Points (HACCP). It is our plan to progressively have the other factories accredited. The stringent quality control will ensure there is little risk of contamination

(i) Performance in Relation to Environmental Regulation

Federal and State governments regulate bottled water as a food product under the Australian and New Zealand Code Standard 08. All Refresh bottling plants meet the requirements stipulated in the Food Code.

In addition to collection of rain water where feasible, all bottling plants currently use state supplied water for purposes of steam-distilling it.

To reduce our carbon footprint, the Perth factory has solar panels installed providing 30 kw of power.

(j) Dividends

A final dividend of 0.1 cent per share was announced on 28 August 2015 with payment made on 22 September 2015. This amounted to $111,795.61. A similar amount of dividend was paid in the previous year.

(k) Meetings of Directors

The number of meetings of directors (including meetings of committees of directors) held during the year and the numbers of meetings attended by each director were as follows:

	Board Meetings		Audit & Risk Management Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Henry Heng	4	4	-	-	-	-
Nicholas Chan	4	4	2	2	1	1
Dato' Eddie Soong	4	4	2	2	1	1
Roy Ong	4	4	2	2	-	-
Jamie Khoo	1	-	-	-	1	-

(l) Shares issued during or since the end of the year as a result of exercise

No share was issued as a result of the exercise of options during or since the end of the financial year,

DIRECTORS' REPORT

(m) Remuneration Report (Audited)

The performance of Refresh depends upon the quality of its directors and key management personnel. To achieve success, the company must attract, motivate and retain highly skilled directors and key management personnel. To this end, the company has adopted the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre key management personnel;
- Link executive rewards to shareholder value and
- Establish appropriate performance hurdles in relation to variable key management personnel remuneration.

Company Performance, Shareholder Wealth and Director and Key Management Personnel Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and key management personnel. There have been 2 methods applied in achieving this aim, the first being a performance based bonus based on key performance indicators (KPIs), and the second being the issue of options to executive directors and key management to encourage the alignment of personal and shareholder interests. The company believes this policy has been effective.

Remuneration for non-executive directors is determined by the Board, within the maximum amount approved by shareholders from time to time. At present, the aggregate sum is fixed at a maximum of $200,000 per annum. Superannuation is paid on director fees.

All executive directors and key management personnel receive a base salary, superannuation, fringe benefits, options and performance incentives. Performance incentive is paid upon achievement of KPIs or performance targets. The KPIs are set annually, with a certain level of consultation with key management personnel. The measures are specifically tailored to the areas each key management personnel are involved in and have a level of control over. The KPIs target areas the Board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short and long term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

The Company's remuneration policy was implemented after the listing. Over the years, the managing director and several key management personnel have achieved their KPIs and received performance incentives.

To align the interests of the executive directors and key management of Refresh, the Directors and Executives Option Scheme provides a cost-effective and efficient long-term incentive to them which is linked to the performance of the company. By rewarding executives with the issue of options, Refresh will be able to reward them without having to commit cash resources to do so. Directors and key management personnel are granted options to motivate them to pursue the long term growth and success of the company within an appropriate control framework and demonstrate a clear relationship between key management performance and remuneration. Details of the scheme are found on Note 26 of the Financial Report.

All remuneration paid is valued at the cost to the Company and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by the key management personnel. Options are valued using the Black-Scholes methodology.

The Company has not engaged independent remuneration consultants.

Performance-based Remuneration

KPIs are set annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the Remuneration Committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, Refresh base the assessment on audited figures.

(n) Voting and comments made at the company's last Annual General Meeting

Refresh received 100% of 'yes' votes on its Remuneration Report for the financial year ending 30 June 2014. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

(o) Directors and Key Management Personnel Disclosure

(i) Remuneration of Directors

	SHORT TERM EMPLOYEE BENEFITS			POST EMPLOYMENT		LONG TERM BENEFITS	EQUITY	TOTAL	% REMUNERATION
	Salary & Fees	Bonus	Non-Monetary benefits #	Superan-nuation	Retirement benefits	Long Service Leave	Options		Performance Related
Directors	$	$	$	$	$	$	$	$	
30 June 15									
Mr H Heng	160,000	40,000	5,247	17,461	-	4,943	-	227,651	25%
Mr M Y Chan	17,000	-	-	1,615	-	-	-	18,615	-
Mr R Ong	15,000	-	-	1,425	-	-	-	16,425	-
Ms J Khoo [1]	3,456	-	-	328	-	-	-	3,784	-
Mr E Soong	16,593	-	-	1,576	-	-	-	18,169	-
Total	212,049	40,000	5,247	22,405	-	4,943	-	284,644	
30 June 14									
Mr H Heng	151,539	40,000	8,606	17,717	-	10,075	-	227,937	19%
Mr M Y Chan	16,457	-	-	1,522	-	-	-	17,979	-
Mr R Ong [2]	489	-	-	45	-	-	-	534	-
Ms J Khoo	16,457	-	-	1,522	-	-	-	17,979	-
Mr E Soong [3]	10,927	-	-	1,011	-	-	-	11,938	-
Total	195,869	40,000	8,606	21,817	-	10,075	-	276,367	

Use of company car and insurance-in-lieu Workers Compensation

[1] Resigned 12 Sept 2014
[2] Appointed 18 June 2014
[3] Appointed 9 Oct 2013

(o) Directors and Key Management Personnel Disclosure (cont)

(ii) Remuneration of Key Management Personnel

The key management of Refresh includes:

Mr O Maerker	Western Australia Director
Mr H Ho	Victoria Manager
Mr R Jessett	Kalgoorlie Manager
Mr D Forshaw	Business Development Manager
Mr E Pui	Accountant

	SHORT TERM EMPLOYEE BENEFITS			POST EMPLOYMENT		LONG TERM BENEFITS	EQUITY	SHARE-BASED PAYMENT	TOTAL	% REMUNERATION
	Salary & Fees	Bonus	Non-Monetary benefits #	Superan-nuation	Retirement benefits/ termination	Long Service Leave	Options	Remune-ration		Performance Related
	$	$	$	$	$	$	$	$	$	
30 June 15										
Mr O Maerker	90,000	18,700	-	10,327	-	-	-	-	119,027	21
Mr D Forshaw[1]	56,163	-	2,753	5,335	-	-	-	-	64,251	-
Mr H Ho	59,000	9,300	-	6,489	-	1,818	-	-	76,607	16
Mr R Jessett	60,348	200	-	5,752	-	-	-	-	66,300	-
Mr E Pui	68,247	-	-	6,483	-	5,765	-	-	80,495	-
Total	333,758	28,200	2,753	34,386	-	7,583	-	-	406,680	
30 June 14										
Mr O Maerker	90,000	33,000	-	11,378	-	-	-	-	134,378	27
Mr R Bolton [2]	35,000	4,600	-	3,663	-	-	-	-	43,263	12
Mr H Ho	59,000	10,000	-	6,383	-	1,065	-	-	76,448	14
Mr R Jessett	58,000	-	-	5,365	-	-	-	-	63,365	-
Mr E Pui	65,000	-	-	6,013	-	4,300	-	-	75,313	-
Total	307,000	47,600	-	32,802	-	5,365	-	-	392,767	

[#] *Use of company car*

[1] *Appointed 2July 2014; left 6 April 2015*

[2] *Only up to 31 Dec 13 as sale of 51% in Refresh Waters Queensland resulted in the de-consolidation of Queensland financials as from 2 January 2014*

(iii) Remuneration options: Granted and vested during the year

During the financial year, no options were granted as equity compensation benefits under the Directors and Executives Option Scheme (DEOS). There is also no outstanding option as at 30 June 2015.

(p) Key Management Personnel Shareholdings

The number of ordinary shares in Refresh held by Directors and KMP of the Group, together with those held by their spouses, during the financial year is as follows:

	Balance 01 Jul 14 Ord	*Granted as Remuneration Ord*	*Other Net Changes * Ord*	*Balance 30 Jun 15 Ord*
Directors				
Mr H Heng	10,978,234	-	58,218	11,036,452
Mr M Y Chan	1,041,779	-	-	1,041,779
Mr R Ong	-	-	-	-
Ms J Khoo	832,330	-	-	832,330
Mr E Soong	-	-	-	-
Other KMP				
Mr O Maerker	300,000	-	-217,780	82,220
Mr H Ho	109,000	-	-80,000	29,000
Mr R Jessett	20,000	-	-	20,000
Mr D Forshaw	-	-	-	-
Mr E Pui	52,000	-	-	52,000
Total	13,333,343	-	-239,562	13,093,781

** Relate to general sales and purchases made on the open market*

All equity transactions with directors other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above relating to options, rights and shareholdings.

Loans to KMP

Except for the approved instalment plan under its ESS, no director or key management personnel has received any loan from Refresh or any of its controlled entities.

(q) Service Agreements

Except for the Managing Director, none of the other Directors or Key Management Personnel is employed on service agreements. The terms of employment do not provide for a minimum notice period and termination payments are not payable on either resignation or termination.

(r) Unissued Shares Under Option

There is no unissued ordinary share under option at the date of this report. Option that lapsed during the financial year is as follows:

Date Options Granted	Expiry Date	Exercise Price ($)	Number Issued	Exercisable Period	Number Lapsed
27 Nov 2012	20 Jun 2015	0.06	5,000,000	20 Jun 2014 to 20 Jun 2015	5,000,000

This option was issued to Mr Richard Tan and/or his nominees pursuant to a Share Allotment Agreement dated 20 June 2012 and approved by Shareholders at the Annual General Meeting held on 27 November 2012.

(s) Indemnifying Directors and Officers

The Company has taken out a Directors and Officers Liability Insurance protecting directors and officers against claims resulting from management decisions. The insurance contract prohibits disclosure of the limit of liability, the nature of liability indemnified or the premium paid.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify a director, officer or auditor of the Company or of any related body corporate against a liability incurred by such a director, officer or auditor.

(t) Non-audit Services

The directors are satisfied that the provision of non-audit services during the year by the auditors is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.
The directors are satisfied that the provision of non-audit services did not compromise the auditor independence for the following reasons:

- All non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Details of amount paid to auditors for audit and non-audit services provided during the year are disclosed in Note 25.

(u) Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.
The company was not a party to such proceedings during the year.

(v) Auditor's Independence Declaration

The Auditor's Independence Declaration under section 370C is included on page 12 of the Directors' Report.

Signed in accordance with a resolution of the directors made pursuant to s298 (2) of the Corporations Act 2001.

On behalf of the Directors

Henry Heng
Managing Director
PERTH, 29 September 2015

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF REFRESH GROUP LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015, there have been:

(a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Neil Pace

NEIL PACE
PARTNER

Moore Stephens

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 29th day of September 2015.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	CONSOLIDATED 2015 $	2014 $
Continuing Operations			
Revenue	6a	5,994,351	5,591,385
Cost of Sales	6b	(2,703,596)	(2,335,988)
Gross Profit		3,290,755	3,255,397
Other income		(38,094)	1,899
Marketing Expenses		(504,676)	(438,628)
Distribution Expenses		(1,081,420)	(1,022,795)
Administrative Expenses		(1,295,510)	(1,246,471)
Occupancy Expenses		(475,620)	(414,281)
Other expenses	14	(6,000)	(6,000)
Share of Net profits of Associates		8,000	16,675
Results from operating activities		(102,565)	145,796
Finance income	6c	43,486	12,946
Finance costs	6d	-	(22,589)
Profit/(Loss) before income tax		(59,079)	136,153
Income tax expense	7	-	-
Net Profit/(Loss) from continuing operations		(59,079)	136,153
Discontinued operations			
Profit from discontinued operations after tax	8	-	444,303
Other comprehensive income		-	-
Total comprehensive Income/(Loss) attributable to members of Refresh Group Limited		(59,079)	580,456
Earnings per share	9		
From continuing and discontinued operations:			
Basic earnings/(loss) per share (cents)		(0.05)	0.60
Diluted earnings/(loss) per share (cents)		(0.05)	0.56
From continuing operations:			
Basic earnings/(loss) per share (cents)		(0.05)	0.14
Diluted earnings/(loss) per share (cents)		(0.05)	0.13
From discontinued operations:			
Basic earnings per share (cents)		-	0.45
Diluted earnings per share (cents)		-	0.43

The accompanying notes form part of the Consolidated Statement of Profit or Loss and Other Comprehensive Income

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Notes	CONSOLIDATED 2015 $	2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	10	782,448	1,261,630
Trade and other receivables	11	577,550	538,491
Inventories	12	882,690	740,888
Total Current Assets		2,242,688	2,541,009
Non-Current Assets			
Trade and other receivables	11	246,831	474,099
Property, plant and equipment	13	1,960,709	1,528,399
Intangible assets	14	312,678	318,678
Investment in Associates	30	514,675	506,675
Total Non-current assets		3,034,893	2,827,851
TOTAL ASSETS		5,277,581	5,368,860
LIABILITIES			
Current Liabilities			
Trade and other payables	16	388,497	613,882
Financial liabilities	17	-	-
Short-term provisions and accruals	19	361,185	176,795
Total Current Liabilities		749,682	790,677
Non-Current Liabilities			
Financial liabilities	17	-	-
Long-term provisions	19	51,691	24,487
Total Non-Current Liabilities		51,691	24,487
TOTAL LIABILITIES		801,373	815,164
NET ASSETS		4,476,208	4,553,696
EQUITY			
Issued capital	20	9,368,401	9,275,015
Reserves	20	191,712	191,712
2014 Profit Reserve		468,204	580,000
Accumulated losses		(5,552,110)	(5,493,031)
TOTAL EQUITY		4,476,208	4,553,696

The accompanying notes form part of the Consolidated Statement of Financial Position

CONSOLIDATED STATEMENT OF CHANGES CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Issued Capital $	Other Reserves $	2014 Profit Reserve $	Accumulated Profit/(Losses) $	Total $
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
Total Profit/(Loss) for the year	-	-	-	580,456	580,456
Transfer to 2014 Profit Reserve	-	-	580,000	(580,000)	-
Balance at 30 June 2014	9,275,015	191,712	580,000	(5,493,031)	4,553,696
Balance at 1 July 2014	9,275,015	191,712	580,000	(5,493,031)	4,553,696
Equity fund raising costs	(6,614)	-	-	-	(6,614)
Issue of share capital	100,000	-	-	-	100,000
Dividend Payment	-	-	(111,795)	-	(111,795)
	9,368,401	191,712	468,205	(5,493,031)	4,535,287
Total Profit/(Loss) for the year	-	-	-	(59,079)	(59,079)
Balance at 30 June 2015	9,368,401	191,712	468,205	(5,552,110)	4,476,208

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	CONSOLIDATED 2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		6,043,789	6,476,355
Payments to suppliers and employees		(5,790,976)	(5,996,256)
Borrowing costs		-	(22,589)
Interest received		43,486	12,946
Net cash flows provided by/(used in) operating activities	10	296,299	470,456
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment, and investment		16,959	-
Purchase of Intangible		-	-
Proceeds from disposal of controlling interest in subsidiary	10	-	673,657
Purchase of property, plant and equipment		(774,031)	(282,057)
Net cash flows provided by/(used in) investing activities		(757,072)	391,600
Cash flows from financing activities			
Proceeds from issue of shares		100,000	516,000
Repayment of loans from related parties		-	(270,000)
Share issue expenses		(6,614)	(24,070)
Dividend Payment		(111,795)	-
Repayments of borrowings		-	(46,550)
Net cash flows provided by/ (used in) financing activities		(18,409)	175,380
Net increase/ (decrease) in cash and cash equivalents		(479,182)	1,037,436
Cash and cash equivalents at beginning of period		1,261,630	224,194
Cash and cash equivalents at end of period		782,448	1,261,630

The accompanying notes form part of the Consolidated Statement of Cash Flows

1. CORPORATE INFORMATION

The financial report of Refresh Group Limited for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 29 September 2015.

Refresh Group Limited is a company limited by shares incorporated and domiciled in Australia; their shares are publicly traded on the Australian Securities Exchange.

The Group's principal activities are the production and/or distribution of lifestyle products like bottled water, coolers and filtration systems. The Company is a for-profit entity.

2. CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS

2.1 New, revised or amending Accounting Standards and Interpretations adopted by the Group

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
The consolidated entity has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
The consolidated entity has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)
The consolidated entity has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

2.2 New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('IFRS'). Compliance with IFRS ensures that the financial statements and notes of the company and the Group comply with International Financial Reporting Standards ('IFRS').

3.2 Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars and rounded to the nearest dollar.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of Refresh Group Limited and its controlled entities as at 30 June 2015 ('the Group'). The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Inter-company loans which have no interest or repayment terms are effectively investments in controlled entities and are reflected at cost. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Parent entity.

3.4 Property, plant and equipment

Plant and equipment, including leasehold improvements are stated at cost less accumulated depreciation and impairment losses.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight-line basis over the estimated useful life of all fixed assets except for motor vehicles which are depreciated on a reducing balance basis over 10 years. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

The following useful lives are used in the calculation of depreciation:

Leasehold improvements	5 to 15 years	Straight Line Method
Plant and equipment	5 to 15 years	Straight Line Method
Motor vehicles	10 years	Diminishing Value Method

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

3.5 Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of the acquisition.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

3.6 Intangibles Other than Goodwill

Customer list and trademarks

Customer list and trademarks are recognised at cost of acquisition. Customer list has a finite life and is carried at cost less any accumulated amortisation and any impairment losses. Customer list is amortised over useful life of 5 years. Trademarks have indefinite life and carried at cost less any impairment losses.

3.7 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its non-financial tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset, being higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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3.8 Employee benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

3.9 Investment in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. In addition, the Group's share of the profit or loss of the associate is included in the Group's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised

3.10 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.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.11 Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amounts 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.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand; cash in bank and short-term deposits with an original maturity of three months or less. Bank overdrafts are shown within financial liabilities in current liabilities on the balance sheet.

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

3.13 Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

3.14 Share-based payment transactions

Share-based payments are provided to directors and employees of the Group whereby employees render services in exchange for shares or rights over shares.

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, excluding directors and senior executives.

Details of the plans are covered under Note 26 Employee Benefits.

The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid-price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

3.15 Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

3.16 Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

3.17 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.

Interest Received

Interest revenue is recognised as it accrues taking into account the effective yield on the financial asset.

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

3.18 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred and reported in 'finance costs'.

3.19 Income tax

The income tax expense (revenue) for the year comprise current income tax expense (income) and deferred tax expense (income).

Deferred income tax expense reflects movements in deferred tax liability balances arising during the year.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

3.20 Profit or loss from discontinued operations

A discontinued operation is a component of the entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Profit or loss from discontinued operations, including prior year components of profit or loss, is presented in a single amount in the statement of comprehensive income. This amount, which comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale.

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

3.21 Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

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

Cash flows are included in the Statement of Cash Flow on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

3.22 Financial Instruments

Recognition

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash or cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

3.22 Financial Instruments (cont)

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

3.23 Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets including property, plant and equipment, identifiable intangible assets and goodwill. In accordance with AASB 136 *Impairment of Assets*, the Group tests their intangible assets with an indefinite useful life for impairment by comparing its recoverable amount with its carrying amount

Value in Use

Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates, including levels of operating revenue and terminal value of assets. A material change to these key assumptions could result in material adjustment to the carrying values of non-current assets.

Fair value

Management apply valuation techniques to determine the fair value of cash-generating units where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the cash-generating unit.. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

No impairment has been recognised in respect of non-current assets including intangibles (goodwill) for the year ended 30 June 2015. Further particulars of impairment testing can be found in Note 15.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes formula, with the assumptions detailed in Note 26. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

3.24 Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

3.25 Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

4. OPERATING SEGMENTS

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".

Types of products and services by segment

All segments provide the same type of products and services being the manufacture and sale of bottled water and filtration systems.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(b) Intersegment transactions

There is no intersegment sale and corporate costs are not allocated. Corporate costs are classified under "Other" in the segment performance analysis.

(c) Segment assets

Segment assets are clearly identifiable on the basis of their nature and physical location.

(d) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

(e) Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they not considered part of the core operations of any segment:

- impairment of assets and other non-recurring items of revenue or expense
- income tax expense
- corporate costs
- deferred tax assets and liabilities
- current tax liabilities

4. OPERATING SEGMENTS (cont)

(f) Segment performance

	WA	NSW	VIC	OTHER (Corporate)	TOTAL
30 June 2015					
Revenue from external customers	3,886,789	1,255,347	852,216	-	5,994,352
Other Income	(32,470)	3,898	(9,522)	-	(38,094)
Other Expense	-	-	-	-	-
Interest Expense	-	-	-	-	-
Depreciation & Amortisation	151,902	61,959	52,234	-	266,095
Segment operating profit/(loss)	232,544[1]	81,136	77,215	(449,974)	(59,079)
Total assets	3,380,906	804,249	528,537	563,889	5,277,581
Total liabilities	571,232	3,825	1,626	224,690	801,373
30 June 2014					
Revenue from external customers	3,484,738	1,270,945	835,702	-	5,591,385
Other Income	542	-	(582)	1,939	1,899
Other Expense	-	-	6,000	-	6,000
Interest Expense	20,425	-	-	2,164	22,589
Depreciation & Amortisation	149,249	69,230	56,407	-	274,886
Segment operating profit/(loss)	410,087[1]	87,057	88,237	(449,229)	136,152
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

[1] Include profit from associate

5. DIVIDENDS

A final dividend of 0.1 cent per share was announced on 28 August 2015 with payment made on 22 September 2015. A similar dividend was paid the previous year.

	CONSOLIDATED	
	2015 $	2014 $
Distributions paid:		
Dividend of 0.1 cent per share (2014: $111,795) fully franked at the tax rate of 30% (2014: 30%)	111,795	111,795
	111,795	111,795

6. REVENUE AND EXPENSES

	CONSOLIDATED	
	2015 $	2014 $
(a) Revenue		
Sale of bottled water and accessories	5,994,351	5,591,385
	5,994,351	5,591,385
(b) Cost of Sales		
Inventory expensed	2,634,547	2,251,450
Inventory write-off	69,049	84,538
	2,703,596	2,335,988
(c) Finance income		
Interest received	43,486	12,946
	43,486	12,946
(d) Finance Costs		
Bank loans and other borrowings	-	18,217
Finance charges payable under finance leases and hire purchase contracts	-	4,372
	-	22,589
(e) Employee benefits expense		
Wages and Salaries	1,891,549	1,696,634
Workers' compensation costs	42,240	45,223
Defined contribution superannuation costs	205,256	186,127
Provisions for Annual and Long Service Leave	40,694	29,102
Other employee benefits expense	30,804	39,157
	2,210,543	1,996,243

6. REVENUE AND EXPENSES (cont)

	CONSOLIDATED 2015 $	2014 $
(f) Depreciation & Amortisation		
Depreciation expense	260,095	268,886
Amortisation	6,000	6,000
	266,095	274,886
(g) Bad and doubtful debts		
Bad Debts Expense	(15,285)	(2,468)
	(15,285)	(2,468)
(h) Rental expense on operating lease		
Lease payments	389,446	344,722
	389,446	344,722

7. INCOME TAX

	CONSOLIDATED 2015 $	2014 $
The components of the tax expense(benefit)comprise:		
Current tax	6,291	181,402
Deferred tax	-	-
Losses recouped not previously recognised	(6,291)	(181,402)
The prima facie tax expense/(benefit) on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
- Accounting profit/(loss) before tax	(59,079)	580,456
Prima facie tax expense/(benefit) on profit/(loss) from continuing activities before income tax at 30% (2014: 30%)		
- Income tax expense to accounting profit	(17,724)	174,134
Add tax effect of:		
- Non-deductible expenses	3,414	2,337
- Deferred tax balances not brought to account	23,001	38,474
	8,691	214,945
Less tax effect of:		
Non-assessable income	(2,400)	(33,543)
Losses recouped not previously recognised	(6,291)	(181,402)
Income tax expense attributable to the entity	-	-
Unrecognised deferred tax balances:		
The following deferred tax assets and liabilities have not been brought to account:		
Unrecognised deferred tax assets – losses	1,016,790	1,023,082
Unrecognised deferred tax assets – other	130,222	135,871
Unrecognised deferred tax liabilities	(125,119)	(172,878)
	1,021,893	986,075

The tax benefits of the above deferred tax assets will only be obtained if:
the company derives future assessable income of a nature and of an amount sufficient to enable

(a) the benefits to be utilised;

(a) the company continues to comply with the conditions for deductibility imposed by law; and

(b) no changes in income tax legislation adversely affect the company in utilising the benefits.

7. INCOME TAX (Cont)

Tax consolidation

(i) Members of the tax consolidated group

Refresh Group Limited and its wholly owned Australian resident subsidiaries have formed a tax consolidated group with effect from 1 July 2005. Refresh Group Limited is the head entity of the tax consolidated group.

(ii) Tax effect accounting by members of the tax consolidated group

Measurement method adopted under UIG 1052 Tax Consolidated Accounting

The group has applied the Stand-Alone Taxpayer approach in determining the appropriate amount of current and deferred taxes recognised by members of the tax consolidated group. Each entity in the group recognises its own current and deferred tax assets and liabilities, except for any deferred tax assets resulting from unused tax losses and tax credits and any current tax liability. Deferred tax assets resulting from unused tax losses and tax credits and the current tax liability are assumed and recognised, as appropriate, by the parent entity. The group has not entered into any tax sharing or funding agreements.

8. DISCONTINUED OPERATIONS

On 10 December 2013, the consolidated group announced its decision to dispose of controlling interest in Refresh Waters Queensland Pty ltd.

51% of this wholly-owned subsidiary was sold on 2 January 2014, thereby discontinuing its control in this business segment.

Financial information relating to the discontinued operation to the date of disposal is set out below

The financial performance of the discontinued operation to the date of sale, which is included in profit/(loss) from discontinued operations per the statement of comprehensive income, is as follows:

	Consolidated Group	
	2015	**2014**
	$	**$**
Revenue	-	822,659
Cost of Sales	-	(304,921)
Expenses	-	(450,115)
Profit before income tax	-	67,623
Income tax expense	-	-
Profit attributable to members of the parent entity	-	67,623
Profit on sale before income tax	-	376,680
Income tax expense	-	-
Profit on sale after income tax	-	376,680
Total profit after tax attributable to the discontinued operation	-	444,303
The net cash flows of the discontinued division, which have been incorporated into the statement of cash flows, are as follows:		
Net cash inflow/(outflow) from operating activities	-	9,887
Net cash inflow from investing activities	-	(6,823)
Net cash (outflow)/inflow from financing activities	-	-
Net cash increase in cash generated by the discontinued division	-	3,064
Gain on disposal of the subsidiary included in gain from discontinued operations per the statement of comprehensive income.	-	376,680

9. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit/(loss) attributable to ordinary shareholders (after deducting interest on the convertible redeemable preference shares) by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options and dilutive convertible non-cumulative redeemable preference shares).

The following reflects the profit/(loss) and share data used in the total operations basic and diluted profit/(loss) per share computations:

	CONSOLIDATED	
	2015	**2014**
	$	**$**
From continuing and discontinued operations:		
Profit/(Loss) attributable to equity holders of the parent	(59,079)	580,456
Weighted average number of ordinary shares for basic earnings per share	111,455,864	98,885,271
Weighted average number of dilutive options outstanding	-	5,000,000
Basic/diluted earnings/(loss) per share (cents per share)		
Basic earnings/(loss) per share (cents per share)	(0.05)	0.60
Diluted earnings/(loss) per share (cents)	(0.05)	0.56
From continuing operations:		
Profit/(Loss) attributable to equity holders of the parent	(59,079)	136,152
Weighted average number of ordinary shares for basic earnings per share	111,455,864	98,885,271
Weighted average number of dilutive options outstanding	-	5,000,000
Basic/diluted earnings/(loss) per share (cents per share)		
Basic earnings/(loss) per share (cents per share)	(0.05)	0.14
Diluted earnings/(loss) per share (cents)	(0.05)	0.13
From discontinued operations:		
Profit/(Loss) attributable to equity holders of the parent	-	444,303
Weighted average number of ordinary shares for basic earnings per share	111,455,864	98,885,271
Weighted average number of dilutive options outstanding	-	5,000,000
Basic/diluted earnings/(loss) per share (cents per share)		
Basic earnings/(loss) per share (cents per share)	-	0.45
Diluted earnings/(loss) per share (cents)	-	0.43

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

10. CASH AND CASH EQUIVALENTS

	CONSOLIDATED 2015 $	2014 $
Cash at bank and in hand	529,740	240,962
Short-term bank deposits	252,708	1,020,668
	782,448	1,261,630

Cash at bank and in hand earns interest at floating rates based on daily bank rates.
The effective interest rate on short-term bank deposits was 2.5% (2014: 3.5%); these deposits have an average maturity of 90 days.

Reconciliation from the net profit / (loss) after tax to the net cash flows from operations		
Net (Loss) after income tax	(59,079)	580,456
Adjustments for:		
Depreciation expense	260,095	277,146
Net (profit)/loss on disposal of property, plant and equipment	39,533	4,709
Other (Income)/ Expense	-	(2,729)
Interest (Income)/ Expense	(43,486)	9,642
(Gain)/Loss on the disposal of Business	-	(177,828)
Share of Associates Profit	(8,000)	(16,675)
Add Impairment of Non-current asset	6,000	11,700
Employee shares / options expensed	-	-
Changes in assets and liabilities		
(Increase)/decrease in inventories	(141,803)	(40,280)
(Increase)/decrease in trade and other receivables	188,209	62,910
(decrease)/increase in trade and other payables	(156,763)	(212,835)
(decrease)/increase in short-term provisions	211,593	(25,760)
Net cash provided by /used in operating activities	296,299	470,456

Disposal of controlling interest in Refresh Waters Queensland Pty Ltd

In prior year the controlled entity Refresh Waters Queensland Pty Ltd was sold.

Aggregate details of this transaction are:

Disposal price	-	673,657
Cash consideration	-	673,657
Assets and liabilities held at disposal date:		
Cash	-	14,172
Receivables	-	237,769
Inventories	-	300,084
Property, plant & equipment and goodwill	-	823,146
Payables	-	(588,194)
	-	786,977
49% retained interest	-	392,563
Fair value adjustment	-	97,437
Fair value of 49% retained interest	-	490,000
	-	296,977
Net gain on disposal	-	376,680
Net cash received	-	673,657

11. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED 2015 $	2014 $
Current		
Trade receivables	484,735	436,924
Provision for impairment of receivables	(4,079)	(3,386)
	480,656	433,538
Other receivables	67,948	87,723
Prepayments	28,946	17,230
	577,550	538,491
Non-Current		
Loan to Associate	246,831	474,099
	246,831	474,099

Provision for impairment of Receivables

Movement in the provision for impairment of receivables is as follows:

	CONSOLIDATED 2015 $	2014 $
Balance at the beginning of the year	3,386	15,000
Additional provisions recognised	15,978	-
Receivables written off during the year as uncollectable	(15,285)	(2,468)
Unused amounts reversed	-	(9,146)
Balance at the end of the year	4,079	3,386

Specific provision for bad debt is made for all outstanding receivables not paid within 90 days.

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue) 31-60	61-90	>90	Within initial trade terms
Consolidated						
2015						
Trade receivables	484,735	4,079	139,261	12,391	7,901	321,103
Other receivables	67,948	-	-	-	-	67,948
	552,683	4,079	139,261	12,391	7,901	389,051
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

All of the Group's trade and other receivables have been reviewed for indications of impairment. None of the trade receivables were required to be impaired.

12. INVENTORIES

	CONSOLIDATED	
	2015	2014
	$	$
Raw materials (at cost)	425,837	379,036
Finished goods (at cost)	505,944	410,943
Total inventories at cost	931,781	789,979
Provision for slow moving Inventories	(49,091)	(49,091)
Total inventories at cost or net realizable value	882,690	740,888

13. PROPERTY, PLANT AND EQUIPMENT

		Plant & Equipment	Furniture & Fittings	Office Equipment	Motor Vehicle	Pallets	Equipment Leased	Work in Progress	Total
Cost									
Opening Balance	1July14	1,926,346	269,370	110,241	511,412	321,323	202,615	-	3,341,307
Additions		188,104	98,807	5,478	67,917	82,692	(4,415)	331,033	769,616
Disposals		(35,742)	(28,313)	(339)	(59,859)	-	-	-	(124,253)
Disposals of controlling interest on subsidiaries		-	-	-	-	-	-	-	-
Closing Balance	30June15	2,078,708	339,864	115,380	519,470	404,015	198,200	331,033	3,986,670
Accumulated Depreciation									
Opening balance	1July14	(943,796)	(148,336)	(85,765)	(296,387)	(180,815)	(157,810)	-	(1,812,908)
Charge for the year		(137,263)	(22,702)	(11,118)	(44,565)	(33,719)	(10,728)	-	(260,095)
Depreciation on disposals		5,365	18,798	62	22,817	-	-	-	47,042
Disposals of controlling interest on subsidiaries		-	-	-	-	-	-	-	-
Closing Balance	30June15	(1,075,694)	(152,240)	(96,821)	(318,135)	(214,534)	(168,538)	-	(2,025,962)
Net Book Value									
Opening balance	1July14	982,550	121,034	24,477	215,025	140,508	44,805	-	1,528,399
Closing balance	30June15	1,003,014	187,624	18,559	201,335	189,481	29,662	331,033	1,960,708

13. PROPERTY, PLANT AND EQUIPMENT (cont)

		Plant & Equipment	Furniture & Fittings	Office Equipment	Motor Vehicle	Pallets	Equipment Leased	Work in Progress	Total
Cost									
Opening Balance	1July13	2,217,482	345,372	116,543	527,762	309,696	291,175	-	3,808,030
Additions		90,074	66,863	3,942	63,427	85,639	(5,701)	-	304,244
Disposals		(22,007)	(25,333)	(483)	(32,023)	(1,711)	-	-	(81,556)
Disposals of controlling interest on subsidiaries		(359,203)	(117,533)	(9,760)	(47,753)	(72,302)	(82,859)	-	(689,411)
Closing Balance	30June14	1,926,346	269,370	110,241	511,412	321,323	202,615	-	3,341,307
Accumulated Depreciation									
Opening balance	1July13	(970,071)	(185,714)	(85,222)	(279,526)	(171,767)	(195,883)	-	(1,888,183)
Charge for the year		(130,977)	(26,837)	(10,469)	(53,676)	(31,869)	(15,058)	-	(268,886)
Depreciation on disposals		11,962	19,832	450	6,530	802	-	-	39,577
Disposals of controlling interest on subsidiaries		145,291	44,383	9,475	30,285	22,019	53,131	-	304,584
Closing Balance	30June14	(943,796)	(148,336)	(85,765)	(296,387)	(180,815)	(157,810)	-	(1,812,908)
Net Book Value									
Opening balance	1July13	1,247,411	159,658	31,321	248,236	137,929	95,292	-	1,919,847
Closing balance	30June14	982,550	121,034	24,477	215,025	140,508	44,805	-	1,528,399

14. INTANGIBLE ASSETS

	CONSOLIDATED			
	Goodwill	**Customer List**	**Trademarks**	**Total**
	$	**$**	**$**	**$**
At 1 July 2014	295,215	18,500	4,963	318,678
Additions				
Amortisation	-	(6,000)	-	(6,000)
At 30 June 2015	295,215	12,500	4,963	312,678

Trademarks relate to registered trademarks which have been purchased during business combinations.

The useful lives of these intangible assets were estimated as indefinite and the cost method was utilised for their measurement other than the customer list which has a definite life of 5 years amortisation is on a straight line basis.

As at 30 June 2015, these assets were tested for impairment (see Note 15).

15. IMPAIRMENT TESTING OF GOODWILL, OTHER INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit (CGU) level. Goodwill is allocated to those CGU's that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

CGU's to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or CGU's are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment losses for CGU's reduce first the carrying amount of any goodwill allocated to that CGU. Any remaining impairment loss is charged pro rata to the other assets in the CGU. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment charge is reversed if the CGU's recoverable amount exceeds its carrying amount.

An impairment loss is recognized for the amount by which the assets or CGU's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each CGU and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of futures reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors .To determine fair value less costs to sell, management needs to identify a comparable transaction or provide a market for the transaction for fair value to be assessed. AASB 136 provides that management can choose either method to provide the highest value. The Group has chosen the value-in-use to calculate impairment.

15.1 Refresh Waters Perth cash-generating unit

The carrying amount of goodwill for this generating unit is $41,461. The recoverable amount of the Perth cash-generating unit has been determined based on a value-in-use calculation.

The cash flow projections are based on financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections is 15%.Cashflows beyond 5 years of forecast are assumed to have no growth therefore the long term growth has been set at 4%

The Board anticipates growth in revenue of around 8% for each of the next 5 years, with a net profit margin before interest, tax and depreciation of 15% for Perth.

Management believes that any reasonably possible change in the key assumptions on which Perth's recoverable amount is based would not cause Perth's carrying amount to exceed its recoverable amount

Management has based the value-in-use calculations on budgets for the CGU. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

15. IMPAIRMENT TESTING OF GOODWILL, OTHER INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT (cont)

15.2 Refresh Waters Sydney cash-generating unit

The carrying amount of goodwill for this generating unit is $113,182, including goodwill of Moores. The recoverable amount of Sydney cash-generating unit has been determined based on a value-in-use calculation.

The cash flow projections are based on financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections is 15%.Cashflows beyond 5 years of forecast are assumed to have no growth therefore the long term growth has been set at 0%

The Board anticipates growth in revenue of around 6% for each of the next 5 years, with a net profit margin before interest, tax and depreciation of 9% for Sydney.

Management believes that any reasonably possible change in the key assumptions on which Perth's recoverable amount is based would not cause Sydney's carrying amount to exceed its recoverable amount

Management has based the value-in-use calculations on budgets for the CGU. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

15.3 Refresh Waters Melbourne cash-generating unit

Melbourne purchased a customer list which had a carrying value of $18,500. This will be amortised over 5 years. For year ended 30 June 2015, a charge of $6,000 was recognised leaving a balance of $12,500. The Group also assessed the customer list for impairment using the value-in-use method.

15.4 Hydr8 Water cash-generating unit

The carrying amount of goodwill for this cash-generating unit is $140,572. The recoverable amount of Hydr8 has also been determined based on a value-in-use calculation.

The cash flow projections are based on financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections is 15%. Cash flows beyond 5 years of forecast are assumed to have no growth therefore the long term growth has been set at 11%

The Board anticipates growth in revenue of approximately 8% for the next 5 years, with a net profit margin before interest, tax and depreciation of 14% for Hydr8.

Management believes that any reasonably possible change in the key assumptions on which Hydr8's recoverable amount is based would not causes Hydr8's carrying amount to exceed its recoverable amount

Management has based the value-in-use calculations on budgets for the CGU. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

16. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2015	**2014**
	$	**$**
Current		
Trade payables	236,968	305,245
Other payables	151,529	308,637
	388,497	613,882

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

17. FINANCIAL LIABILITIES

The Company has no borrowing and no financial liability in the current year.

18. CONTINGENT LIABILITIES

	CONSOLIDATED	
	2015	**2014**
	$	**$**
Current		
Financial guarantees	-	19,000

The financial guarantee relates to a bank guarantee given to our Melbourne landlord in lieu of rental bond. On 1 July 2014, the Melbourne factory moved to a much bigger property, which the landlord required no rental bond.

The Group has recognised liabilities representing current and potential exposure to guarantees that it has issued to third parties in relation to the performance and obligations of controlled entities with respect to banking facilities, approved deeds and property lease rentals.

19. PROVISIONS AND ACCRUALS

	CONSOLIDATED	
	2015	2014
	$	$
Short term provisions		
Annual Leave	108,813	100,266
Long Service Leave	57,229	52,285
Accruals	195,143	24,244
	361,185	**176,795**
Long term provisions		
Long Service Leave	**51,691**	**24,487**

	Accruals	Employee Benefits	Total
	$	$	$
Consolidated Group			
Opening balance at 1 July 2014	24,244	177,038	201,282
Additional provisions	712,487	55,612	768,099
Amounts used	(541,588)	(14,917)	(556,505)
Disposal of controlling interest in subsidiaries			
Balance at 30 June 2015	195,143	217,733	412,876

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been discussed in Note 3.8

Analysis of total provisions

	CONSOLIDATED	
	2015	2014
	$	$
Current	361,185	176,795
Non-current	51,691	24,487
	412,876	201,282

20. ISSUED CAPITAL AND RESERVES

The share capital of Refresh consists only of fully paid ordinary shares. These shares have no par value.

	CONSOLIDATED	
	2015	2014
	$	$
Ordinary Shares		
Issued and fully paid	9,375,015	9,299,085
Fund raising costs	(6,614)	(24,070)
	9,368,401	9,275,015

	No.	$
Movement in ordinary shares		
At 30 June 2013	98,328,924	8,783,084
Issued shares to Ms. Bee Leng Yeap on 16/06/2014	10,355,555	466,000
Issued shares to Dr Tanri Abeng on 16/06/2014	1,111,111	50,001
Fund raising costs	-	(24,070)
At 30 June 2014	109,795,590	9,275,015
Issued Shares to Mr Haryanto on 24/08/2014	2,000,000	100,000
Fund raising costs	-	(6,614)
	111,795,590	9,368,401

Details of the balance of and movements in reserves can be found in the Statement of Changes in Equity.

Capital management

The capital of the Group is managed in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital and financial liabilities.

There are no externally imposed capital requirements.

Capital is managed by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and the market. These responses include the management of debt levels, and share issues.

There has been no change in the strategy adopted by management to control the capital of the Group since the prior year.

Nature and purpose of reserves

Employee equity benefits reserve

The employee share option and share plan reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. Refer to Note 26 for further details of these plans.

Transactions in the year	Nil
Amount of reserve	$191,712

21. FINANCIAL RISK MANAGEMENT

The Board reviews and agrees on policies for managing risks and they are summarised below.

Interest Rate Risk

The main risk the Group is exposed to through its financial instruments is interest rate risk. The Group's policy is to manage its risk using a mix of fixed and variable rate debt.

Note 22 Financial Instruments sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk.

Foreign Currency and Price Risk

Foreign currency fluctuation does not affect the Group's income as almost all our sales are within Australia. However, it does affect the price of raw materials and in turn, the final price of our purchases.

Credit Risk

The Group trades only with recognised, creditworthy third parties. It is the Group policy that customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained. A cash and commitment report forms part of the monthly management reports forwarded to the Board.

22. FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise finance leases and hire purchase contracts, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for Group operations.

The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

Fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values. The fair values of financial assets and liabilities are determined as follows:

The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow theory

Liquidity risk analysis

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long–term financial liabilities as well as forecast inflows and outflows due in day-to-day business.

22. FINANCIAL INSTRUMENTS (cont)

Liquidity risk analysis (cont)

Year ended 30 June 2014	Floating Interest Rate	Fixed Interest Rate	Maturity < 1 year $	Maturity 2 to 5 years $	Non-Interest Bearing $	Total $
CONSOLIDATED						
Financial Assets						
Term Deposit	-	3 – 3.7%	921,828	-	-	921,828
Cash assets	2.4 – 3%	-	339,802	-	-	339,802
Receivables	-	-	-	-	538,491	538,491
Loan to Associate	3%	-	-	-	474,099	474,099
			1,261,630	-	1,012,590	2,274,220
Financial Liabilities						
At amortised cost	-	-	-	-	-	-
Loans and Payables	-	-	-	-	613,882	613,882
Hire purchase liability	-	-	-	-	-	-
			-	-	613,882*	613,882

Year ended 30 June 2015	Floating Interest Rate	Fixed Interest Rate	Maturity < 1 year $	Maturity 2 to 5 years $	Non-Interest Bearing $	Total $
CONSOLIDATED						
Financial Assets						
Term Deposits	-	2.8 – 3.5%	252,708	-	-	252,708
Cash assets	1.7 – 3%	-	529,740	-	-	529,740
Receivables	-	-	-	-	577,550	577,550
Loan to Associate	2.5 – 3%	-	-	-	246,831	246,831
			782,448	-	824,381	1,606,829
Financial Liabilities						
At amortised cost	-	-	-	-	-	-
Loans and Payables	-	-	-	-	388,497	388,497
Hire purchase liability	-	-	-	-	-	-
			-	-	388,497	388,497

*Non-interest bearing debt is expected to be settled in less than 60 days.

Fair Values

The fair values of other assets and other liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

Financial assets where the carrying amount exceeds fair value have not been written down as the Group intends to hold these assets to maturity.

Sensitivity Analysis

The Group has no borrowing and as such, changes in interest rate will have no effect on its profit or equity. Interest rate movements on cash balances would not be material.

As almost all revenue is derived from Australia, foreign currency fluctuation has minimal effect on its profit or equity.

23. COMMITMENTS

23.1 Operating lease commitments

The Group has entered into commercial leases where it is not in the best interest of the Group to purchase these assets.

Location	Expiry	Lease Terms
Kalgoorlie	1/07/16	2 year lease
Melbourne	1/07/17	3 year lease
Perth	1/07/16	7 + 3 + 3 years
Sydney	1/06/16	1 year lease

Renewal terms are included in the contracts. Renewals are at the option of the specific entity that holds the lease.

There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	CONSOLIDATED	
	2015	2014
	$	$
Within one year	348,336	337,868
After one year but not more than five years	60,000	152,100
	408,336	489,968

23.2 Finance lease and hire purchase commitments

The Group has no borrowing.

24. RELATED PARTY DISCLOSURES

The Group's main related parties are as follows:

(i) Key management personnel:
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.
For details of disclosures relating to key management personnel, refer to Note 27.

(ii) Entities subject to significant influence by the Group:
An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.
For details of interests held in associated companies, refer to Note 30.

(iii) Other related parties:
Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

24. RELATED PARTY DISCLOSURES (cont)

24.1 Transactions With Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

		Consolidated Group	
		2015 $	2014 $
(i)	*Associated companies:*		
	Sale of goods and services:		
	Goods	17,441	2,470
	Management fees and occupancy fees paid to Refresh Group Ltd from associates	17,800	8,400
	Dividend revenue:		
	Dividends received and receivable from associated companies	-	-
	Interest revenue:		
	Interest received and receivable from associated companies	14,522	6,076
(ii)	*Key management personnel:*		
	Finder fees paid to Harford Vantage Australia Pty Ltd which Jamie Khoo have a beneficial interest	-	50,625

24.2 Amounts outstanding from related parties:

Trade and other receivables:

Unsecured loan is made to associate company, Refresh Waters Queensland Pty Ltd on an arm's length basis. Repayment is made from positive cash flow Interest is charged at cash rate plus 0.5%, which was last charged at 2.5% (2014: 3%)

(i)	*Loans to associated companies:*		
	Beginning of the year	474,099	497,684
	Loans advanced	500,538	466,026
	Loan repayment received	(742,329)	(495,687)
	Interest charged	14,522	6,076
	End of the year	246,830	474,099

24. RELATED PARTY DISCLOSURES (cont)

24.3 Amounts Payable to Related Parties:

Trade and Other Payables:

	Consolidated Group 2015 $	2014 $
Unsecured, at-call loans was provided by shareholders on an arm's length basis. Interest was charged at 12 or 20% and was payable monthly. Fully paid in prior year.		
(i) *Loans from other related parties:*		
Beginning of the year	-	210,000
Loans advanced	-	70,000
Loan repayment received	-	(280.000)
Interest charged – 12%	-	13,689
Interest paid	-	(13,689)
End of the year	-	-
(ii) *Loans from other related parties:*		
Beginning of the year	-	60,000
Loans advanced	-	-
Loan repayment received	-	(60,000)
Interest charged – 20%	-	2,164
Interest paid	-	(2,164)
End of the year	-	-

25. AUDITORS' REMUNERATION

	CONSOLIDATED 2015 $	2014 $
Remuneration of the auditor of the parent entity for:		
• audit and review of the financial reports	50,000	50,000
• other services		
(b) tax compliance	15,000	10,000
(c) advisory	5,000	-
	70,000	60,000
Remuneration of related practices of the parent entity auditor for :		
• Audit Protection Service	1,564	-
Total	71,564	60,000

26. EMPLOYEE BENEFITS

26.1 Directors' and Executives' Option Scheme

On 31 October 2005, the shareholders of Refresh Group Limited resolved to approve the creation of the Directors and Executives Option Scheme (DEOS).

The purpose of the DEOS is to align the interests of the directors and key management of Refresh by providing a cost-effective and efficient long-term incentive to them which is linked to the performance of the company. By rewarding executives with the issue of options, Refresh will be able to reward them without having to commit cash resources to do so.

Under the DEOS, directors and key management personnel of Refresh are eligible to be issued with options to acquire unissued ordinary fully paid shares in Refresh. The options will be issued for no consideration. They have an exercise period of one year.

During the financial year, no option was granted as equity compensation benefits under the DEOS.

26. EMPLOYEE BENEFITS (cont)

26.2 Employee Share Scheme

On 31 October 2005, the shareholders of Refresh Group Limited approved the creation of an Employee Share Scheme (ESS).

The purpose of the ESS is to reward current and future employees of the Group in a way which gives the employees an opportunity to share in the future growth and profitability of Refresh.

Employees were eligible for a loan from the Company in order to finance the purchase of shares. The loan is an interest-free loan with a maximum term of two years. Repayments are being made through deductions from the employee's salary. The Directors of Refresh invited employees to participate in the ESS based on factors such as their length of service, grade or position in Refresh. New employees will be eligible to join the ESS after one year's continuous service.

Should an employee leave his or her employment without having fully repaid the loan, Refresh may sell that employee's shares and apply the proceeds to the cost of the sale and the repayment of the loan. The balance (if any) will be returned to the employee. There are mechanics in place to ensure that shares acquired pursuant to a loan from Refresh are not transferred until the loan has been repaid.

The above is a summary of the terms of the ESS. A copy of the ESS rules is available for inspection at the Head Office of Refresh.

27. DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSURE

Details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2015 are in the Remuneration Report contained in the Directors' Report.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2015 $	2014 $
Short-term employee benefits [1]	622,007	599,075
Post-employment benefits [2]	56,791	54,618
Other long-term benefits [3]	12,526	15,441
Total KMP compensation	691,324	669,136

[1] ***Short-term employee benefits***
These amounts include fees and benefits paid to the non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

[2] ***Post-employment benefits***
These amounts are the current-year's estimated cost of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year.

[3] ***Other long-term benefits***
These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

28. PARENT ENTITY

28.1 Statement of Financial Position

	Parent	
	2015	2014
	$	$
ASSETS		
Current Assets		
Cash and cash equivalents	563,724	903,381
Trade and other receivables	165	419
Total Current Assets	563,889	903,800
Non-Current Assets		
Other financial assets	3,746,113	3,668,794
Total Non-Current assets	3,746,113	3,668,794
TOTAL ASSETS	4,310,002	4,572,594
LIABILITIES		
Current Liabilities		
Trade and other payables	8,608	92,386
Financial liabilities	-	-
Short-term provisions and accruals	206,017	105,421
Total Current Liabilities	214,625	197,807
Non-Current Liabilities		
Long-term provisions	10,065	4,300
Total Non-Current Liabilities	10,065	4,300
TOTAL LIABILITIES	224,690	202,107
NET ASSETS	4,085,312	4,370,487
EQUITY		
Issued capital	9,368,401	9,275,014
Share Reserve	191,713	191,713
2014 Profit Reserve	468,204	580,000
Accumulated losses	(5,943,006)	(5,676,240)
TOTAL EQUITY	4,085,312	4,370,487

The parent entity has not entered into any deed of cross guarantee nor is there any contingent liability at the year end. There is no contractual commitment by the parent for the acquisition of property, plant or equipment.

28.2 Financial performance

	Parent	
	2015	2014
	$	$
Profit/ (Loss) for the year	(266,765)	1,993,427
Other comprehensive income, net of tax	-	-
Total comprehensive income	(266,765)	1,993,427

29. INTEREST IN SUBSIDIARY

29.1 Information about Principal Subsidiary

The subsidiary listed below has share capital consisting solely of ordinary shares which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group		Proportion of Non-controlling Interests	
		2015	2014	2015	2014
		%	%	%	%
Refresh Waters Pty Ltd	Australia	100	100	-	-

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

29.2 Significant Restrictions

There is no significant restriction over the Group's ability to access or use assets and settle liabilities.

29.3 Disposal of Controlled Entities

Nil

30. ASSOCIATE

30.1 Information about Principal Associate

Set out below is the material associate of the Group. All of the entities listed below have share capital consisting solely of ordinary shares The proportion of ordinary shares held by the Group equals the voting rights held by the Group. Each entity's place of incorporation is its principal place of business.

Name of Associates	Place of Business/ Incorporation	Proportion of Ordinary Share Interests / Participating Share		Measurement Method	Carrying Amount	
		2015	2014		2015	2014
		%	%		$	$
Refresh Waters Queensland Pty Ltd	Queensland, Australia	49	49	Equity	514,675	506,675

30.2 Summarised Financial Information for Associate

Set out below is the summarised financial information for the Group's material investments in associates. Unless otherwise stated, the disclosed information reflects the amounts presented in the Australian-Accounting-Standards financial statements of the associates. The following summarised financial information, however, reflects the adjustments made by the Group when applying the equity method, including adjustments for any differences in accounting policies between the Group and the associates:

30. ASSOCIATE (cont)

30.2 Summarised Financial Information for Associates (cont)

	Refresh Waters Queensland	
	2015	2014
	$	$
Summarised Financial Position		
Total current assets	540,488	500,405
Total non-current assets	925,926	903,171
Total current liabilities	(351,224)	(90,954)
Total non-current liabilities	(263,929)	(477,443)
NET ASSETS	851,261	835,178
Group's share (%)	49%	49%
Group's share of associates' net assets	417,118	409,237
Fair Value Adjustment	97,557	97,438
Group's share of associates' net assets	514,675	506,675
Summarised Financial Performance		
Revenue	1,530,294	787,978
Profit after tax from continuing operations	16,083	34,031
Profit after tax from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	16,083	34,031
Dividends paid		-
Group's share of associates' profit after tax from continuing operations	8000	16,675
Group's share of associates' other comprehensive income	-	-
Group's share of dividends paid	-	-
Reconciliation to Carrying Amounts		
Group's share of associates' opening net assets		-
Investments during the period	506,675	490,000
Group's share of associates' profit after tax from continuing operations	8,000	16,675
Group's share of associates' other comprehensive income	-	-
Group's share of dividends paid by associates	-	-
Disposals during the period	-	-
Reclassifications during the period	-	-
Group's share of associates' closing net assets (closing carrying amount of investment)	514,675	506.675

31. EVENTS AFTER THE BALANCE SHEET DATE

Nil

In accordance with a resolution of the Directors of Refresh Group Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015

(ii) and of its performance for the year ended on that date; and

(iii) complying with Accounting Standards and Corporations Regulations 2001; and

(iv) the remuneration disclosures within the Remuneration Report comply with S300A Corporation Act; and

(b) the Chief Executive Officer and acting Chief Financial Officer have declared that

(i) the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

(ii) the financial statements and associated notes comply in all material respects with the Australian Accounting Standards as required by Section 296 of the Corporations Act 2001 and

(iii) the financial statements and associated notes give a true and fair view, in all material respect, of the financial position as at 30 June 2015 and performance of the Group and consolidated entity for the year then ended as required by Section 297 of the Corporations Act 2001.

(c) the financial report also complies with International Financial Reporting Standards as disclosed in Note 3.1.

(d) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Henry Heng
Managing Director
Perth, 29 September 2015

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REFRESH GROUP LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Refresh Group Limited (the company) and its controlled entity (the consolidated entity), which comprises the consolidated statement of financial position as at 30 June 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity, comprising the company and the entity it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Refresh Group Limited, would be in the same terms if provided to the directors as at the date of this auditor's report

Auditor's Opinion
In our opinion:

a. the financial report of Refresh Group Limited and its controlled entities is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion
In our opinion, the Remuneration Report of Refresh Group Limited for the year ended 30 June 2015 complies with Section 300A of the *Corporations Act 2001*.

Neil Pace

NEIL PACE
PARTNER

Moore Stephens

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 29th day of September 2015.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Refresh and its controlled entities have adopted a corporate governance framework and practices to ensure they meet the interests of shareholders.

Refresh complies with the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd Edition ('the ASX Principles'). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles.

1. Lay solid foundations for management and oversight
2. Structure the board to add value
3. Promote ethical and responsible decision-making
4. Safeguard integrity in financial reporting
5. Make timely and balanced disclosure
6. Respect the rights of shareholders
7. Recognise and manage risk
8. Remunerate fairly and responsibly

Refresh considers its practices achieve compliance in a manner appropriate for smaller listed entities. All of these practices, unless otherwise stated, were in place for the full reporting period.

Information on the Group's corporate governance policies and practices could be found on Refresh website at www.refreshgroup.com.au. Below is only a summary of our Corporate Governance Statement.

Board Roles and Responsibilities
The Board is first and foremost accountable to provide value to its shareholders through delivery of timely and balanced disclosures. The Board is ultimately responsible for ensuring its actions are in accordance with key corporate governance principles

Board Composition
The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the Directors' Report.

Henry Heng is both Chairman and CEO of the Company. The Board view there is no conflict in his performing both roles. He has a wealth of experience on many Boards and has discharged the role of Chairman competently for the last 10 years. Furthermore every other director is non-executive.

The independent directors of the company are Nicholas Chan and Dato' Eddie Soong. Roy Ong is deemed not independent because one of his family members is a substantial shareholder.

The Board possesses the following skills matrix:

Leadership	
Management	
Finance	
Sales and marketing	
International business	
Human resource management	
Operations and logistics	
Information technology	

Nominations Committee
The Board has considered the need for a Nominations Committee. We have a very small Board and believe that it is more appropriate for such responsibilities to be met by the full Board rather than a separate committee.

Audit & Risk Management Committee
The names and qualifications of those appointed to the Audit & Risk Management Committee and their attendance at meetings of the committee are included in the Directors' Report.

Remuneration Committee
The names of the members of the Remuneration Committee and their attendance at meetings of the committee are detailed in the Directors' Report.

Remuneration Policies
Details on remuneration policies for key management personnel are stated in the Directors' Report.

CORPORATE GOVERNANCE STATEMENT

Performance Evaluation
Regular communication between directors and the Chairman is encouraged. The performance of a director is continually monitored by the Chairman and peers. The Board conducts formal review of the requirements and performance of all directors periodically:

The Board did not undertake any evaluation of the Board, its committees, individual directors or senior executives in the last financial year.

Risk Management and Compliance Policy
The Company's business strategies and activities involve risk. Risk is minimised to the extent it does not inhibit the Company or its controlled entities from pursuing its goals and objectives with a considered and balanced view of risk. The Company participates in the internationally recognised Hazard Analysis and Critical Control Point (HACCP) program. The Perth factory is HACCP certified. It is our plan to progressively have the other factories certified. The stringent quality control will ensure there is little risk of contamination

Ethical Standards
The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring directors and employees:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law;
- encourage the reporting and investigating of unlawful and unethical behaviour; and
- comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgement and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

Trading Policy
The Group has established a share trading policy which governs the trading in the Group's shares and applies to all Directors and employees of the Group. Details of the Company's Trading Policy are posted on its website: *www.refreshgroup.com.au.*

Anyone who has material non-public information cannot buy or sell Company shares, even during a period when trading is otherwise permitted.

A restricted person is not permitted to trade in Company shares during the following periods:

a. Two weeks prior to the release of the following reports:
   i. Half Year Report
   ii. Annual Financial Report

b. Any time the restricted person is in possession of material information until after release of the information to ASX or termination of negotiation or event.

Diversity Policy
Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. This diversity policy outlines the requirements for the Board to develop measurable objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives.

	No.	%
Women on the Board	0	0
Women in senior management roles	0	0
Women employees in the Company	9	18

Shareholder Rights
Shareholders are entitled to vote on significant matters impacting the business, which include the election and remuneration of directors and changes to the constitution. They are also entitled to receive the annual and interim financial statements. The Company has organised with its share registry for shareholders to receive and send communications electronically. Those requiring hard copies of documents need to opt in through the share registry.

Shareholders are strongly encouraged to attend and participate in the Annual General Meetings where most directors, the CEO and the auditors are present to answer any question they might have. In the event they are unable to attend these meetings, they could appoint proxies to vote on their behalf.

SHAREHOLDER INFORMATION

Shareholder information set out below was as at 25 September 2015

Distribution of Ordinary Shares

Range of Shares	Total Holders
1 - 1,000	2
1,001 - 5,000	13
5,001 - 10,000	176
10,001 - 100,000	175
100,001 and over	61
Total	**427**

Holders of less than a marketable parcel of ordinary shares	18

Voting Rights Attaching to Ordinary Shares

On a show of hands, every member present in person or by proxy shall have one vote.
Upon a poll, each share shall have one vote.

On-Market Buy-Back

There is no on-market buy-back of its shares.

20 Largest Shareholders - Ordinary Shares

Name	Shares	%
MS BEE LENG YEAP	10,355,555	9.3%
AUSTRALIAN GLAMOUR PTY LTD <RF TAN FAMILY A/C>	10,000,000	8.9%
MR HENRY ENG CHYE HENG + MS SOK HWA NGOH <THE HENG FAMILY A/C>	8,860,700	7.9%
DR ANTHONY GUAN CHEOW SOH	8,025,028	7.2%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	7,692,308	6.9%
MR EDMUND SOON KIN TEO + MRS JANICE TEO <THE TEO FAMILY A/C>	6,793,900	6.1%
MR BOON KHENG ONG	6,040,529	5.4%
MS INN HOON JUDY ONG	5,411,550	4.8%
MS ING CHENG DIANA ONG	4,851,900	4.3%
MS MAY PHENG LEONG	3,846,154	3.4%
MR DJUANDA HADI <OYEZ INVESTMENT A/C>	3,604,550	3.2%
MR ENG HUAT ONG	2,010,000	1.8%
MR HARYANTO	2,000,000	1.8%
MR YONG WEI POR	1,923,077	1.7%
MS WENYUN VENETIA SU	1,923,077	1.7%
MR MENG LEONG LYE	1,685,000	1.5%
MR HENRY ENG CHYE HENG + MR EDMUND SOON KIN TEO <REFRESH SUPERANNUATION A/C>	1,421,800	1.3%
DR CHEE SENG SEAH	1,410,000	1.3%
MR JUAN HUI GOH	1,300,000	1.2%
CITICORP NOMINEES PTY LIMITED	1,112,148	1.0%
Total Top 20	**90,267,276**	**80.7%**
Total Shares on Issue	**111,795,590**	

SHAREHOLDER INFORMATION

Substantial Shareholders - Ordinary Shares

	Shares	%
Mr Henry Eng Chye Heng & Ms Sok Hwa Ngoh <The Heng Family a/c>	10,469,439	9.4%
Ms Bee Leng Yeap	10,355,555	9.3%
Australian Glamour Pty Ltd <RF Tan Family a/c>	10,000,000	8.9%
Mr Edmund Soon Kin Teo & Mrs Janice Teo <The Teo Family a/c>	8,656,450	7.7%
Dr Anthony Guan Cheow Soh	8,025,028	7.2%
Ms Inn Hoon Judy Ong	6,711,550	6.0%
Ms Ing Cheng Diana Ong	6,261,900	5.6%
Mr Boon Kheng Ong	6,040,529	5.4%

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Henry Heng	Chairman and Managing Director
Nicholas Chan	Independent, Non-Executive Director
Dato' Eddie Soong	Independent, Non-Executive Director
Roy Ong	Non-Executive Director

COMPANY SECRETARY

Dato' Eddie Soong

REGISTERED OFFICE AND HEAD OFFICE

17 Denninup Way MALAGA WA 6090
Telephone: (08) 9248 3006
Facsimile: (08) 9248 7233
Email: info@refreshgroup.com.au
Website: www.refreshgroup.com.au

OTHER OPERATING LOCATIONS

Refresh Waters Pty Ltd – 100% owned

New South Wales – Sydney
3 Salisbury Street
SILVERWATER NSW 2128
Telephone: (02) 9748 4200
Facsimile: (02) 9748 4366
Email: sydney@refreshwaters.com.au

Victoria - Melbourne
13 Olive Grove
KEYSBOROUGH VIC 3173
Telephone: (03) 8712 8432
Facsimile: (03) 8669 1832
Email: melbourne@refreshwaters.com.au

Western Australia – Kalgoorlie
33/46 Great Eastern Highway
KALGOORLIE WA 6430
Telephone: (08) 9022 2266
Facsimile: (08) 9022 4468
Email: kalgoorlie@refreshwaters.com.au

Refresh Waters Queensland Pty Ltd – 49& owned

Queensland – Brisbane
120 Mica Street
CAROLE PARK QLD 4300
Telephone: (07) 3271 1251
Facsimile: (07) 3879 3019
Email: brisbane@refreshwaters.com.au

Queensland – Toowoomba
600 Boundary Street
TOOWOOMBA QLD 4350
Telephone: (07) 4659 0400
Facsimile: (07) 4659 0411
Email: toowoomba@refreshwaters.com.au

AUDITOR AND TAX ADVISER

Moore Stephens
Level 3, 12 St Georges Terrace
Perth WA 6000

SHARE REGISTRY

Computershare Investor Services
Level 2, 45 St Georges Terrace
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Tel 1300 557 010