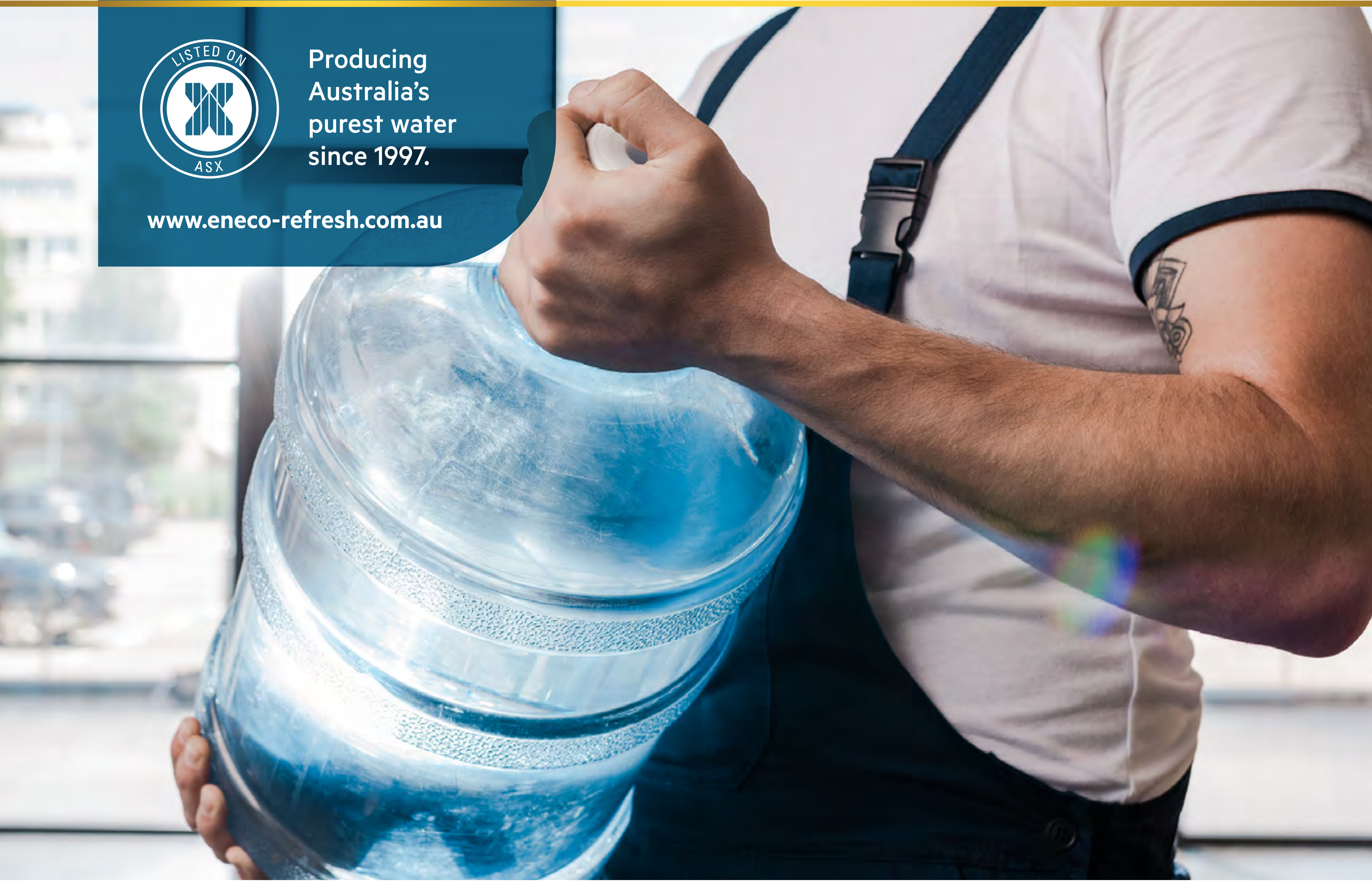
Annual Report 2023



LISTED ON ASX

Producing Australia's purest water since 1997.

www.eneco-refresh.com.au

BOARD OF DIRECTORS

Henry Heng	Chairman and Managing Director
Michael Pixley	Non-Executive Director
Peter Chai	Non-Executive Director
Koji Yoshihara	Non-Executive Director
Reiichi Natori	Non-Executive Director
Colin Moran	Non-Executive Director

COMPANY SECRETARY

Julie Moore

REGISTERED OFFICE AND HEAD OFFICE

17 Denninup Way MALAGA WA 6090
Telephone: (08) 9248 7222
Email: info@eneco-refresh.com.au
Website: www.eneco-refresh.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
Email: sydney@refreshwaters.com.au

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

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

Refresh Waters Queensland Pty Ltd – 100% owned

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

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

Refresh Plastics Pty Ltd – 100% owned

Victoria - Melbourne
11 Olive Grove
KEYSBOROUGH VIC 3173
Telephone: (03) 9701 5600
Email: enquiries@refreshplastics.com.au

Eneco Australia Pty Ltd – 100% owned

Western Australia – Perth
17 Denninup Way
MALAGA WA 6090
Telephone: (08) 9248 7222
Email: info@eneco-refresh.com.au

AUDITOR

Stantons
Level 2, 40 Kings Park Road,
West Perth WA 6005
Tel 08 9481 3188

SHARE REGISTRY

Advanced Share Registry Ltd
110 Stirling Highway
Nedlands WA 6009
Tel: 1300 113 258

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CHAIRMAN'S LETTER

Dear Shareholders

I am delighted to present the Eneco Refresh Ltd (Eneco) Annual Report for the financial year ended 30 June 2023.

Eneco is proud to report that Refresh Waters Pty Ltd achieved a remarkable 11% increase in revenue this financial year. Our growth trajectory continues on a positive note, and we are optimistic about our future prospects.

A significant milestone this financial year was the strategic decision to divest our Darwin factory on 9 June 2023 for $4.5 million and the subsequent sale of the Darwin operations on 15 August 2023 for $400,000. With Eneco's prudent financial management, we have no borrowings, and have placed these proceeds in savings and term deposits, positioning us well to explore further avenues for business expansion.

Eneco accomplished an overall sales growth of 4% this last financial year, despite facing adversity when a fire broke out at the Melbourne premises of Refresh Plastics Pty Ltd on 8 February 2023, leading to a production halt and sales decline of 29%. We anticipate ongoing robust sales as we move forward now that the challenges arising from the fire incident have resolved.

While Eneco has exited operations in the Northern Territory, we maintain ownership of 7.7 hectares of land in Acacia Hills, Northern Territory, where our spring is located. We retain a licence to extract 23 million litres of water annually from this spring, which remains a valuable resource for us. Eneco continues to operate in various regions across Queensland, Victoria, New South Wales, and Western Australia.

We remain committed to seeking new opportunities that will drive growth and deliver increased returns to all of our shareholders. We extend our heartfelt gratitude to our dedicated Board of Directors, auditors, tax advisers, and lawyers for their unwavering support and guidance. My sincere appreciation also goes out to my colleagues for their invaluable contributions, and above all, to you, our esteemed shareholders, for your steadfast support.

Sincerely,

Henry Heng
Chairman

DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the Group (referred to hereafter as the 'Group') consisting of Eneco Refresh Limited (referred to hereafter as the 'company') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors

The names and particulars of the directors of the Group 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 Eneco.

He started his career in banking and is an Associate of The London Institute of Banking and Finance. 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. He was the Branch Secretary of Family First Party WA from August 2012 to June 2017. Henry was on the Executive Committee of the WA-Singapore Business Council from January 2018 to December 2021 and was its Deputy President. He has been the Honorary Secretary of the Full Gospel Business Australia, Perth since July 2010.

Henry 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 other listed company in the last three years.

Number of shares held at the date of this report: 21,895,660
Number of options held at the date of this report: Nil

Michael Pixley *Non-Executive Director*

Appointed on 24 August 2016. Chairman of Audit & Risk Management Committee.

Michael has worked as a merchant banker specialising in strategic corporate development, joint ventures and acquisitions. He has more than 30 years' experience in the Asian business sector and has extensive networks and relationships with key personnel in government, corporate and private sectors in the Asia Pacific region.

Michael also holds non-executive directorships in Advanced Share Registry Ltd (ASX:ASW), Story-i Ltd (ASX:SRY) and Credit Intelligence Ltd (ASX:CI1), all listed on the Australian Securities Exchange.

Number of shares held at the date of this report: Nil
Number of options held at the date of this report: Nil

Peter Chai *Non-Executive Director*

Appointed on 29 November 2016.

Peter is a self-made entrepreneur. He established the DPI group of companies in Malaysia in 1986. He is currently the Executive Chairman and Managing Director of DPI Holdings Berhad, a limited company in Malaysia. DPI is primarily involved in the manufacturing and distribution of aerosol products for the automotive, industrial and household markets. They also provide aerosol filling services to their private label customers. DPI is well known for their quality aerosol paints and coatings, and non-paint industrial aerosol products sold under its own brand "DPI", "Anchor" and "Kromoto". Their products and services are used by customers in Malaysia, Indonesia, Japan, Australia and New Zealand.

Besides DPI, Peter also has various other business ventures in countries such as Singapore, Australia and Hong Kong. These business ventures are primarily involved in providing surface finishing services, plastic injection and blow moulding as well as real estate development and investment.

Peter is the Executive Chairman of DPI Holdings Berhad, a company listed on the ACE Market of the Kuala Lumpur stock exchange (KLSE:DPIH)

Number of shares held at the date of this report: 10,350,000
Number of options held at the date of this report: Nil

Koji Yoshihara *Non-Executive Director*

Appointed on 2 November 2018. Member of the Audit & Risk Management Committee.

Koji started his career in the export division of a Japanese automotive maker. He subsequently moved to investment banking and was in the industry for 26 years. He was mainly involved in the international capital markets and was engaged in a number of cross-border transactions between Japan and overseas countries. Koji is also experienced in corporate planning and management of overseas subsidiaries and has worked in the United States and Singapore.

He has also worked for a Japanese environment-related company. Koji was in charge of corporate planning of Asian business, mergers and acquisitions and is very experienced in international business, especially in Asia.

Koji is a non-executive director of Eneco Energy Ltd (SGX:R14) which is listed on the Singapore Exchange Ltd.

Number of shares held at the date of this report: 138,902,757
Number of options held at the date of this report: Nil

Reiichi Natori *Non-Executive Director*

Appointed on 17 January 2019. Member of the Audit & Risk Management Committee

Reiichi received B.S. degrees in commerce from Chuo University, Tokyo, Japan and Accounting (emphasis taxation) from Utah Valley University, United States of America. He worked for two of the Big Four international accounting firms as a corporate tax professional in Chicago, Illinois from 2003 to 2010. With each of the firms, he had 26-30 corporate clients to serve the engagements. Upon returning to Japan, he developed his career at a Japanese trading company where he worked in treasury and accounting. He joined Eneco Holdings Inc in 2017.

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

Number of shares held at the date of this report: Nil
Number of options held at the date of this report: Nil

Colin Moran *Non-Executive Director*

Appointed on 7 October 2021. Chairman of the Remuneration Committee

Colin is currently an Executive Director of Eneco Energy Ltd (SGX:R14), a company listed on the Singapore Exchange He is also Director and CEO of RWB Marine Australia Pty Ltd, one of the largest import marine distributors in Australia with over 5,000 stock items and offices in 4 States.

Prior to that he was Chief Executive Officer of Eneco Energy Ltd, a SGX listed entity and Richland Logistics group, Singapore. He had previously held senior management positions in CEVA Logistics, TNT Express and TNT Logistics over a 21-year period in Australia, Indonesia and Singapore. Colin now resides in Sydney after 26 years in Asia in senior regional and country roles.

Colin is an Executive Director of Eneco Energy Ltd (SGX:R14), a company listed on the Singapore Exchange.

Number of shares held at the date of this report: Nil
Number of options held at the date of this report: Nil

Secretary

The name and particulars of the secretary of the company during or since the end of the financial year is:

Ms Julie Moore *LLB, GDLP*

Appointed on 29 November 2016.

Julie is a commercial barrister with a practice focusing on construction and engineering disputes, professional negligence and insurance law. She has acted on behalf of various construction companies, mining companies, private companies, directors, local governments and insurers.

Prior to joining the Bar, Julie was a senior associate at DLA Piper.

Julie holds a Bachelor of Law from the University of Western Australia and a Graduate Diploma of Legal Practice from the College of Law, New South Wales.

Principal activities

The Group derives its revenue primarily from:

Refresh Waters - its principal activity is the production and distribution of bottled water and accessories and the rental of water coolers. It is Australia's largest producer of distilled drinking water with a capacity to produce more than 13,000 litres of distilled water per hour. It also distributes filtration systems and water purifiers.

Refresh Plastics - offers a diverse range of plastic bottles, containers and jars for the beer, wine and beverage industries. It also offers water tanks, caravan tanks, jerrycans, watering cans, vehicle parts, etc. It has its own range of best-selling Ampi activity toys. It is the Asia Pacific distributor of Dolium one-way PET kegs from Belgium. This has many applications including in the beer, wine and beverage industries.

Dividends

No dividend has been declared or paid for the current and previous financial year.

Review of Operations

Eneco Refresh Ltd is pleased to announce a 4% increase in revenue this year. The Group has continued to grow because of its diversified product offering. It continues to manufacture at 6 bottled water factories across Australia and has a plastic business in Melbourne.

A breakdown by Cash Generating Units (CGU) is presented below.

	FY 2023 $'000	FY 2022 $'000	Variance
Revenue			
Western Australia (WA)	3,950	3,654	8%
New South Wales (NSW)	2,849	2,336	22%
Victoria (VIC)	1,636	1,724	-5%
Northern Territory (NT)	1,677	1,392	20%
Queensland (QLD)	2,556	2,319	10%
Refresh Waters	12,668	11,425	11%
Refresh Plastics	1,818	2,553	-29%
Total	14,486	13,978	4%
Profit/(Loss)			
Western Australia	-91	236	-139%
New South Wales	308	187	65%
Victoria	27	191	-86%
Northern Territory	705	-356	-298%
Queensland	151	218	-31%
Refresh Waters	1,100	476	131%
Refresh Plastics	-404	-118	242%
	696	358	94%
Corporate Expenses	-598	-564	6%
Total	**98**	**-206**	148%

Refresh Waters

Refresh Waters sales have increased by 11%.

Its biggest growth of 22% comes from NSW. The custom labelled bottled water division is growing strongly as businesses invest more in marketing and promotion. Overall NSW has achieved our highest operating profit, similar to the last financial year.

NT had a 20% increase in revenue. This was in part due to increased sales in anticipation of our plant shutdown when we hand over the factory. The sale of the factory resulted in NT achieving a profit of $705,000.

QLD continues to grow steadily at 10%, mainly due to strong sales to Woolworths.

WA grew 8%. Growth has been broad based and is expected to continue this financial year.

VIC is the only CGU with a decline in sales due to the loss of some business, but is anticipated to pick up in this financial year.

Refresh Plastics

A fire broke out at the main Refresh Plastics factory on 8 February 2023. While the factory is not currently operational, it has continued to trade in plastic products, including Dolium one-way PET kegs for the beer, wine and beverage industries.

Despite this sales decline of 29%, as stated above, Eneco has achieved overall growth this financial year.

Eneco has made a claim on 2 insurance policies due to the fire:

a. Industrial Special Risk - this policy includes coverage for equipment, inventory, and business continuation. The insurer has granted indemnity and paid an initial progress payment of $1 million. We have put through another $2.1 million in claims and expect to receive full payment.

b. Public Liability – after the fire, EPA Victoria and Melbourne Water served notices to urgently clean up the surrounding areas. CSA Specialised Services Pty Ltd was appointed to undertake the job and a settlement sum of $1.89 million GST-inclusive has been agreed and paid. The public liability insurer has refused to this claim which is now being pursued through legal avenues.

Significant change in the state of affairs

There were no significant changes in the state of affairs of the Company.

Matters subsequent to the end of the financial year

The Company sold its Northern Territory business to Territory Springwater Au Pty Ltd for $400,000 on 15 Aug 2023.

Likely developments and expected results of operations

Eneco expects to consolidate its operations in the near future.

Environmental regulation

Federal and State governments regulate bottled water as a food product under the Food Standards Code issued by the Food Standards Australia New Zealand. All Eneco bottling plants meet the requirements stipulated in the 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, solar panels are installed at most of our factories, providing the following power:

Refresh Plastics Melbourne:	108 kW
Refresh Waters Brisbane:	81 kW
Refresh Waters Perth:	30 kW
Refresh Waters Melbourne:	25kW

Our Toowoomba factory is located in a shared complex with solar panels across its rooftop.

Meetings of Directors

The number of meetings of the company's Board of Directors (the Board) and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	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	9	9	-	-	-	-
Michael Pixley	9	9	2	2	1	1
Peter Chai	9	8	-	-	1	1
Koji Yoshihara	9	9	2	2	-	-
Reiichi Natori	9	9	2	2	-	-
Colin Moran	9	9	-	-	1	1

Remuneration Report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The Key Management Personnel of the Company and the Group, and the positions that they hold, are listed in the following table:

Key Management Personnel	Position held as at 30 June 2023 and any change during the year	Contract details (duration and termination)
Mr H Heng	Chairman and Managing Director	No fixed term
Mr M Pixley	Non-Executive Director	No fixed term
Mr P Chai	Non-Executive Director	No fixed term
Mr K Yoshihara	Non-Executive Director	No fixed term
Mr R Natori	Non-Executive Director	No fixed term
Mr C Moran	Non-Executive Director	No fixed term
Mr R Nusantara	New South Wales Manager	No fixed term
Mr J Hardwick	Northern Territory Manager	No fixed term
Mr I Cameron	Victoria Manager	No fixed term
Mr D McLean [1]	Queensland Manager	No fixed term
Mr R Mei [2]	Financial Controller	No fixed term
Mr P O'Sullivan [3]	Western Australia Manager	No fixed term

[1] *Mr McLean was appointed on 19 April 2022 and resigned on 31 March 2023*
[2] *Mr Mei was appointed on 20 February 2023*
[3] *Mr O'Sullivan was appointed on 24 August 2022*

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors (the Board) ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The Group has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually. The Group may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. At present, the aggregate sum is fixed at a maximum of $200,000 per annum.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

Executive directors receive a base salary, superannuation, fringe benefits and performance incentives. Base salary is determined following a review of Group, departmental and individual performance, relevant comparative remuneration in the market and, where appropriate, external advice on policies and practice. In the current year no external advice was taken.

Performance incentives are paid upon achievement of KPIs or performance targets. The KPIs are set annually. The measures are specifically tailored to the areas each executive director is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for the Group's 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 by the Board, 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.

To align the interests of executive directors, the Group also has a Directors and Executives Options Scheme (DEOS). The Group considers that a DEOS can provide a cost-effective and efficient long-term incentive which is linked to the performance of the Group. Executive directors may be granted options to motivate them to pursue the long-term growth and success of the Group within an appropriate control framework and demonstrate a clear relationship between executive director performance and remuneration. No options have been issued in the current or preceding year as it was not considered appropriate as at this time.

All remuneration paid is valued at the cost to the Group and expensed. Any shares given to executive directors (for example as payment for achieving KPIs or as a discretionary bonus) are valued as the difference between the market price of those shares and the amount paid. Options are valued using the Black-Scholes methodology.

Use of remuneration consultants

During the financial year ended 30 June 2023, the Group did not seek the advice of external remuneration consultants.

Voting and comments made at the company's 2022 Annual General Meeting (AGM)

The company received 100% of 'yes' votes on its Remuneration Report for the financial year ended 30 June 2022. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	SHORT TERM EMPLOYEE BENEFITS			POST EMPLOYMENT	LONG TERM BENEFIT	TOTAL REMUNERATION	
	Salary & Fees	Bonus	Non-Monetary benefits[1]	Super-annuation	Long Service Leave		Performance Related
Directors	$	$	$	$	$	$	%
30 June 23							
Mr H Heng [1]	182,000	38,000	6,672	23,100	3,140	252,912	15.0
Mr M Pixley [2]	36,000	-	-	-	-	36,000	-
Mr P Chai [3]	18,785	-	-	-	-	18,785	-
Mr K Yoshihara	18,785	-	-	-	-	18,785	-
Mr R Natori	18,785	-	-	-	-	18,785	-
Mr C Moran	24,000	-	-	2,520	-	26,520	-
Total	298,355	38,000	6,672	25,620	3,140	371,787	
30 June 22							
Mr H Heng [1]	182,000	38,000	6,844	22,000	2,909	251,753	15.1
Mr M Pixley [2]	36,000	-	-	-	-	36,000	-
Mr P Chai [3]	18,700	-	-	-	-	18,700	-
Mr K Yoshihara	18,700	-	-	-	-	18,700	-
Mr Y Yamamoto [4]	4,918	-	-	-	-	4,918	-
Mr R Natori	18,700	-	-	-	-	18,700	-
Mr C Moran [5]	18,000	-	-	1,800	-	19,800	-
Total	297,018	38,000	6,844	23,800	2,909	368,571	

[1] Use of company car and insurance-in-lieu workers compensation

[2] Mr Pixley receives director fees through his entity Nepix Pty Ltd

[3] Mr Chai receives director fees through his entity Everlast Invest Pty Ltd

[4] Mr Yamamoto resigned on 7 October 2021

[5] Mr Moran was appointed on 7 October 2021

Other key management personnel:

	SHORT TERM EMPLOYEE BENEFITS			POST EMPLOYMENT	LONG TERM BENEFIT	TOTAL REMUNERATION	
	Salary & Fees	Bonus	Non-Monetary benefits [1]	Super-annuation	Long Service Leave		Performance Related
	$	$	$	$	$	$	%
30 June 23							
Mr R Nusantara	251,108	-	-	-	-	251,108	-
Mr I Cameron	90,000	1,400	-	9,450	-	100,850	1.4
Mr J Hardwick	90,000	22,500	1,151	12,654	-	126,305	17.8
Mr P O'Sullivan [2]	74,654	-	2,287	7,839	-	84,780	-
Mr R Mei [3]	40,392	-	-	4,220	-	44,612	-
Mr D McLean [4]	67,787	7,778	-	7,934	-	83,499	9.3
Total	613,941	31,678	3,438	42,097	-	691,154	
30 June 22							
Mr R Nusantara	181,793	-	-	-	-	181,793	-
Mr I Cameron	90,000	9,182	-	9,918	-	109,100	8.4
Mr J Hardwick	90,000	-	2,863	9,000	-	101,863	-
Mr S Zhou [5]	105,460	-	-	10,539	-	115,999	-
Mr D McLean [4]	13,846	-	-	1,385	-	15,231	-
Total	481,099	9,182	2,863	30,842	-	523,986	

[1] *Use of company car*
[2] *Mr O'Sullivan started on 24 Aug 22*
[3] *Mr Mei started on 20 Feb 23*
[4] *Mr McLean started on 19 Apr 22 and resigned on 31 Mar 23*
[5] *Mr Zhou resigned on 1 July 22*

Share-based compensation

Issue of shares and options

No shares or options were issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Additional information

The earnings of the Group for the five years to 30 June 2023 are summarised below:

	2023 $	2022 $	2021 $	2020 $	2019 $
Sales revenue	14,485,683	13,977,257	13,186,164	11,284,764	9,086,063
EBITDA	1,209,330	814,396	1,128,241	(652,085)	(591,530)
Total comprehensive profit/(loss) after income tax	97,687	(205,505)	(161,878)	(1,044,466)	(1,108,409)

The factors that are considered to affect total shareholders return (TSR) are summarised below:

	2023	2022	2021	2020	2019
Share price at financial year end ($)	0.01	0.02	0.042	0.06	0.071
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings/(loss) per share (cents per share)	0.036	(0.075)	(0.059)	(0.38)	(0.56)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance 01 Jul 22 Ord	***Granted as Remuneration Ord***	***Other Net Changes[1] Ord***	***Balance 30 Jun 23 Ord***
Directors				
Mr H Heng [2]	21,895,660	-		21,895,660
Mr M Pixley	-	-		-
Mr P Chai [2]	10,350,000	-		10,350,000
Mr K Yoshihara [3]	138,902,757	-	-	138,902,757
Mr R Natori [3]	-	-	-	-
Mr C Moran	-	-	-	-
Other key management personnel				
Mr R Nusantara	-	-	-	-
Mr I Cameron	-	-	-	-
Mr J Hardwick	-	-	-	-
Mr P O'Sullivan	-	-	-	-
Mr R Mei	-	-	-	-
Total	171,148,417	-	-	171,148,417

[1] Relates to general sales and purchases made on the open market
[2] Mr Heng and Mr Chai are directors of Everlast Invest Pty Ltd which owns a total of 10,350,000 shares in Eneco Refresh Ltd as at 1 July 2022 and 30 June 2023.
[3] Mr Yoshihara is a director of Eneco Investment Pte Ltd, immediate parent company of Eneco Refresh Limited. Total shareholdings held by Eneco Investment Pte Ltd is 138,902,757.

Option holding

There are no options in the company held by any director or key management personnel of the Group, inlcuding their related parties.

Other transactions with key management personnel and their related parties

There were no other transactions with key management personnel and their related parties during the year.

This concludes the remuneration report, which has been audited.

Shares under option

There is no unissued ordinary share under option at the date of this report.

Shares issued on the exercise of options

No shares were issued as a result of the exercise of options.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 20 to the financial statements.

The directors are of the opinion that the services as disclosed in note 20 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former Directors of Stantons International Audit and Consulting Pty Ltd (Stantons)

There are no officers of the company who are former directors of Stantons.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

Stantons continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Henry Heng
Managing Director
PERTH, 28 September 2023

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Australia

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28 September 2023

Board of Directors
Eneco Refresh Limited
17 Denninup Way,
Malaga WA 6090

Dear Directors

RE: ENECO REFRESH LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Eneco Refresh Limited.

As Audit Director for the audit of the financial statements of Eneco Refresh Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Eliya Mwale

Eliya Mwale
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Revenue	4a	14,485,683	13,977,257
Cost of sales	4b	(9,228,537)	(8,572,147)
Gross profit		5,257,146	5,405,110
Other income	4c	1,063,296	66,643
Other expense		-	(14,235)
Marketing expenses		(744,626)	(614,394)
Distribution expenses		(2,019,341)	(1,758,164)
Administrative expenses		(2,549,689)	(3,027,624)
Occupancy expenses		(836,999)	(268,722)
Results from operating activities		169,787	(211,386)
Finance income	4d	8,595	8,195
Finance costs	4e	(80,695)	(2,314)
Profit/(Loss) before income tax		97,687	(205,505)
Income tax expense	5	-	-
Profit/(Loss) after income tax		97,687	(205,505)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Fair value (loss)/gain on financial assets at fair value through OCI	12	-	(24,628)
Total comprehensive profit/(loss) for the period		**97,687**	**(230,133)**
Earnings per share			
Basic and diluted loss per share (cents)	6	0.036	(0.075)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	2023 $	2022 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	5,395,189	1,283,574
Trade and other receivables	8	3,475,309	1,275,871
Other current assets		227,521	130,175
Inventories	9	1,919,423	1,993,991
Current tax asset		34,361	34,361
Total Current Assets		11,051,803	4,717,972
Non-Current Assets			
Property, plant and equipment	10	2,507,347	6,618,342
Intangible assets	11	558,843	562,171
Financial assets at fair value through OCI	12	16,400	16,400
Investment in associate	13	50,000	50,000
Right of use assets	14	2,193,160	2,846,062
Total Non-Current Assets		5,325,750	10,092,975
TOTAL ASSETS		16,377,553	14,810,947
LIABILITIES			
Current Liabilities			
Trade and other payables	15	3,385,376	1,023,580
Short-term provisions and accruals	15	784,444	982,246
Lease liabilities	14	379,017	683,173
Total Current Liabilities		4,548,837	2,688,999
Non-Current Liabilities			
Long-term provisions	15	13,712	25,616
Lease liabilities	14	1,821,309	2,200,324
Total Non-Current Liabilities		1,835,021	2,225,940
TOTAL LIABILITIES		6,383,858	4,914,939
NET ASSETS		9,993,695	9,896,008
EQUITY			
Issued capital	17	18,320,875	18,320,875
Reserves	18	191,712	191,712
Profit reserve	18	356,409	356,409
Financial asset revaluation reserve	18	50,683	50,683
Accumulated losses	19	(8,925,984)	(9,023,671)
TOTAL EQUITY		9,993,695	9,896,008

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 2023

	Issued Capital $	Reserves $	Profit reserve $	Financial asset revaluation reserve $	Accumulated losses $	Total $
Balance at 1 July 2021	18,320,875	191,712	356,409	75,311	(8,818,166)	10,126,141
(Loss) for the year	-	-	-	-	(205,505)	(205,505)
Fair value (loss) on financial assets carried at FVOCI	-	-	-	(24,628)	-	(24,628)
Total comprehensive (loss)	-	-	-	(24,628)	(205,505)	(230,133)
Balance at 30 June 2022	18,320,875	191,712	356,409	50,683	(9,023,671)	9,896,008
Balance at 1 July 2022	18,320,875	191,712	356,409	50,683	(9,023,671)	9,896,008
Profit for the year					97,687	97,687
Fair value (loss) on financial assets carried at FVOCI	-	-	-	-	-	-
Total comprehensive profit	-	-	-		97,687	97,687
Balance at 30 June 2023	18,320,875	191,712	356,409	50,683	(8,925,984)	9,993,695

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers		13,390,512	14,474,803
Receipt from insurer		1,000,000	-
Government grants and tax incentives		25,000	58,880
Payments to suppliers and employees [1]		(14,273,111)	(13,938,886)
Interest received		8,595	8,195
Net cash flows from operating activities	21	150,996	602,992
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment, and investment		5,050,735	9,250
Purchase of property, plant and equipment		(406,944)	(329,396)
Net receipts from Investment	12	-	(18,228)
Net cash flows (used in) investing activities		4,643,791	(338,374)
Cash flows from financing activities			
Other-AASB 16 Prepayment for the Principal		(683,172)	(435,915)
Net cash flows (used in) financing activities		(683,172)	(435,915)
Net (decrease)/increase in cash and cash equivalents		4,111,615	(171,297)
Cash and cash equivalents at beginning of period		1,283,574	1,454,871
Cash and cash equivalents at end of period	7	5,395,189	1,283,574

[1] *Payments to suppliers and employees include $100,000 paid in relation to the cleaning operation at the Melbourne factory following the fire on 8 February 2023.*

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

The Group has considered the implications of new and amended Accounting Standards which have become applicable for the financial reporting period.

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments
The Entity adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2021-7a: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
AASB 2020-7a makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022. The adoption of the amendment did not have a material impact on the financial statements

New and Amended Accounting Policies Not Yet Adopted by the Entity

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current.
The Group plans on adopting the amendment for the reporting period ending 30 June 2024 along with the adoption of AASB 2022-6. The amendment is not expected to have a material impact on the financial statements once adopted.

AASB 2022-6: Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants
AASB 2022-6 amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. It also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.
AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2.
These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
The amendment amends the initial recognition exemption in AASB 112: Income Taxes such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and liability and that give rise to equal taxable and deductible temporary differences.
The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

AASB 2021-7b & c: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2021-7b makes various editorial corrections to AASB 17 Insurance Contracts which applies to annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

AASB 2021-7c defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2018.

The Group plans on adopting the amendments for the reporting periods ending 30 June 2024 and 30 June 2026. The impact of initial application is not yet known.

AASB 2022-7: Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
AASB 2022-7 makes editorial corrections to the following standards: AASB 7, AASB 116, AASB 124, AASB 128, AASB 134 and AASB as well as to AASB Practice Statement 2. It also formally repeals superseded and redundant Australian Account Standards as set out in Schedules 1 and 2 to the Standard.

The Group plans on adopting the amendments for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

Basis of preparation
These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 22.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Eneco Refresh Limited (company) as at 30 June 2023 and the results of all subsidiaries for the year then ended. Eneco Refresh Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue recognition

Sale of goods
Revenue from the sale of goods is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. All revenue is stated net of the amount of goods and services tax (GST). Revenue is measured net of any discounts, rebates and other price concessions, and net of the estimated amount of refunds for returned goods.

Interest Received
Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Eneco Refresh Limited (head entity) and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

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 at call. Bank overdrafts are shown within financial liabilities in current liabilities on the balance sheet.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other receivables
Trade receivables, which generally have 30 to 90 days terms, are recognised and carried at original invoice amounts less an allowance for expected credit losses.

The Group has applied the simplified approach to measure expected credit losses which use a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on credit risk characteristics and the days past due. The expected loss rates are based on the Group’s past history, existing market conditions and forward-looking estimates at the end of each reporting period. Bad debts are written off when identified.

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.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group’s assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment
Freehold land is measured at cost.

Plant and equipment, buildings and motor vehicles 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. 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:

Land	N/A	
Buildings	40 years	Straight Line Method
Plant and equipment	5 to 15 years	Straight Line Method
Motor vehicles	10 years	Diminishing Value Method

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

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

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. subsequently measured at amortised cost using the effective interest method.
Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

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.

Employee benefits
Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Eneco Refresh Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Leases

This note describes the nature and effect of the adoption of AASB 16: *Leases* on the Group's financial statements and discloses the new accounting policies that have been applied from 1 July 2020, where they are different to those applied in prior periods.

As a result of the changes in Group's accounting policies, prior year financial statements were required to be restated. However, the Group has adopted AASB 16: *Leases* retrospectively with the cumulative effect of initially applying AASB 16 recognised as 1 July 2020.

The Group as lessee

At inception of a contract the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows;

- fixed lease payments less any lease incentives;
- variable lease payments that depend on index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

The right-of-use asses comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

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.

Provision for expected credit loss on trade receivables

The Group groups its client base into clients of similar credit risk to calculate expected credit losses for trade receivables. The provision rates used are based on past days for groupings of customers with similar loss patterns. The provision applied is initially based on the Group's historical observed default rates for each customer grouping. Where forward-looking information (such as a significant change in economic conditions and the junior listed sector) may provide evidence that there may be an increasing number of defaults, historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Deferred taxation

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, base level of future taxable profits together with future tax planning strategies.

Property, plant and equipment Life

Property, plant and equipment (PPE) are the long-term tangible assets that are shown on the balance sheet of the Group. The Group recognises an asset as an item of PPE when the asset has a useful life for more than one year and it is used for production or supply of goods or services.

The estimation of useful life of PPE held by the Group is based on historical experience.

Note 3. Operating segments

Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board (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, 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

(f) Segment Performance

	WA	NSW	VIC	NT	QLD	Plastics	Other (Corporate)	Total
30 June 2023								
Revenue from external customer	3,949,551	2,849,008	1,636,489	1,677,235	2,555,539	1,817,861	-	14,485,683
EBITDA	263,096	375,604	100,912	756,361	349,009	(33,310)	(602,342)	1,209,330
Depreciation expense	(319,449)	(58,851)	(74,318)	(51,941)	(172,809)	(362,173)	(2)	(1,039,543)
Finance income	3,615	-	-	-	203	477	4,300	8,595
Interest expense	(38,187)	(8,342)	-	-	(25,387)	(8,779)	-	(80,695)
Segment operating profit/(loss)	(90,925)	308,411	26,594	704,420	151,016	(403,785)	(598,044)	97,687
Total assets	7,439,660	1,470,430	1,121,018	1,112,331	1,875,578	2,863,487	495,048	16,377,552
Total liabilities	1,563,957	656,175	184,745	189,157	1,010,385	2,473,026	306,412	6,383,857
30 June 2022								
Revenue from external customer	3,653,801	2,336,193	1,724,149	1,392,093	2,318,496	2,552,525	-	13,977,257
EBITDA	537,106	309,850	244,696	(279,234)	376,410	196,220	(570,652)	814,396
Depreciation expense	(342,775)	(64,496)	(53,930)	(76,819)	(173,480)	(314,282)	-	(1,025,782)
Finance income	1,056	-	-	-	5	17	7,117	8,195
Interest expense	40,465	(58,176)	-	-	15,397	-	-	(2,314)
Segment operating profit/(loss)	235,852	187,178	190,766	(356,053)	218,332	(118,045)	(563,535)	(205,505)
Total assets	4,397,129	1,174,122	928,714	4,399,861	1,371,578	1,771,421	768,122	14,810,947
Total liabilities	1,138,686	729,781	536,687	434,461	1,067,837	685,710	321,777	4,914,939

	30 June 2023 $	30 June 2022 $
Note 4. Revenue and expenses		
(a) Revenue		
Production and distribution of bottled water and accessories	12,667,822	11,424,732
Sale of plastic products	1,817,861	2,552,525
	14,485,683	13,977,257
(b) Cost of sales		
Inventory	9,253,471	8,627,233
Inventory write-back	(24,934)	(55,086)
	9,228,537	8,572,147
(c) Other income		
Profit from asset sales	1,021,986	66,643
Others	41,310	-
	1,063,296	66,643
(d) Finance income		
Interest received	8,595	8,195
	8,595	8,195
(e) Finance costs		
Finance charges	80,695	2,314
	80,695	2,314
(f) Employee benefits expense		
Wages and salaries	4,936,905	2,597,488
Workers compensation costs	109,654	75,439
Defined contribution superannuation costs	468,179	399,387
Provisions for annual and long service leave	(36,793)	44,042
Other employee benefits	269,784	230,419
	5,747,729	3,346,775
(g) Depreciation		
Depreciation expense – property, plant and equipment [1]	383,312	426,654
Depreciation expense – right of use assets	652,902	599,128
Amortisation-trademark	3,329	-
	1,039,543	1,025,782

[1] $956, 972 total assets were written off as the result of the fire incident at Refresh Plastics.

	30 June 2023 $	30 June 2022 $
Note 5. Income tax		
The components of the tax expense comprise:		
Current income tax benefit	-	-
Deferred income tax benefit	-	-
Income tax expense reported in the consolidated statement of comprehensive income	-	-
Income tax expense recognised in equity	-	-
The prima facie tax expense is reconciled as follows:		
Accounting profit (loss) before tax	97,687	(205,505)
At the statutory income tax rate of 25% (2022: 25%)	24,422	(51,376)
Add tax effect of:		
Other non-deductible expenditure for income tax purposes	33,742	310,912
Other adjustments	(54,732)	(38,350)
Tax Losses Deducted	(3,432)	(221,186)
Unrecognised tax losses	-	-
Income tax expense recorded in the consolidated statement of comprehensive income	-	-
Deferred tax assets		
Carried forward revenue losses	1,046,379	1,123,479
Carried forward capital losses	32,405	-
Provisions – Employee Benefits	-	-
Accruals	-	-
Other	-	-
Unrecognised Tax Asset	1,078,784	1,123,479

The tax benefits of the above deferred tax assets will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the Group continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the Group in utilising the benefits.

Reduction in corporate tax rate

The corporate tax rate for eligible companies reduced from 26% to 25% on 30 June 2022 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

Note 6. Profit/ (Loss) per share

	30 June 2023 $	30 June 2022 $
Profit/(Loss) after income tax	97,687	(205,505)
Basic earnings per share (cents)	0.036	(0.075)
Diluted earnings per share (cents)	0.036	(0.075)
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	272,358,347	272,358,347

Note 7. Cash and cash equivalents

	30 June 2023 $	30 Jun 2022 $
Cash at bank and in hand	4,214,900	403,862
Short-term bank deposits	1,180,289	879,712
	5,395,189	**1,283,574**

Note 8. Trade and other receivables

	30 June 2023 $	30 June 2022 $
Trade receivables	1,322,637	1,254,668
Provision for expected credit losses	(12,824)	(16,327)
Other receivables [1]	2,165,496	37,530
	3,475,309	1,275,871

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

Balance at the beginning of the year	16,327	7,357
Additional provision for expected credit losses of trade receivables	(789)	15,120
Receivables written off during the year as uncollectable	(2,714)	(6,150)
Balance at the end of the year	12,824	16,327

Allowance for expected credit losses

The Group has recognised $2,714 (2022: $6,150) in profit or loss in respect of the credit losses for the year ended 30 June 2023.

[1] Other receivables include fire insurance claims totalling $2,102,891. Of this amount $1,465,276 for property damage claim has been submitted for assessment. The Business Interruption claim for $500,000 is in the process of being submitted.

Note 9. Inventories

	30 June 2023 $	30 June 2022 $
Raw materials - at cost	1,127,987	1,310,356
Finished goods - at cost	831,320	789,363
Total inventories	1,959,307	2,099,719
Provision for slow moving Inventories	(39,884)	(105,728)
	1,919,423	1,993,991

	30 June 2023 $	30 June 2022 $
Note 10. Property, plant and equipment		
Land and property – at cost	400,000	3,946,794
Less: Accumulated depreciation	-	(120,000)
	400,000	3,826,794
Plant and equipment – at cost	6,563,648	7,309,501
Less: Accumulated depreciation	(4,456,301)	(4,517,953)
	2,107,347	2,791,548
Total Property, plant and equipment	**2,507,347**	**6,618,342**

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land and property $	Plant and equipment $	Total $
Balance at 30 June 2021	3,886,794	2,901,524	6,788,318
Additions	-	329,396	329,396
Disposals	-	(36,310)	(36,310)
Other Adjustments		(36,408)	(36,408)
Depreciation expense	(60,000)	(366,654)	(426,654)
Balance at 30 June 2022	3,826,794	2,791,548	6,618,342
Additions	-	432,490	432,490
Disposals	-	(763,379)	(763,379)
Disposal - sale of Darwin property	(3,396,794)	-	(3,396,794)
Depreciation expense	(30,000)	(353,312)	(383,312)
Balance at 30 June 2023	**400,000**	**2,107,347**	**2,507,347**

	30 June 2023 $	30 June 2022 $
Note 11. Intangible assets		
Goodwill		
Opening balance	545,529	545,529
Additions [1]	-	-
Impairment	-	-
Closing balance	545,529	545,529
Trademarks		
Opening balance	16,642	16,642
Amortisation	(3,328)	-
Closing balance	13,314	16,642
	558,843	**562,171**

There was no addition to Goodwill during the current financial year.

Impairment
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 recognised may no longer exist. An impairment charge is reversed if the CGU's recoverable amount exceeds its carrying amount.

An impairment loss is recognised 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. 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.

Refresh Waters Perth cash-generating unit
The carrying amount of goodwill for this cash-generating unit is $41,462 (2022: $41,462). The recoverable amount of Perth has been determined based on a value-in-use calculation.

The cash flow projections are based on management's estimate of expected future cash flows covering a five-year period. The discount rate applied to cash flow projections is 11% (2022: 11%).

The management anticipates growth in revenue of 4% (2022: 3%) for each of the next 5 years, with a net profit margin before interest, tax and depreciation of 9.2% (2022: 11%) 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.

Costs are calculated considering 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.

Refresh Waters Sydney cash-generating unit
The carrying amount of goodwill for this cash-generating unit is $264,545 (2022: $264,545). The recoverable amount of Sydney has been determined based on a value-in-use calculation.

The cash flow projections are based on management's estimate of expected future cash flows covering a five-year period. The discount rate applied to cash flow projections is 11% (2022: 11%).

The management anticipates growth in revenue of 5% (2022: 5%) for each of the next 5 years, with a net profit margin before interest, tax and depreciation of 11.1% (2022: 11%) for Sydney.

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

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.

Hydr8 Water cash-generating unit
The carrying amount of goodwill for this cash-generating unit is $140,572 (2022: $140,572). The recoverable amount of Hydr8 has been determined based on a value-in-use calculation.

The cash flow projections are based on management's estimate of expected future cash flows covering a five-year period. The discount rate applied to cash flow projections is 11% (2022: 11%).

The management anticipates growth in revenue of 5% (2022: 5%) for each of the next 5 years, with a net profit margin before interest, tax and depreciation of 18% (2022: 18%) 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.

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.

Refresh Waters Melbourne cash-generating unit
The carrying amount of goodwill for this cash-generating unit is $98,950 (2022: $98,950). The recoverable amount of Melbourne has been determined based on a value-in-use calculation.

The cash flow projections are based on management's estimate of expected future cash flows covering a five-year period. The discount rate applied to cash flow projections is 11% (2022: 11%).

The management anticipates growth in revenue of 5% (2022: 5%) for each of the next 5 years, with a net profit margin before interest, tax and depreciation of 10.9% (2022: 10%) for Melbourne.

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

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.

	30 June 2023 $	30 June 2022 $
Note 12. Financial assets at fair value through OCI		
Listed investments at fair value		
Opening balance	16,400	22,800
Additions	-	18,228
Disposals	-	-
Fair value adjustment	-	(24,628)
Closing balance	**16,400**	**16,400**

	30 June 2023 $	30 June 2022 $
Note 13. Investment in associate		
Investment in associate	50,000	50,000
	50,000	**50,000**

Interests in associates are accounted for using the equity method of accounting. The equity-accounted investee did not make any profit in the year.

		Ownership interest	
	Principal place of business /	**2023**	**2022**
Name	**Country of incorporation**	**%**	**%**
Jas Refresh Pty Ltd	Australia	15%	15%

Note 14: Right of use assets and Lease Liabilities

(i) AASB 16 related amounts recognised in the balance sheet

Right of use assets

	2023	2022
Leased Buildings	$	$
At Cost or on initial application of AASB 16	4,062,735	5,349,986
Accumulated Depreciation / Impairments	(1,869,575)	(2,503,904)
Net Carrying Amount of Leased plant and equipment:	2,193,160	2,846,082

During the year, Right of Use Assets with a cost and accumulated depreciation of $1,287,231 were removed from the cost and accumulated depreciation.

Movement in carrying amounts:

Leased Buildings	$	$
Opening balance or on initial application of AASB 16	2,846,062	3,940,172
(Reduction)/Addition to right-of-use asset	-	(494,982)
Depreciation expense	(652,902)	(599,128)
Net Carrying Amount of Leased plant and equipment:	2,193,160	2,846,062

(ii) Lease Liabilities recognised in the balance sheet

	2023	2022
Leased Buildings	$	$
Opening balance or on initial application of AASB 16	2,883,497	4,098,768
Additional Lease Liabilities	-	753,086
Interest expense	80,695	81,610
Lease Cancellation	-	(1,611,737)
Repayments	(763,866)	(438,230)
Net Carrying Amount of Leased plant and equipment:	2,200,326	2,883,497

Lease Liability is classified as follows:

	$	$
Current Liability	379,017	683,173
Non-current liability	1,821,309	2,200,324
Total Lease Liability	2,200,326	2,883,497

Additions to the right-of-use assets during the year were $0 (2022: 494,962).

The Group leases land and buildings for its offices under agreements of between 2 to 5 years with, in some cases, with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

	30 June 2023 $	30 June 2022 $
Note 15. Trade and other payables		
Trade payables	3,008,731	777,265
Other payables	376.645	246,315
	3,385,376	1,023,580

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

Provisions and Accruals

Current		
Annual leave	240,825	341.507
Long service leave	228,252	282,104
Accruals	315,367	358,635
	784,444	982,246
Non-current		
Long service leave	13,712	25,615
	13,712	25,615
	798,156	1,007,861

Annual leave and long service leave

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.

Note 16. Financial liabilities

The Group has no borrowing as at 30 June 2023 (2022: Nil).

Note 17. Issued capital

	2023	2022
	Shares	**Shares**
Ordinary shares - fully paid	272,358,347	272,358,347
	$	**$**
	18,320,875	18,320,875

There was no movement in ordinary shares during the year

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk 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.

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.

	30 June 2023 $	30 June 2022 $
Note 18. Reserves		
Share reserve [1]		
Opening balance	191,712	191,712
Movement	-	-
Closing balance	191,712	191,712
Profit reserve [2]		
Opening balance	356,409	356,409
Movement	-	-
Closing balance	356,409	356,409
Financial asset revaluation reserve [3]		
Opening balance	50,683	75,311
Movement	-	(24,628)
Closing balance	50,683	50,683

[1] The share reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration.

[2] Paragraph 202-45(e) of the ITAA 1997 does not prevent a company from franking a dividend paid to its shareholders that is paid out of profits recognised in the company's accounts and available for distribution, and is paid in accordance with the company's constitution and without breaching section 254T or Part 2J.1 of the Corporations Act, merely because the company has unrecouped accounting losses accumulated in prior years or has lost part of its share capital.

The Board set aside $580,000 from profits for year ended 30 June 2014 in a separate Profit Reserve account. This is to enable dividends to be paid franked regardless of whether the Group makes profit or losses in subsequent years, subject to solvency tests. Dividends of $111,795 in September 2014 and $111,796 in September 2015 were paid from this account leaving a balance of $356,409.

[3] The financial asset revaluation reserve records revaluations of financial assets at fair value through other comprehensive income.

Note 19. Accumulated losses	30 June 2023 $	30 June 2022 $
Accumulated losses at the beginning of the financial year	(9,023,671)	(8,818,166)
Profit/(Loss) after income tax expense for the year	97,687	(205,505)
Accumulated losses at the end of the financial year	**(8.925,984)**	**(9,023,671)**

Note 20. Auditors remuneration	30 June 2023 $	30 June 2022 $
Audit and review of the financial report	52,675	51,213
Taxation and technical advice services [1]	9,000	8,945
	61,675	**60,158**

[1] Taxation and technical advisory services are provided by an entity affiliated to Stantons.

Note 21. Reconciliation of cashflows from operating activities	30 June 2023 $	30 June 2022 $
Profit/(Loss) after income tax expense for the year	97,687	(205,505)
Adjustments for:		
Depreciation and amortisation expense	1,039,543	426,654
Net (profit) on disposal of property, plant and equipment	(1,021,986)	(9,250)
Investment	-	18,228
Impairment of non-current asset		-
Write-off of inventory	24,849	54,752
AASB16 expense adjusted in finance activity	80,695	314,492
Change in assets and liabilities:		
Change in inventories	74,568	48,704
Change in trade and other receivables	(2,199,438)[1]	(111,586)
Change in trade and other payables	2,324,287	48,834
Change in other current assets	(97,012)	-
Change in tax payable	37,509	-
Change in provisions	(209,706)	17,669
Net cash used in operating activities	**150,996**	**602,992**

[1]The movement in trade and other receivables includes amounts receivable from the insurers in relation to the fire and business interruption insurance amount of $2,102,891.

Note 22. Parent entity information

	30 June 2023 $	30 June 2022 $
Statement of profit or loss and other comprehensive income		
Loss after income tax	(597,753)	(563,535)
Total comprehensive loss	(597,753)	(588,163)
Statement of financial position		
Total current assets	1,051,381	751,720
Total non-current assets	9,671,723	10,584,516
Total assets	10,723,104	11,336,236
Total current liabilities	306,411	321,790
Total liabilities	306,411	321,790
Net assets	10,416,693	11,014,446
Issued capital	18,320,875	18,320,875
Reserves	598,804	598,804
Accumulated Losses	(8,502,986)	(7,905,233)
Total Equity	10,416,693	11,014,446

The non-current assets in parent company includes Investments in subsidiaries and company loans.

Guarantees
Eneco Refresh Limited has not entered into any guarantees.

Other commitments and contingencies
Eneco Refresh Limited has no other commitments and contingencies.

Plant and equipment commitments
Eneco Refresh Limited has no commitments to acquire property, plant and equipment.

Significant accounting policies
Eneco Refresh Limited accounting policies do not differ from the Group as disclosed in the notes to the financial statements.

Note 23. Key management personnel disclosure

	30 June 2023 $	30 June 2022 $
Short term employee benefits	992,084	835,006
Post-employment benefits	67,717	54,642
Long term benefits	3,140	2,909
	1,062,941	**892,557**

Note 24. Related party transactions

Parent entity
Eneco Refresh Limited is the parent entity. It is 51% owned by Eneco Investment Pte Ltd, a private company incorporated and domiciled in Singapore. As such, Eneco Investment Pte Ltd is the ultimate parent company to Eneco Refresh Limited. Eneco Investment Pte Ltd is represented by Koji Yoshihira on the Board of Eneco Refresh Limited. There have been no inter-company transactions with the ultimate parent company during the year.

Subsidiaries
Interest in subsidiaries is set out in note 26.

Key management personnel
Disclosures relating to key management personnel are set out in note 23 and the remuneration report included in the directors' report.

Transactions with related parties
There were inter-company revenues and cost of sales that were eliminated during the consolidation.

Receivable from and payables to related parties
There were no receivables from or payables to related parties at the current and previous period.

Loans to/from related parties
There are outstanding balances only between companies within the Group, which have been eliminated on consolidation.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk. The risks to which the Group is exposed to are outlined below.

Credit risk
Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contractual obligations that could lead to a financial loss to the Group.

During the year, the company has a significant number of customers. However, sales to one major supermarket chain accounts for 20% of sales. There is a significant risk that in the event this customer is lost, the company revenues could be impacted adversely. The risk of non-recovery of debts from this customer is low.

The following table details the Group’s trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as ‘past due’ when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

	Net Amount	Past due and impaired	Past due but not impaired (days overdue) 31-60	61-90	>90	Within initial trade terms
2023						
Trade receivables	1,309,813	(12,824)	416,172	43,325	(34,697)	897,837
Other receivables	2,165,496	-	-	-	-	2,165,496
	3,475,309	(12,824)	416,172	43,325	(34,697)	3,063,333
2022						
Trade receivables	1,238,341	(16,327)	345,338	76,649	7,313	825,368
Other receivables	37,530	-	-	-	-	37,530
	1,275,871	(16,327)	345,338	76,649	7,313	862,898

Liquidity Risk
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

30 June 2023	**Weighted average interest rate %**	**1 year or less $**	**Between 1 and 5 years $**	**Over 5 years $**	**Remaining contractual maturities $**
Non-derivates					
Non-interest bearing					
Trade and other payables	-	3,347,867	-	-	3,347,867
Interest bearing					
Lease liability	3.00%	379,017	1,821,309	-	2,200,326
Hire purchase liability		-	-	-	-
Bank loans		-	-	-	-
Total non-derivatives		3,726,884	1,821,309	-	5,548,193

30 June 2022	**Weighted average interest rate %**	**1 year or less $**	**Between 1 and 5 years $**	**Over 5 years $**	**Remaining contractual maturities $**
Non-derivates					
Non-interest bearing					
Trade and other payables	**-**	1,023,580	-	-	1,023,580
Interest bearing					
Lease liability	3.00%	683,173	2,200,324	-	2,883,497
Hire purchase liability		-	-	-	-
Bank loans		-	-	-	-
Total non-derivatives		1,706,753	2,200,324	-	3,907,077

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Interest Rate Risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate movements through term deposits and online savers at fixed and variable rates, dependent on market rates on the day of investment and the length of the investment. The following table sets out the variable interest bearing and fixed interest-bearing financial instruments of the Group:

Financial assets	Year end	Variable interest $	Fixed interest $
Cash and cash equivalents	30 June 2023	4,214,900	1,180,289
Cash and cash equivalents	30 June 2022	403,862	879,712

The following table illustrates the estimated sensitivity to a 1% increase and decrease to fixed, variable interest rate fluctuations.

Impact on pre-tax profit	Year end	Interest rates +1%	Interest rates - 1%
Cash and cash equivalents	30 June 2023	(53,952)	53,952
Cash and cash equivalents	30 June 2022	(12,836)	12,836

The Group is also exposed to interest rate risk arising from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value risk.

Equity price risk
The Group’s listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk by placing limits on equity instruments. The Group’s Board reviews and approves all equity investment decisions. At the reporting date, the exposure to listed equity investments at fair value was $16,400.

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

2023	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	-	5,395,189	**-**	5,395,189
Trade and other receivables	-	3,475,309	**-**	3,475,309
- Financial assets at fair value through OCI	16,400	-	-	16,400

2022	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	-	1,283,574	**-**	1,283,574
Trade and other receivables	-	1,275,871	**-**	1,275,871
- Financial assets at fair value through OCI	16,400	-	-	16,400

There were no transfers between levels during the financial year. Other than investments of listed shares, there are no financial assets and financial liabilities readily traded on organised markets in standardised form.

Note 26. Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in the notes to the financial statements.

	Incorporation	% of Equity interest	
		30 June 2023 %	30 June 2022 %
Refresh Waters Pty Ltd	Australia	100	100
Refresh Waters Queensland Pty Ltd	Australia	100	100
Refresh Plastics Pty Ltd	Australia	100	100
Eneco Australia Pty Ltd	Australia	100	100

Note 27. Contingent liabilities and assets

The Group has no contingent liabilities and assets as at 30 June 2023 (2022: Nil).

Note 28. Commitments

The Group has no commitment as at 30 June 2023 (2022: Nil) other than as disclosed in the Lease Liabilities.

Note 29. Matters subsequent to the end of the financial year

On 1 August 2023, the company entered into a deed of settlement in relation to the cost of clean up the Melbourne premises following the fire on 8 February 2023. A total of $1.79m was paid and has been accrued at 30 June 2023. $100,000 was paid in February 2023 bringing the total settlement amount to $1.89m.

Other than as above, no matter or circumstance has arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in the future financial years.

Note 30. Change in accounting policy

During the year ended 30 June 2023, there was no change in accounting policy.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of *the Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Henry Heng
Managing Director
Perth, 28 September 2023

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Eneco Refresh Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this report

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

Key Audit Matters

We have defined the matters described below to be key audit matter to be communicated in our report

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
Completeness and accuracy of revenue *(Refer to Notes 1 and 4(a) to the consolidated financial statements)* There is an inherent risk around the completeness and accuracy of revenue recorded given the nature of the Group's activities. The Group earns revenue primarily from the sale of bottled water and accessories and sale of plastic products. Revenue is generally recognised when the Group delivers the products to its customers. During the year ended 30 June 2023, the Group recognised revenue of $14,485,683. We determined revenue to be a key audit matter due to the following: (i) under AASB 15 *Revenue from Contracts with Customers* ("AASB 15"), application of revenue recognition involves the evaluation of the appropriateness of management's judgements and estimates; and (ii) the significance of the Group's Revenue to the Group.	Inter alia, our audit procedures included the following: i. obtaining an understanding of the revenue transaction cycle including identifying controls over revenue transaction and carrying out a walk-through test; ii. testing the operating effectiveness of the key controls over the revenue process that ensure completeness, accuracy and timing of revenue recognised; iii. analysing significant sales contracts to verify correct accounting treatment in accordance with Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers;* iv. testing timeliness of revenue recognition by comparing individual sales transactions to delivery documents and by checking significant credit notes issued after year-end (cut-off testing); v. performing substantive tests and analytical procedures on revenue and costs of sales; and vi. assessing the appropriateness of the Group's revenue recognition accounting policies and the adequacy of their disclosures in the financial statements.
Existence and Valuation of Inventory *(Refer to Notes1 and 9 to the consolidated financial statements)* Inventory forms a significant part of the Group's assets. As at 30 June 2023, the Group's inventory amounted to $1,9191,423, net of allowance for slow-moving inventories of $39,884. Inventory is made up of raw materials, pet bottles, bottled water products and plastic toys. These inventories are located in the various areas of operations, including Western Australia, Victoria, New South Wales and Queensland. Inventories are measured at the lower of cost and net realisable value. We consider this as a key audit matter due to the significant judgments and key assumptions applied by the management in determining the allowance for slow moving inventories and the level of inventories write down required based on Net Realisable Value (NRV) assessment.	Inter alia, our audit procedures included the following: i. assessing the appropriateness of the Group's accounting policies for recognition and measurement of inventories in line with the requirements of relevant accounting standards; ii. assessing controls over purchases and testing the operating effectiveness of the Group's control around inventory purchases; iii. for a sample of warehouses, attending and observing the physical stock-take and selected inventories on a sample basis and traced the counted quantity to or management's records; iv. With respect to slow-moving inventories, we reviewed management's assessment and evaluated the adequacy of the allowance made by management; v. testing on a sample basis the accuracy of cost for inventory by verifying the actual production costs, and testing the net realisable value by comparing actual cost with relevant selling prices;

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vi. where physical stock count was not attended, we spot counted the inventory after balance date and performed a roll-back procedure to obtain reasonable assurance that the inventory at the reporting date was not masterly misstated; and

vii. Assessing the adequacy of the Group's disclosures in the consolidated financial statements as per applicable accounting standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. 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 judgement, 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 of the financial report that gives a true and fair view 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.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of 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 conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 11 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Eneco Refresh Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd
Eliya Mwale

Eliya Mwale
Director
West Perth, Western Australia
28 September 2023

CORPORATE GOVERNANCE STATEMENT

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

Eneco complies with the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 4th 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.eneco-refresh.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 Group. 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 more than 10 years. Furthermore every other director is non-executive.

The independent directors of the company are Michael Pixley, Peter Chai, Reiichi Natori and Colin Moran.

The Board possesses the following skills matrix:

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

Nominations Committee
The Board has considered the need for a Nominations Committee. We 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:

Evaluation of the Board, its committees, individual directors or senior executives was not made in the last financial year.

Risk Management and Compliance Policy
The Group's business strategies and activities involve risk. Risk is minimised to the extent it does not inhibit the Group from pursuing its goals and objectives with a considered and balanced view of risk. The Group 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 Group's Trading Policy are posted on its website: *www.eneco-refresh.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 Group 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	20	28

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 Group 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 27 September 2023

Distribution of Ordinary Shares

Range of Shares	Total Holders
1 - 1,000	12
1,001 - 5,000	13
5,001 - 10,000	173
10,001 - 100,000	176
100,001 and over	76
Total	**450**
Holders of less than a marketable parcel of ordinary shares	278

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.

Substantial Shareholders - Ordinary Shares

	Shares	%
Eneco Investment Pte Ltd	138,902,757	51.0

20 Largest Shareholders - Ordinary Shares

Name	Units	% Units
ENECO INVESTMENT PTE LTD	138,902,757	51.0
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	25,213,580	9.3
MONEX BOOM SECURITIES (HK) LTD <CLIENTS ACCOUNT>	10,957,921	4.0
EVERLAST INVEST PTY LTD	10,350,000	3.8
CITICORP NOMINEES PTY LIMITED	9,250,811	3.4
MR HENRY ENG CHYE HENG + MS SOK HWA NGOH <THE HENG FAMILY A/C>	9,175,550	3.4
MR BOON KHENG ONG	6,040,529	2.2
MS INN HOON JUDY ONG	5,411,550	2.0
MR EDMUND SOON KIN TEO + MRS JANICE TEO <THE TEO FAMILY A/C>	5,034,811	1.8
MS ING CHENG DIANA ONG	4,321,900	1.6
MS WENYUN VENETIA SU	2,662,266	1.0
HENG INVESTMENT PTY LTD <REFRESH SUPERANNUATION A/C>	2,295,495	0.9
MR DJUANDA HADI <OYEZ INVESTMENT A/C>	2,104,550	0.8
MR ENG HUAT ONG	2,010,000	0.7
MR HARYANTO	2,000,000	0.7
MS MAY PHENG LEONG	1,923,077	0.7
MR MENG LEONG LYE	1,685,000	0.6
MS ING CHENG DIANA ONG	1,616,900	0.6
MS MIKI EGASHIRA	1,328,371	0.5
MR JUAN HUI GOH	1,300,000	0.5
	243,585,068	89.5
Total Shares on Issue	**272,358,347**	

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