



RAPTIS GROUP LIMITED

ABN 43 010 472 858

ASX CODE: (RPG)

APPENDIX 4D

Half Year report for the 6 months ended 31 December 2020

Results for announcement to the market

				\$AUD
Revenues from ordinary activities.				866,772
Profit from ordinary activities after tax attributable to members	Up from	11,776	to	553,843
Net Profit for the period attributable to members	Up from	11,776	to	553,843
Dividends (distributions)		Amount per security		Franked amount per security
Final dividend		Nil		Nil
Previous corresponding period		Nil		Nil
Record date for determining entitlements to the dividend		N/A		

Earnings per security (EPS)	Current period	Previous corresponding period
Basic and Diluted EPS	0.36 cents	0.008 cents

Net Tangible Assets Per Security	Current period	Previous corresponding Period
Net Tangible Assets	1.75 cents	1.36 cents

Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 19 of AASB 133: *Earnings Per Share* are as follows.

<u>Earnings reconciliation:</u>	<u>2020</u>	<u>2019</u>
	\$	\$
Net profit (loss) for basic earnings	553,843	11,776
<u>Weighted average number of shares used as the denominator:</u>	Number	Number
Ordinary shares for basic EPS	152,842,427	152,842,427

Dividends

Date the dividend is payable

N/A

+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)

N/A

If it is a final dividend, has it been declared?
(*Preliminary final report only*)

N/A

Comments on Half-Year Results

Raptis Group Limited settled the Waterpoint Residences management rights business and associated assets on 24 September 2020.

The company has earned a profit of \$553,843 up from a 2019 half year profit of \$11,776.

The General Meeting of members on 2 June 2020 approved the proposal to acquire and subject to certain conditions dispose of the management rights business associated with the Waterpoint development (Adjacent to Harbour Town on the Gold Coast). The details of this transaction were outlined in the independent expert report and meeting notice explanatory statements. We are pleased that the contract of sale settled on 24 September 2020.

The company continues to research other future development opportunities on the Gold Coast and in Brisbane.



RAPTIS GROUP LIMITED

Condensed Financial Report 31 December 2020

DIRECTORS' REPORT

The directors present their report on the entity of Raptis Group Limited ("the Company") for half-year ended 31 December 2020 and the Auditor's review report thereon.

Principal Activities

The principal activities during the year of entities within the consolidated group were property development management and investment.

Result

A profit of \$553,853 was recognised in the current half year to 31 December 2020. (2019: profit of \$11,776).

Dividends Paid or Recommended

No dividends were paid or declared in the period.

Review of Operations

The company settled the contract of sale of management rights at the Waterpoint project adjacent to Harbour Town on the Gold Coast. The details of this transaction were provided in the notice of meeting to members for the General Meeting on 2 June 2020. This notice included an independent expert report and explanatory statement.

The Waterpoint Residences management rights and associated assets were under contract of sale as at 30 June 2020. This contract settled on 24 September 2020. The transaction was approved by shareholders in a general meeting. The independent expert found the arrangement to be fair and reasonable. Raptis private family interests provided the Waterpoint Residences management rights business, introduced the purchaser, and provided finance to enable the company to take up the asset as at 30 June 2020. The approved transaction included a commission payable to Raptis private family interests of 75% of the surplus of sale over cost, cost to include all transaction costs. The commission amounted to \$1,383,825 with a surplus on sale of \$461,275 payable to Raptis Group Limited. The loan advanced to provide the balance of settlement funds and was repaid to Raptis family interests on 2 September 2020.

The company is currently undertaking feasibility studies with a view of commencing a new development in the next 12 months.

After Balance Date Events

The Directors are not aware of any significant events since the end of the interim period that might materially affect the financial position or results from operations in future periods.

Auditor's Independence Declaration

The auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 5, and forms part of the Directors' Report for the half-year ended 31 December 2020.

Directors

The directors of the Company in office during or since the end of the half-year are, James Raptis, OBE; Helen Raptis; and Malcolm Cory.

Dated at Surfers Paradise this 31st day of March 2021.

Signed in accordance with a resolution of directors.



James Raptis, OBE
Director

To the Board of Directors of Raptis Group Limited

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

As lead audit director for review of the financial statements of Raptis Group Limited for the half-year ended 31 December 2020, 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 review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours sincerely



Nexia Sydney Audit Pty Ltd



Andrew Hoffmann
Director

Date: 31 March 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS & OTHER COMPREHENSIVE INCOME
for the half-year ended 31 December 2020

	Note	1 July 2020 to 31 December 2020 \$	1 July 2019 to 31 December 2019 \$
Management fee income		405,497	-
Gain on sale of management rights	2	461,275	-
Other revenue - Interest		-	5,029
Other Income – Consulting Services		-	50,000
		<u>866,772</u>	<u>55,029</u>
Administration and other expenses		64,934	43,253
Management rights operating costs		202,118	-
Interest		<u>45,876</u>	<u>-</u>
Expenses		312,929	43,253
Profit for the period		<u>553,843</u>	<u>11,776</u>
Income tax expense	3	<u>-</u>	<u>-</u>
Profit attributable to members of the entity		<u>553,843</u>	<u>11,776</u>
Other comprehensive income for the half year		-	-
Total comprehensive income for the half year attributable to members of the entity		<u>553,843</u>	<u>11,776</u>
Basic and diluted earnings per share (cents per share)		<u>0.36</u>	<u>0.008</u>

The Condensed Consolidated Statement of Profit & Loss & Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	31 December 2020 \$	30 June 2020 \$
Current Assets			
Cash and cash equivalents		2,665,382	462,551
Accounts receivable		40,978	197,908
Non-current assets classified as held for sale	2	-	6,010,000
TOTAL ASSETS		2,706,360	6,670,459
Trade and other payables		35,014	318,338
Interest bearing borrowings	2	-	4,234,618
TOTAL LIABILITIES		35,014	4,552,965
Equity			
Issued capital		29,811,518	29,811,518
Accumulated losses		27,140,178	27,694,015
Total equity		2,671,346	2,117,503
TOTAL LIABILITIES AND EQUITY		2,706,360	6,670,459

The Condensed Consolidated Statement of Financial position is to be read in conjunction with the Notes to the Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the half-year ended 31 December 2020

	Notes	1 July 2020 to 31 December 2020 \$	1 July 2019 to 31 December 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		487,071	43,788
Interest received		-	5,029
Interest paid		45,876	-
Payments to suppliers (inclusive of GST)		(267,021)	(33,995)
Net cash flows from operating activities		174,174	14,822
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of Management Rights		6,263,275	-
Net cash from financing activities		6,263,275	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans - director related entities		(4,234,618)	-
Net cash used in financing activities		(4,234,618)	-
Net increase in cash held		2,202,831	14,822
Cash at the beginning of the half year		462,551	2,055,224
Cash at the end of the half year		2,665,382	2,070,224

The Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half-year ended 31 December 2020

	\$ Issued Capital	\$ Accumulated Losses	\$ Total
Balance at 1 July 2019	29,811,518	(27,747,126)	2,064,392
Profit attributable to members of the entity	-	11,776	11,776
Balance at 31 December 2019	<u>29,811,518</u>	<u>(27,735,350)</u>	<u>2,076,168</u>
Balance at 1 July 2020	29,811,518	(27,694,015)	2,117,503
Profit attributable to members of the entity	-	553,843	553,843
Balance at 31 December 2020	<u>29,811,518</u>	<u>(27,140,172)</u>	<u>2,671,346</u>

The Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 31 December 2020

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT

The interim financial report does not include all of the information normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

The half-year report should be read in conjunction with the Annual Financial Report of Raptis Group Limited at 30 June 2020. It is also recommended that the interim financial report be considered together with any public announcements made by Raptis Group Limited during the half year ended 31 December 2020 and subsequently up to the time of signing this financial report in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of Accounting

The interim financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year financial report has been prepared in accordance with the historical cost convention. For the purpose of preparing the interim financial report, the half-year has been treated as a discrete reporting period.

(b) Going Concern

The net assets of the Group includes cash of \$2,665,382. Mr James Raptis has agreed to continue to arrange support, should this be necessary, to set in place development funding finance adequate to undertake the next development project in the coming year.

Accordingly, the Directors are confident the company will be able to continue as a going concern and believe it appropriate this report is prepared on that basis.

(c) Summary of Significant Accounting Policies

The accounting policies for the results for the half-year ended 31 December 2020 and the comparative half year have been prepared as they apply on a going concern basis.

(i) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit and loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(ii) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 31 December 2020

(c) Summary of Significant Accounting Policies (continued)

Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(iii) Estimates

The preparation of the half-year financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In relation to the Condensed Statement of Comprehensive Income the significant judgements made by management in applying the entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report as at and for the year ended 30 June 2019.

(iv) Comparative Figures

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

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 or Interpretations that are not yet mandatory have not been early adopted. The Directors have reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2020. As a result of this review the Directors have determined that there is no material impact of the Standards and interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

(v) Revenue recognition

The consolidated entity recognises revenue as follows:

Rendering of services - Management Rights

Revenue from a contract to provide property management services is recognised in the previous period in which the services are rendered based on agreed fees and charges. Revenue from a contract to provide services are recognised over time as the consulting services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

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

(c) Summary of Significant Accounting Policies (continued)

(v) Segment reporting

The Group is organised into one main operating segment. All of the Group's activities are interrelated and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

2. GAIN ON SALE OF MANAGEMENT RIGHTS

The Waterpoint Residences management rights and associated assets were under contract of sale as at 30 June 2020. This contract settled on 24 September 2020. The transaction was approved by shareholders in a general meeting. The independent expert found the arrangement to be fair and reasonable. Raptis private family interests provided the Waterpoint Residences management rights business, introduced the purchaser, and provided finance to enable the company to take up the asset as at 30 June 2020. The approved transaction included a commission payable to Raptis private family interests of 75% of the surplus of sale over cost, cost to include all transaction costs. The commission amounted to \$1,383,825 with a surplus on sale of \$461,275 payable to Raptis Group Limited. The loan advanced to provide the balance of settlement funds and was repaid to Raptis family interests on 2 September 2020.

3. INCOME TAX

Unrecognised Tax Losses

At the time of signing this Half-Year Financial 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 affect 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 \$42,575,067 (at the current tax rate of 27.5%). However, the security positions that have not yet been resolved are material and may substantially reduce this interim calculation.

4. EVENTS SUBSEQUENT TO BALANCE DATE

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

The directors are monitoring closely the external effects of COVID-19 on the consolidated entities operations with no significant impact seen thus far. The directors will keep the market informed of any material impact on the consolidated entity's affairs.

DIRECTORS' DECLARATION

In the opinion of the directors of Raptis Group Limited:

1. the financial statements and notes set out on pages 6 to 12:-
 - a) give a true and fair view of the financial position of the entity as at 31 December 2020 and of its performance, for the half-year ended on that date; and
 - b) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

Dated at Brisbane this 31st day of March 2021.

Signed in accordance with a resolution of directors.



James Raptis
Director

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF RAPTIS GROUP LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Raptis Group Limited (and its subsidiaries (the Company)), which comprises the Condensed Consolidated Statement of Financial Position as at 31 December 2020, the Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Raptis Group Limited does not comply with the *Corporations Act 2001* including:

- i) giving a true and fair view of the Raptis Group Limited's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- iii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company and Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 annual 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 review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Nexia Sydney Audit Pty Ltd

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Nexia Sydney Audit Pty Ltd



Andrew Hoffmann

Director

Sydney

Dated: 31 March 2021