RAPTIS GROUP LIMITED

ABN 43 010 472 858

ANNUAL REPORT
2018

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Directors Report

The directors present their report together with the financial statements, of Raptis Group Limited (referred to as the Company or parent entity) and the entities it controlled at the end of the financial year ended 30 June 2018.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Mr James Raptis OBE
Mrs Helen Raptis
Mr Malcolm Cory

Company Secretary

The following persons held the position of Company Secretary at the end of the financial year:

Mr James Raptis - Chairman and Chief Executive Officer. Mr Raptis is a registered builder in Queensland and has over 40 years experience in the construction and property development industries. He was appointed Company Secretary on 8 October 1990.

Mr. Malcolm Cory - Bachelor of Business, Chartered Accountant. Mr Cory commenced work for Raptis Group Limited in December 1989. He performs roles in accounting and finance as the Chief Financial Officer. He was appointed Company Secretary on 16 December 1993.

Principal Activities

The principal activities during the year of entities within the consolidated group were property development and investment. The company completed and settled a 57 unit townhouse project in Springwood Brisbane.

Operating Results

The result for the period was a profit after tax of $529,200 (30 June 2017 loss $(77,667))

Review of Operations

The company completed and settled a 57 unit townhouse project in Springwood Brisbane.

The Directors are conducting feasibility studies and researching the market to secure the next development project of the company.

Going Concern

The company has $1,996,029 cash in the bank at the date of this report. It is the intention of the Directors to secure an appropriate development site and arrange funding that will enable a project to be completed in the normal course. Mr James Raptis has agreed to provide support for administrative costs to 31 December 2018. It is the view of the Directors that there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

Dividends Paid or Recommended

No Dividends were paid or declared during the year.

After Balance Date Events

No other events have occurred subsequent to balance date that might materially affect the financial position or results from operations in future periods.

Future Developments, Prospects and Business Strategies

The company is focused on resumption of property development and investment in south east Queensland. Research and feasibility studies are being undertaken in regard to a number of opportunities including with equity participants. We will keep the market informed as these opportunities progress.

Environmental Issues

The directors are not aware of any significant breaches during the year.

Information relating to Directors at the end of financial year.

No remuneration has been paid in the 2018 or 2017 comparative financial years.

Information on Directors

Mr James Raptis, OBE Chairman and Chief Executive Officer, Age 71
James is a registered builder in Queensland and has over 40 years experience in the construction and property development industries. He has been responsible for the completion of many distinctive buildings on the Gold Coast. His experience ranges from the design and development of residential buildings to the construction and property management of commercial and retail properties. James Raptis was appointed the Greek Consul for Queensland in 2005. Interest in shares – 97,509,937 fully paid ordinary shares. He has no interest in options or contractual rights to shares.

Mrs Helen Raptis Executive Director, Age 61
Helen has worked with Raptis Group since 2002 she is a qualified teacher and her experience includes property investment, marketing, and event management. She was appointed to the Board on 19 June 2009. Interest in shares – 97,461,432 fully paid ordinary shares. She has no interest in options or contractual rights to shares

Mr Malcolm Cory Executive Director Age 58
Malcolm Cory is a Chartered Accountant. He commenced working with the company in 1989 as Chief Financial Officer, and was appointed as Company Secretary in 1993. He was appointed to the Board on 17 March 2015. Interest in Shares – 4,000,000 fully paid ordinary shares. He has no interest in options or contractual rights to shares.

Remuneration Report (Audited)

This report details the nature and amount of remuneration provided for each key management person of Raptis Group Limited including directors and for the executives receiving the highest remuneration. No remuneration has been paid in these periods. Directors have undertaken to work to 31 December 2018 with no remuneration. Entities associated with Mr. James Raptis have undertaken to provide development and administration personnel at no cost to the Group up to 31 December 2018.

Remuneration Policy

The remuneration policy of Raptis Group Limited has been designed to align directors, secretaries, senior managers of the Company, and relevant group executives of the economic entity's objectives with shareholder and business objectives by providing a fixed base remuneration component and employer contributions to superannuation funds.

The board of Raptis Group Limited believes the remuneration policy to be appropriate, effective and competitively set in its ability to attract and retain appropriately qualified and experienced directors and senior executives to run and manage the economic entity, as well as create goal congruence between directors, executives and shareholders.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The board's policy for determining the nature and amount of remuneration for board members and senior executives of the economic entity is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board, with independent advice on the appropriateness of remuneration packages given trends in comparative companies and the objectives of the Company's remuneration strategy.

- When appointed executives will receive a fixed base salary (which is based on factors such as length of service and experience), and superannuation.

- The Board reviews the remuneration of the directors and senior executives of the economic entity, taking into account their capability and experience, their ability to control the relevant segment performance and the economic entity's performance including the economic entity's earnings and the growth in share price and returns on shareholder wealth.

Remuneration levels are reviewed annually by the directors through a process that considers individual, segment and overall performance of the economic entity. In addition, external consultants provide analysis and advice to ensure directors' and senior executives' remuneration is competitive in the market place.

The executive directors and executives receive a superannuation guarantee contribution required by legislation, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

Compensation Practices

The board's policy for determining the nature and amount of compensation of key management for the group is as follows:

The compensation structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement. Key management personnel are paid in accordance with State Legislation in the event of redundancy.

Employment contracts of directors and senior executives

The current Directors have agreed to work for the period to 31 December 2018 for no remuneration. Directors have an interest in shares of the company and their interests align in seeing value return to all shareholders.

Key Management Personnel Remuneration

No remuneration has been paid to key management personnel or Directors during the year.

(a) The name and position of key management personnel in office at any time during the financial year are: James Raptis who holds the position of Managing Director, Helen Raptis who holds the position of Non-executive Director, and Malcolm Cory who holds the position of Executive Director.

(b) Key Management Personnel Compensation	Short Term Benefits Salary & Fees	Post Employment Benefits Super-annuation	Total
2018	$'000's	$'000's	$'000's
James Raptis OBE	-	-	-
Helen Raptis	-	-	-
Malcolm Cory	-	-	-
	-	-	-
2017			
James Raptis OBE	-	-	-
Helen Raptis	-	-	-
Malcolm Cory	-	-	-
	-	-	-

(c) Shareholdings	Balance	Balance
Number of shares held by Key Management Personnel	30 June 2018	1 July 2017
Key Management Personnel		
James Raptis OBE	97,509,937	97,509,937
Helen Raptis	97,461,432	97,461,432
(Identical indirect interest)		
Malcolm Cory	4,000,000	4,000,000

Meetings of Directors
During the financial year, 5 meetings of directors were held. Attendances by each director during the year were as follows:-

Director	Directors' Meetings	
	Number Eligible to Attend	Number Attended
Mr James Raptis OBE	5	5
Mrs Helen Raptis	5	4
Mr Malcolm Cory	5	5

This concludes the remuneration report, which has been audited.

Audit Committee
Due to limitations imposed by size, the company has not constituted a separate audit committee of the Board of Directors.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their respective capacity as a director or executive officer, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the company has not paid a premium in respect of a contract to insure the directors or executives.

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

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 13 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 13 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 partners of Nexia Sydney Audit & Assurance
There are no officers of the company who are former partners of Nexia Sydney Audit & Assurance.

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 on page 8 immediately after the corporate governance statement.

Auditor
Nexia Sydney Audit & Assurance 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

James Raptis OBE
Director

28 September 2018
Brisbane

Corporate Governance Statement

Good Corporate Governance is a key performance criteria for successful operations. Raptis Group Limited's corporate governance practices were in place throughout the year ended 30 June 2018. These policies were assessed alongside the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition (Recommendations). These set out recommended governance practices which are likely to achieve good corporate governance for ASX listed entities in most circumstances. These recommendations are not mandatory. Where recommendations of the ASX Corporate Governance Council have not been fully complied with due to the size of the company this Statement will explain why.

This Statement is current as at 30 June 2018 and has been approved by the Board.

The ASX Guidance Note 09 Item 2 allows that the Company may either include the Corporate Governance Statement in this report or adopt a recent innovation in reporting requirements and include all of the appropriate documentation via the URL of the page on its website where such a statement is located.

The board of directors believes that adopting the option of a modern and environmentally friendly approach to corporate reporting keeps the Company at the forefront of innovation and evolving corporate practices.

To that end, the Board is pleased to advise that copies of the Company's Corporate Governance Statement and other key governance documents are available in the Corporate Governance section of its website at www.raptis.com.

To the Board of Directors of Raptis Group Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead audit partner for the audit of the financial statements of Raptis Group Limited for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

Nexia

Nexia Sydney Audit & Assurance
Chartered Accountants

Andrew Hoffmann
Director

Date: 28 September 2018

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Consolidated statement of profit and loss and other comprehensive income

for the year ended 30 June 2018

	Notes	2018 $	2017 $
Revenue from continuing operations	3	25 626 490	-
Changes in inventories	4	(18 353 822)	-
Raw materials and consumables used	4	(5 751 946)	-
Current year finance costs capitalised into residential units	4	(938 352)	-
Administrative expenses	4	(53 170)	(77 667)
Profit (loss) before income tax from continuing operations		**529 200**	**(77 667)**
Income tax (expense)	11	-	-
Net profit (loss)		**529 200**	**(77 667)**
Other comprehensive income, net of tax		-	-
Total comprehensive income/(loss), net of tax attributable to member of the company		**529 200**	**(77 667)**

	Notes	Cents per share	Cents per share
Earnings per share for profit attributable to the owners of Raptis Group Limited			
Basic and diluted, profit (loss) for the year attributable to ordinary equity holders of the parent (cents per share)	15	0.35	(0.05)

The 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 2018

	Notes	2018 $	2017 $
Assets			
Current assets			
Cash and cash equivalents	6	1 969 442	125 387
Trade and other receivables	7	61 237	160 541
Inventories	8	-	18 353 822
Total assets		**2 030 679**	**18 639 750**
Liabilities and equities			
Current liabilities			
Trade and other payables	9	24 000	4 270 534
Borrowings	10	-	12 891 737
Total liabilities		**24 000**	**17 162 271**
Equity			
Issued capital	16	29 811 518	29 811 518
(Accumulated losses)		(27 804 839)	(28 334 039)
Total equity		**2 006 679**	**1 477 479**
Total liabilities and equity		**2 030 679**	**18 639 750**

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

Consolidated statement of changes in equity

for the year ended 30 June 2018

	Notes	Issued capital	(Accumulated losses)	Total equity
		$	$	$
Balance at 1st July 2016		29 811 518	(28 256 372)	1 555 146
Total comprehensive (loss) for the year		-	(77 667)	(77 667)
Balance at 30th June 2017		29 811 518	(28 334 039)	1 477 479
Balance at 1 July 2017		29 811 518	(28 334 039)	1 477 479
Total comprehensive income for the year		-	529 200	529 200
Balance at 30th June 2018		29 811 518	(27 804 839)	2 006 679

The above 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 2018

	Notes	2018 $	2017 $
Cash Flows from operating activities			
Receipts from customers(inclusive of GST)		28 255 905	-
Interest received		29 580	-
Payments to suppliers and employees (inclusive of GST)		(10 420 628)	(8 764 188)
Finance costs		(938 352)	(2 332 504)
Net cash provided by (used in) operating activities	6	16 926 505	(11 096 692)
Cash Flows from financing activities			
Proceeds from borrowing		-	9 191 737
Repayment of borrowing		(12 891 737)	
Loans from director related entity		-	1 987 754
Repayment of loan director related entity		(2 190 713)	-
Net cash flows from/(used) in financing activities		(15 082 450)	11 179 491
Net increase in cash and cash equivalents		1 844 055	82 799
Cash and cash equivalents at the beginning of the financial year		125 387	42 588
Cash and cash equivalents at the end of the financial year	6	1 969 442	125 387

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

Notes to the consolidated financial statements
For the year ended 30 June 2018

Note 1: Corporate information

The consolidated financial statements of Raptis Group Limited and its subsidiaries (collectively the Group) for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on 28 September 2018. Raptis Group Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. The ultimate parent of Raptis Group Limited is Hanslow Holdings Pty Ltd which holds 63.77% of the ordinary shares.

The group is principally engaged in property development and investment in South East Queensland. The Group's principal place of business is level 7, 10 Creek Street, Brisbane Queensland. Further information on the nature of the operations and principal activities of the Group is provided in the directors' report. The Group's structure is provided in Note 19. Information on other related party relationships of the group is provided in Note 18.

Note 2: Summary of significant accounting policies

New or amended Accounting Standards and Interpretations adopted
The consolidated entity 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.

Any new or amended Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standard and Interpretation is most relevant to the consolidated entity:

AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107
The consolidated entity has adopted AASB 2017-2 from 1 July 2017. The amendments to AASB 107 'Statement of Cash Flows' require the disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

For those new accounting standards not applicable fo the period ended 30 June 2018, refer to "New Accounting Standards for application in future periods" section in this note for futher details and potential impact on the Company.

(a) Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations as issued by the 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').

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 consolidated entity's accounting policies.

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

(b) Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 19.

Principals of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Raptis Group Limited ('company/ or 'parent entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. Raptis Group Limited and its subsidiaries together are referred to in these financial statements as the consolidated entity.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has the 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 consolidated entity. They are deconsolidated from the date that control ceases.

Notes to the consolidated financial statements
For the year ended 30 June 2018

(b) Parent entity information (continued)
Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

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 the equity attributable to the parent.

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

Where the consolidated entity loses control over a subsidiary, it derecognises the assets (including goodwill) liabilities and non-controlled interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity 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.

The accounting policies adopted are consistent with those of the previous financial year.

(c) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is;

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purposes of trading
- Expected to be realised within twelve months of the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

(d) Revenue recognition

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractuctually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must be also met before revenue is recognised.

Sale of goods
Revenue from the sale of development properties is recognised when the unconditional contracts of sale are settled, at which point the substantial risks and rewards of the property is passed to the purchaser.

Interest revenue
Interest revenue is recognised as interest accrues using the effective interest rate method.

Notes to the consolidated financial statements
For the year ended 30 June 2018

Dividend
Revenue is recognised when the right to receive a dividend has been established, which is generally when shareholders approve the dividend.

All revenue is stated net of the amount of goods and services tax (GST).

(e) Taxes
Current Income tax
Current Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

(i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit no taxable profit or loss

(ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

(i) When the deferred tax asset relating to the deductible timing difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

(ii) In respect of deductible temporary differences associated with investments in subsidiaries associates and interest in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is not longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at the date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit and loss.

Notes to the consolidated financial statements
For the year ended 30 June 2018

Tax consolidation legislation
Raptis Group Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidated regime. Each entity in the group recognised it's own current and deferred tax assets and liabilities, except for any deferred tax assets and liabilities resulting from unused tax losses and tax creditors which are immediately assumed by the parent entity. The current tax asset or liability of each group entity is then subsequently assumed by the parent entity. The Group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 July 2002 The tax consolidated group has entered into a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the consolidated group.

(f) Goods and services tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except when the GST incurred on a sale or purchase of assets or services is not payable to or receivable from the taxation authority. In this case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable.

Receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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

(g) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connections with the borrowing of funds.

(h) Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also included bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(i) Trade and other receivables
Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment. Collectability of trade receivables is reviewed on an ongoing basis and at balance date, specific impairment losses are recorded for any doubtful accounts.

Trade receivables are recognised in accordance with the Group revenue recognition policy refer note 2(b) above. Also considered in this process is the ageing of the trade receivables, the settlement history of the buyer and any current feedback or other information known regarding the buyer. Collectability of trade receivables is generally upon settlement or per the terms of the contract. As at 30 June 2018 the balance of trade receivable is $61,237 and they are expected to be received when due.

Past due but not impaired
As of 30 June 2018, the trade receivables of the Group of $nil (30 June 2017: $nil) were past due but not impaired

(j) Inventories
Inventories are measured at the lower of cost and net realisable value. Development costs include land, the costs of acquiring the land, consultants, construction, holding and finance costs incurred from when the land is acquired until the project is fully developed and sold. Deposits paid for the committed acquisition of inventories are classified as inventories.

Notes to the consolidated financial statements
For the year ended 30 June 2018

(j) Inventories (continued)
An estimate is made of net realisable value of inventory at least at each reporting period. Where the carrying amount of inventory exceeds its net realisable value, a provision is raised to reduce its value to net realisable value. Items that have a net realisable value provision are tested for possible reversal of the provision whenever events or changes in circumstances indicate that the impairment may have reversed. The net realisable value is based on estimated selling price (net of selling cost and GST) less costs of inventories including costs incurred and costs to complete in the ordinary course of business. This assessment reflects current market assessments and previous experience. It is also based on management's intentions in the planned manner of disposal, either through development and sale or disposal as is.

(k) Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 45 days of recognition.

Trade and other payables represents amounts payable for the purchase of inventory secured for the purpose of residential property development including real property residential construction costs, goods and services for resale.

The company maintains a rolling cash flow to ensure its operational requirements are met within contractual terms of agreements; whilst providing sufficient flexibility to fund growth, working capital requirement and future opportunities.

(l) Interest bearing loans and borrowings

Interest bearing loans and borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amounts is recognised in the profit and loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent that it is probable that some or all of the facility will be drawn down the fee is capitalised as a prepayment of liquidity services and amortised over the period of the facility to which it relates. Interest expense is accrued at the effective interest rate.

Interest bearing loans and borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit and loss as other income or finance costs.

Interest bearing loans and borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(m) Financial risk management

The Group's activities are exposed to a variety of financial risks:

Market risk
The market risk of interest rate movements exposes the company through borrowing at variable interest rates. Cash flow forecasting and sensitivity analysis tools measure and this exposure. The exposure is managed through short term projects with proceeds expected within a twelve month period.

Notes to the consolidated financial statements
For the year ended 30 June 2018

Credit risk

Credit risk includes exposure through cash and cash equivalents, deposits with banks and financial institutions and credit exposure of outstanding receivables. Management of deposits and ageing, analysis, and credit report of receivables allow measurement of credit risk. Ongoing management and review of contractual arrangements.
The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial asset listed below. At this time the company has no significant concentration of credit risk for trade and other receivables. The company did not recognise any trade receivable impairment losses in the current year (30 June 2017; nil).

Liquidity risk

Liquidity risk in borrowings and trade and other payables is a financial exposure of the Group. Cash flow forecast gearing analysis and terms of contractual arrangements are measured. Finance market research into availability and flexibility are used to manage and mitigate liquidity risk.

It is the responsibility of the Board and management to ensure that adequate risk identification, assessment and mitigation practices are in place for the effective oversight and management of these risks. The Group works with its legal and finance industry advisors to manage liquidity risk. There is the risk that suitable funding for the Group activities may not be available. The Group addresses this risk through review of rolling cash flows to assess and monitor the current and forecast availability of funding and compliance with finance covenants. A major shareholder has undertaken to arrange support for the next project of the Group.

The Group holds the following financial instruments:

	Valuation basis	2018 $	2017 $
Financial assets			
Cash and short term deposits	Amortised cost	1 969 442	125 387
Trade and other receivables	Amortised cost	61 237	160 541
Financial liabilities			
Trade and other payables	Amortised cost	24 000	4 270 534
Interest bearing loans and borrowings	Amortised cost	-	12 891 737

Maturities of financial liabilities
The Group expects to meet its financial liabilities through the cash currently at call in Australian Banks.

Carrying amounts versus fair values
At 30 June 2018 the carrying amounts of the Group's financial assets and liabilities approximate their fair values.

(n) Cash dividend and non-cash distribution to equity holders of the parent

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws of Australia, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with the fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

(o) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Notes to the consolidated financial statements
For the year ended 30 June 2018

(p) Critical accounting estimates and judgments
The preparation of the financial report requires the making of estimations and assumptions that affect the recognised amounts of assets, liabilities revenues and expenses and the disclosure of contingent liabilities. The directors evaluate estimates and judgments incorporated in to the financial report based on historical experience and knowledge and best available current information reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both internally and externally within the group. Actual results may differ from these estimates.

(q) Adoption of new and revised accounting standards
The Group has adopted all standards which became effective for the first time at 30 June 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

(r) New accounting standards for application in future periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2018.
The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9: Financial Instruments and associated Amending Standards
AASB 2010-7 / AASB 2012-6 / AASB 2013-9 / AASB 2014-1 / AASB 2014-7 / AASB 2014-8
(applicable for annual reporting period ending 30 June 2019).

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

AASB 15 Revenue from Contracts with Customers
(The effective date for the Group is from 1 January 2018).

AASB 15 replaces AASB 118 *Revenue,* AASB 11 *Construction Contracts* and four interpretations issued by the AASB and amends the principals for recognising revenue from contracts with customers. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that principal, an entity shall apply all of the following steps:

a) identify the contract with the customer
b) identify the separate performance obligations in the contract;
c) determine the transaction price;
d) allocate the transaction price to the separate performance obligations in the contract; and
e) recognise revenue when (or as) the entity satisfies a performance obligation.

Consequential amendments to other Standards are made by ASSB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15.* The impact of this standard is expected to be minimal.

Notes to the consolidated financial statements
For the year ended 30 June 2018

(r) New accounting standards for application in future periods (continued)
AASB 2016-5 Amendments to Australian Accounting Standards - Classifications to AASB 15.
(The effective date for the Group is from 1 January 2018).

This standard amends AASB 15 *Revenue from Contracts with Customers* to clarify the requirements on identifying performance obligation, principal versus agent considerations and the timing of recognising revenue from granting a licence. In addition , it provides further practical expedients on transition to AASB 15.

AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions

This Standard amends AASB 2 Share-Bases Payment to address:

(a) The accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
(b) the classification of share-based payment transactions with a net settlement feature for withholding tax obligations; and
(c) the accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from a cash-settled transaction to equity-settled.

AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments

Clarifies that:

a) a change in classification to or from investment property can only be made where there is evidence of a change in use of the property. A change in management's intention is, in isolation, not evidence of a change in us; and

b) The election by a venture capital organisation, mutual fund, unit trust or similar entity to measure investments in an associate or joint venture at fair value through profit or loss is made separately for each associate or joint venture.

AASB 16 Leases

AASB 16 replaces AASB 117 *Leases* and sets out the principals for the recognition, measurement, presentation and disclosure of leases.

AASB 16 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments.

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similar to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 *Statement of Cash Flows* .

Interpretation 22 Foreign Currency Transactions and Advance Consideration.

The interpretation clarifies that for the purpose of determining the exchange rate to us on initial recognition of he relate asset, expense or income is the date on which the entity recognises the payment or receipt of advance consideration in a foreign currency.

Notes To The Financial Statements
For the Year ended 30 June, 2018

Note 3: Revenue

Revenue from operating activities

	2018 $	2017 $
Revenue from sale of developed property	25 544 428	
Other income	52 482	-
Interest	29 580	-
Total revenue	25 626 490	-

Note 4: Profit for the year

Profit from ordinary activities before income tax has been determined after charging/(crediting) the following items:

	2018 $	2017 $
Cost of sales	24 105 768	-
Current year borrowing costs capitalised into residential units	938 352	-
Audit fees	19 000	20 000
Other administrative costs	34 170	57 667
Total expenses	25 097 290	77 667

Note 5: Financial income

	2018 $	2017 $
Finance income - interest	29 580	-

Note 6: Cash and cash equivalents

	2018 $	2017 $
Cash at bank	1 969 442	125 387

Reconciliation of cash

Cash and cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

	2018 $	2017 $
Cash and cash equivalents	1 969 442	125 387
Balance as per consolidated statement of cash flows	1 969 442	125 387

Cash flow reconciliation

	2018 $	2017 $
Reconciliation of net profit (loss) after tax to net cash flows from operations:		
Profit (loss) before tax	529 200	(77 667)
Adjustments to reconcile profit before tax to net cash flows:		
Changes in operating assets and liabilities:		
Decrease/(increase) in :-		
Trade and other receivables	99 303	(93 631)
Inventories	18 353 822	(12 761 211)
Increase /(decrease) in:-		
Trade payables	(2 055 820)	1 835 817
Net cash flows from operating activities	16 926 505	(11 096 692)

Note 7: Trade and other receivables

Current:

	2018 $	2017 $
Accounts receivable	46 325	-
GST receivable	14 912	160 541
	61 237	160 541

Note 8: Inventories

Current:

	2018 $	2017 $
Residential property under development - at cost	-	18 353 822

Note 9: Trade and other payables

Current:

	2018 $	2017 $
Trade payables	24 000	2 079 820
Loans from director related entities	-	2 190 714
	24 000	4 270 534

Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing and normally settle on 60 day terms
- For terms and conditions with related parties, refer to note 18

Notes To The Financial Statements
For the Year ended 30 June, 2018

Note 10: Interest bearing loans and borrowings	**2018** $	**2017** $
Current:		
Mortgage loan facility(secured)	-	12 891 737

The mortgage loan facility was settled on 5 December 2017.
All of the subsidiary entities assets are pledged as security for the Group's finance facilities.
The carrying amounts of assets pledged as security are set out below:

Inventories	-	18 353 822

Accounting for finance costs
The interest incurred method is utilised for the current project. Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

Interest allocation which relates to non-qualifying assets is expensed. Interest capitalised to inventory is expensed as part of the cost of sales. Once an asset has been impaired or development activity ceased, then subject to detailed review capitalisation of interest may cease and the borrowing costs expensed in the period incurred.

Finance costs other persons	938 352	2 332 504
Less borrowing costs capitalised to inventories	(938 352)	(2 332 504)
	-	-

Financing arrangements

Land finance facility utilised at balance date (secured)	-	12 891 737
Development loan facility available and undrawn at balance date	-	3 989 713
	-	16 881 450

Note 11: Income tax

(a) The prima facie tax on profit is reconciled to the income tax (expense)/benefit as follows:

Accounting profit (loss) before income tax	529 200	(77 667)
The prima facie tax expense calculated at the statutory income tax rate of 30% (2017: 27.5%) on the operating profit/(loss)	158 760	(21 358)
Borrowing costs capitalised for accounting purposes	-	(641 439)
Deferred tax asset not brought to account	-	662 797
Utilisation of previously unrecognised tax losses	(158 760)	-
Income tax expense reported in the statement of profit and loss	-	-

(b) Unrecognised tax losses

No amounts have been recognised for the potential benefit of tax losses available to be carried forward.

At the time of signing this Annual Report the company is not able to accurately determine the quantum of its carry forward losses. This results from the restructuring of former debt where certain assets are still being held in previously controlled entities with security documentation still in effect in respect of the secured creditors or their assignors. Whilst the disposal of these assets will have no impact on the current or future accounting results due to the effect of the restructuring, the treatment of the associated debt is anticipated to have tax loss implications, which may materially effect the calculation of carry forward losses from prior years.
The interim tax loss calculation indicates a potential future income tax benefit from carry forward losses of $46,644,928 (at the current tax rate of 30%) (2017: $42,903,533). However, the security positions that have not yet been resolved are material and may substantially reduce this interim calculation.

The benefits of the above unused tax losses will only be realised if the conditions for deductibility set out in Note 2(e) occur. These amounts have no expiry date.

Notes To The Financial Statements
For the Year ended 30 June, 2018

Note 12: Key management personnel compensation
Compensation practices

The board's policy for determining the nature and amount of compensation of key management for the group is as follows: The compensation structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts of service between the company and key management personnel are on a continuing basis. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement. Key management personnel are paid in accordance with State legislation in the event of redundancy. Entities associated with Mr James Raptis are providing personnel resources in administration and development at no cost to the company up to 31 December 2018. No Directors fees will be payable until after 31 December 2018.

Note 13: Auditors remuneration

Remuneration received or receivable by the auditors comprised:	2018 $	2017 $
Paid or payable by the company		
For audit or review services	24 000	20 000
For share registry services	8 635	11 273
	32 635	31 273
Paid or payable by entities associated with Mr James Raptis		
For share registry services	5 273	5 000

The fees are for non-audit services were paid to associates of the auditors. These principally related to the provision of share registry and tax compliance services some of which have been paid by entities associated with Mr James Raptis.

Note 14: Dividends
(a) Dividends paid

No dividends were declared or paid during or since the end of the financial year.

(b) Franking account

The company does not have a balance available in its dividend franking account. It is not expected that franking credits will arise from the payment of income tax for the financial year due to the effect of carried forward tax losses.

Note 15: Earnings per share
(a) Reconciliation of earnings to profit or loss

Profit	529 200	(77 667)
Earnings used to calculate basic EPS	529 200	(77 667)
	No. of shares	**No. of shares**
Weighted average number of ordinary shares used in the calculation of earnings per share	152 842 427	152 842 427
	Cents	**Cents**
Basic and diluted earnings per share	0.34	(0.05)
	$	$
Operating profit after income tax used in the calculation of earnings per share	529,200	(77,667)

Note 16: Issued capital

Issued and paid up capital		
152,842,427 (2017:152,842,427) fully paid ordinary shares carrying value at end of the year	29 811 518	29 811 518
	Number	Number
Balance of shares at the beginning of the reporting period	152 842 427	152 842 427
Balance of shares at the end of the reporting period	152 842 427	152 842 427

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Notes To The Financial Statements
For the Year ended 30 June, 2018

Note 17: Events subsequent to balance date

The Company is researching and conducting feasibility studies to identify the next development opportunity.

No other events have occurred subsequent to balance date that might materially affect the financial position or results from operations in future periods.

Note 18: Related parties

Entities associated with Mr James Raptis provided support to the company as indicated below.

At 30 June 2018 an amount of $nil (30 June 2017 $ 2,190,714) had been advanced to the Group from entities associated with Mr James Raptis. This amount was unsecured and at a nil rate of interest. It was repaid from proceeds of the 57 townhouse project at Springwood in Brisbane prior to 31 December 2017.

Entities associated with Mr James Raptis will provide office facilities, and associated overhead costs, development and administrative personnel to support the affairs of the Group at no cost to 31 December 2018.

There were no other transactions with related parties.

Note 19: Group structure

This note provides information which will help users understand how the group structure affects the financial position and performance of the Company as a whole. It includes details of subsidiary entities and Parent entity financial information. Refer to note 2 Statement of significant accounting policies and the sub heading Basis of consolidation for details of accounting for subsidiaries.

(a) Significant investments in subsidiaries

Name of entity	Class of shares	Equity holding	
		2018	2017
Parent entity Raptis Group Limited		%	%
Controlled entities of Raptis Group Limited			
Barbaralla Developments Pty Ltd	Ordinary	100	100
Barbaralla Marketing Pty Ltd	Ordinary	100	100
Barbaralla Management Pty Ltd	Ordinary	100	100
Garnet Constructions Pty Ltd	Ordinary	100	100

All subsidiary entities were incorporated in Australia.
No subsidiaries were acquired or disposed of in the year up to 30 June 2018.

(b) Parent entity financial information
The financial information for the Parent entity, Raptis Group Limited has been prepared on the same basis as the consolidated financial statements. Investments in controlled entities are carried in the Group financial statements at fair value.

Raptis Group Limited and its wholly-owned Australian controlled entities have implemented the tax consolidated legislation. Refer Note 2 Statement of significant accounting policies subheading (c) Tax consolidation legislation.

Notes To The Financial Statements for the Year ended 30 June, 2018

Note 19: Group structure (continued)

Summary of Parent Entity financial information

	2018 $	2017 $
Statement of financial position		
Assets		
Current assets	175 202	304 320
Non current assets at fair value	1 855 477	1 200 003
Total assets	**2 030 679**	**1 504 323**
Liabilities and equities		
Current liabilities	24 000	26 842
Total liabilities	24 000	26 842
Equity		
Issued capital	29 811 518	29 811 518
Accumulated losses	(28 366 072)	(28 334 037)
Reserves	561 233	-
Total equity	2 006 679	1 477 481
Total liabilities and equity	**2 030 679**	**1 504 323**
(Loss) for the period	**(32 035)**	**(77 667)**

Directors' Declaration

for the year ended 30 June 2018

In the directors' opinion:

1. the financial statements and accompanying notes set out on pages 9 to 25 are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standards and the *Corporations Regulations 2001* ; and

   (b) give a true and fair view of the economic entity's financial position as at 30 June 2018 and of its performance for the year ended on that date;

2. the financial statements and notes also comply with International Financial Reporting Standards, as disclosed in Note 2 to the financial statements;

3. 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 by the chief executive officer and the chief financial officer required by section 295A

Signed in accordance with a resolution of Directors.

On behalf of the directors

James Raptis, OBE
Director
28 September 2018
Brisbane

Nexia Australia

Independent Auditor's Report to the Members of Raptis Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Raptis Group Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the 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 2018 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 entity in accordance with 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* (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 auditor's report.

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

Key audit matters

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 matter	How our audit addressed the key audit matter
Recognition of revenue The Group recognises revenue when the risks and rewards of ownership transfer to the purchaser. During the year, the Group completed the development of townhouse units and therefore has recognised the sale of all units in this current financial year.	Our assessment procedures included, amongst others: ▪ We obtained an understanding of the process undertaken by management in recognising revenue; ▪ We verified a sample of sales transactions to the settlement documents received from the solicitors to confirm the timing of the risks and rewards transferred to the purchaser;

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Key audit matter	How our audit addressed the key audit matter
Revenue is considered a key audit matter due to the material size of the balance.	▪ We confirmed that all amounts due to the group were correctly recorded, including the recognition of deposits previously received; ▪ We traced the transaction through to the cash receipt in the bank account.
Recognition of the development cost of sales The inventory previously held was stated at the lower of cost and net realisable value ("NRV"). As the development is complete and no further costs are expected to be incurred for this project, the cost of sales balance required special attention due to the material size of the account and the accuracy of the expenses disclosed herein.	Our assessment procedures included, amongst others: ▪ We selected a sample of transactions and verified these to supporting documentation to ensure valid appropriate expenses were incurred and they related to the current development project; ▪ We confirmed that costs previously disclosed in the FY2017 inventory balance were transferred to cost of sales.

Other information

The directors are responsible for the other information. The other information comprises the information in Raptis Group Limited's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion 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 the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility 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 entity's ability 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 entity or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibility 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.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor’s report.

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.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 3 to 5 of the directors’ Report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Raptis Group Limited for the year ended 30 June 2018, 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.

Nexia

Nexia Sydney Audit & Assurance
Chartered Accountants

Andrew Hoffmann
Director
Sydney, 28 September 2018

Company Particulars

The registered office of the company is:

Raptis Group Limited
Level 16
1 Market Street
Sydney NSW 2000

The principal place of business of Raptis Group Limited is:

Level 7
10 Eagle Street
Brisbane 4000

Auditors

Nexia Sydney Audit & Assurance
Level 16
1 Market Street
Sydney NSW 2000

Solicitors

Short Punch and Greatorix
Cnr Bundall Road and Crombie Avenue
Bundall QLD 4217

Share Registry

NextRegistries
Level 16
1 Market Street
Sydney NSW 2000

Directors

James Raptis OBE
Helen Raptis
Malcolm Cory

Secretaries

James Raptis OBE
Malcolm Cory

Website

www.raptis.com

(a) Distribution of shareholders at 31 August 2018. Category (size of holdings)	Shareholder information number of ordinary shareholders
1 - 1,000	111
1,001 - 5,000	203
5,001 - 10,000	120
10,001 - 100,000	113
100,001 - and over	42
Total holders for classes selected	589

(b) There are 378 holders with less than a marketable parcel of 8,333 units.

(c) The number of shares held by the substantial shareholder as at 31 August 2018 is:

	Number of ordinary fully paid shares held	% Held to issued fully paid ordinary capital
Hanslow Holdings Pty Limited	97 461 432	63.77%

(d) 20 Largest shareholders

Hanslow Holdings Pty Limited	97 461 432	63.77%
Australia and New Zealand Banking Group Limited	6 742 414	4.41%
Campion Cottages Pty Ltd	4 000 000	2.62%
Sevinhand Company Limited	4 000 000	2.62%
Rapcivic Contractors Creditors Trust	3 898 599	2.55%
Austreo Property Ventures Pty Limited	3 611 572	2.36%
Southland Stokers Pty Ltd	3 485 321	2.28%
City and Westminster Limited	3 400 000	2.22%
Joseph David Ross	3 020 000	1.98%
Lippo Securities Nominees	2 320 000	1.52%
L J K Nominees Pty Ltd	2 183 625	1.43%
Phillips River Pty Ltd	2 054 799	1.34%
Normandy Finance and Investments Ltd	1 464 615	0.96%
PA Mega Opportunity IX Limited	1 203 857	0.79%
Hachma International	1 065 400	0.70%
Hampton Holdings Pty Ltd	1 046 640	0.68%
Commonwealth of Australia	859 871	0.56%
Investec Australia Loans Management Pty Ltd	583 493	0.38%
The Trust Company (PTAL) Ltd	558 549	0.37%
Spacetime Pty Ltd	542 843	0.36%
	143 503 030	93.89%

(e) There is no current on market buy back.