



# **RAPTIS GROUP LIMITED**

ABN 43 010 472 858

## **ANNUAL REPORT 2020**

<b>CONTENTS</b>	<b>PAGE</b>
Directors' Report	2
Corporate Governance Statement	7
Auditor's Independence Declaration	8
Financial Statements	9
Directors' Declaration	26
Independent Auditor's Report	27
Company Particulars	30
Shareholder Information	31



## 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 2020.

### 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 management and investment.

### Operating Results

The result for the period was a profit after tax of \$53,111 (30 June 2019 \$57,713)

### Review of Operations

On 2 June 2020 members voted to pay \$6,010,000 for an exclusive beneficial interest in the income and capital of Waterpoint Residences management rights business and associated assets. The company also earned development consulting fees during the period.

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

### Dividends Paid or Recommended

No Dividends were paid or declared during the year.



### After Balance Date Events

On 24 September 2020 the Waterpoint Residences management rights business contract of sale settled for an amount of \$7,945,100. This sale provided a surplus over cost of \$461,275 which will be recognised in the six months to 31 December 2020. Raptis family private interests provided the management rights business, advanced funds to secure the asset and introduced the buyer. The independent experts report found the arrangement fair and reasonable and a general meeting of members approved the payment of a commission to Raptis family private interests of \$1,383,825 being 75% of the surplus over cost after transaction costs.

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Group is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Group. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

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 2020 or 2019 comparative financial years.

### Information on Directors

#### **Mr. James Raptis, OBE** Chairman and Chief Executive Officer, Age 73

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 63

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 60

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 2020 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 2020.



### **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 30 June 2020 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**

2020

	Short Term Benefits Salary & Fees \$'000's	Post-Employment Benefits Super- annuation \$'000's	Total \$'000's
James Raptis OBE	-	-	-
Helen Raptis	-	-	-
Malcolm Cory	-	-	-
	-	-	-
2019			
James Raptis OBE	-	-	-
Helen Raptis	-	-	-
Malcolm Cory	-	-	-
	-	-	-

**(c) Shareholdings**

Number of shares held by Key Management Personnel

Balance 30 June 2020	Balance 1 July 2019
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**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 14 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 14 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 Pty Limited

There are no officers of the company who are former partners of Nexia Sydney Audit Pty Limited.

### 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 Pty Limited 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

9 November 2020  
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 2020. These policies were assessed alongside the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3<sup>rd</sup> 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 2020 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](http://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 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 audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely



**Nexia Sydney Audit Pty Ltd**



**Andrew Hoffmann**

*Director*

Date: 9 November 2020





## **Consolidated statement of profit and loss and other comprehensive income**

for the year ended 30 June 2020

	<b>Notes</b>	<b>2020 \$</b>	<b>2019 \$</b>
Revenue from continuing operations	3	189,347	110,118
Direct management rights costs	4	(64,459)	-
Finance costs	4	(15,618)	-
Administrative expenses	4	(56,159)	(52,405)
<b>Profit before income tax</b>		<b>53,111</b>	<b>57,713</b>
Income tax	12	-	-
<b>Net profit for the year attributable to owners of Raptis Group Limited</b>		<b>53,111</b>	<b>57,713</b>
Other comprehensive income, net of tax		-	-
Total comprehensive income, net of tax attributable to members of the company		<b>53,111</b>	<b>57,713</b>
<b>Earnings per share for profit attributable to the owners of Raptis Group Limited</b>		Cents per share	Cents per share
Basic and diluted, profit for the year attributable to ordinary equity holders of the parent	13	0.035	0.038

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 2020

	Notes	2020 \$	2019 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	462,551	2,055,402
Trade and other receivables	7	197,908	46,000
Non-current assets classified as held for sale	8	6,010,000	-
<b>Total assets</b>		<b>6,670,459</b>	<b>2,101,402</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade and other payables	10	318,338	37,010
Interest bearing borrowings	11	4,234,618	-
<b>Total liabilities</b>		<b>4,552,956</b>	<b>37,010</b>
<b>Equity</b>			
Issued capital	14	29,811,518	29,811,518
Accumulated losses		(27,694,015)	(27,747,126)
<b>Total equity</b>		<b>2,117,503</b>	<b>2,064,392</b>
<b>Total liabilities and equity</b>		<b>6,670,459</b>	<b>2,101,402</b>

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 2020

	<b>Issued capital</b>	<b>(Accumulated losses)</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1st July 2018</b>	29,811,518	(27,804,839)	2,006,679
Total comprehensive income for the year	-	57,713	57,713
<b>Balance at 30th June 2019</b>	<u>29,811,518</u>	<u>(27,747,126)</u>	<u>2,064,392</u>
<b>Balance at 1 July 2019</b>	29,811,518	(27,747,126)	2,064,392
Total comprehensive income for the year	-	53,111	53,111
<b>Balance at 30th June 2020</b>	<u>29,811,518</u>	<u>(27,694,015)</u>	<u>2,117,503</u>

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 2020

	Notes	2020 \$	2019 \$
<b>Cash Flows from operating activities</b>			
Receipts from customers (inclusive of GST)		55,988	115,761
Interest received		8,142	20,118
Payments to suppliers and employees (inclusive of GST)		(73,981)	(49,919)
Finance costs		(15,618)	-
<b>Net cash provided by operating activities</b>	6	(25,469)	85,960
<b>Cash flows from investing activities</b>			
Investment in management rights		(6,010,000)	-
Deposit on sale of intangible assets		208,000	-
<b>Net cash flow (used in) investing activities</b>		(5,802,000)	-
<b>Cash Flows from financing activities</b>			
Increase in loan director related entity		4,234,618	-
<b>Net cash flows from/(used) in financing activities</b>		4,234,618	-
<b>Net increase in cash and cash equivalents</b>		(1,592,851)	85,960
Cash and cash equivalents at the beginning of the financial year		2,055,402	1,969,442
<b>Cash and cash equivalents at the end of the financial year</b>	6	462,551	2,055,402

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 2020**

**Note 1: Corporate information**

The consolidated financial statements of Raptis Group Limited and its subsidiaries (collectively the Group) for the year ended 30 June 2020 were authorised for issue in accordance with a resolution of the directors on 9 November 2020. 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 management 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 20. Information on other related party relationships of the group is provided in Note 19.

**Note 2: Summary of significant accounting policies**

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

**New or amended Accounting Standards and Interpretations adopted**

The 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.

**AASB 16 Leases**

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB117 'Leases' and for lessees eliminates the classification of operating leases and finance leases. Except for short-term leases and leases of low value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) improve as the operating expense is now replaced by interest expense and depreciation in profit and loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in the financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption AASB 16 was adopted using the modified retrospective approach. There is no impact in the current or comparative period reporting.

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 Standards and Interpretations are most relevant to the consolidated entity:



**Notes to the consolidated financial statements**

**For the year ended 30 June 2020**

**(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').

*Assets held for sale*

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current asset, but no of any cumulative impairment loss previously recognised. Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

*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. The areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements, are disclosed in note 2 (n).

*Historical cost convention*

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

**(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 20.

**(c) 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 2020 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 2020**

**(c) Principals of consolidation (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.

**(d) Current versus non-current classification**

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 consolidated entity's 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

All other liabilities are classified as non-current.

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

**(e) Revenue recognition**

The consolidated entity recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with the customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of the variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.



**Notes to the consolidated financial statements**  
**For the year ended 30 June 2020**

**(e) Revenue recognition (continued)**

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principal whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principal are recognised as a refund liability.

*Sale of properties*

Revenue from the sale of properties is recognised at a point in time once the legal ownership of the property has transferred to the customer.

*Rendering of services*

Revenue from a contract to provide property management services is recognised in the 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 the estimated future cash receipts through the expected life of financial asset to the net carry amount of the financial asset.

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

**(f) Taxes**

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

- (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 nor 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:

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





**Notes to the consolidated financial statements**

**For the year ended 30 June 2020**

**(f) Taxes**

**Income tax (continued)**

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

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

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

*Income tax accounting judgements*

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

**Tax consolidation legislation**

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

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

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

**(g) 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.

**(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.



**Notes to the consolidated financial statements  
For the year ended 30 June 2020**

**(i) Non-current assets or disposal groups classified as held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets, but not of any cumulative impairment loss previously recognised. Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

**(j) Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for any expected credit loss. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit loss.

**(k) Non-current assets or disposal groups classified as held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current asset, but not in excess of any cumulative impairment loss previously recognised. Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets

**(l) 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.

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.

**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 2019; nil).



## Notes to the consolidated financial statements

### For the year ended 30 June 2020

#### (m) Financial risk management

##### 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.

		2020	2019
	Valuation basis	\$	\$
The Group holds the following financial instruments:			
Cash and short term deposits	Amortised cost	462,551	2,055,402
Trade and other receivables	Amortised cost	197,908	46,000
Trade and other payables	Amortised cost	318,338	37,010
Interest bearing borrowings	Amortised cost	4,234,618	-

##### 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 2020 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.

#### (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 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.



## Raptis Group Limited - 2020 Annual Report

ABN 43 010 472 858

### Notes to the consolidated financial statements For the year ended 30 June 2020

#### (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 2020. 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.

#### Conceptual Framework for financial reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual framework is not expected to have a material impact on the Group's financial statements.

#### Note 3: Revenue

##### Revenue from operating activities

Revenue from contracts with customers

Management fee income

Consulting income

Total revenue

131,205

-

50,000

90,000

181,205

90,000

#### Note 4: Profit for the year

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

Direct management rights costs

Audit fees

Finance costs

Other administrative costs

Total expenses

64,459

-

26,512

21,103

15,618

-

29,647

31,302

136,236

52,405

#### Note 5: Financial income

Finance income - interest

8,142

20,118



## Raptis Group Limited - 2020 Annual Report

ABN 43 010 472 858

### Notes To The Financial Statements For the Year ended 30 June, 2020

#### Note 6: Cash and cash equivalents

Cash at bank

2020  
\$

2019  
\$

462,551

2,055,402

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:

Cash and cash equivalents

462,551

2,055,402

Balance as per consolidated statement of cash flows

462,551

2,055,402

#### Cash flow reconciliation

Reconciliation of net profit after tax to net cash flows from operations:

Profit before income tax expense

53,111

57,713

Adjustments to reconcile profit before tax to net cash flows:

Changes in operating assets and liabilities:

(Increase) decrease in :-

Trade and other receivables

(151,912)

15,237

Increase /(decrease) in:-

Trade payables

73,332

13,010

Net cash flows from operating activities

(25,469)

85,960

#### Note 7: Trade and other receivables

Current:

Accounts receivable

189,337

46,000

GST receivable

8,571

-

197,908

46,000

#### Note 8: Non-current assets classified as held for sale

Current:

Real Property at cost - management letting offices

170,000

-

Management agreements-intangible assets

5,840,000

-

Management rights and associated assets held for sale at cost

6,010,000

-

(under contract of sale at 30 June 2020 settled 24 September 2020)

#### Note 9: Sale of non-current asset

This transaction was the subject of an independent experts report and a general meeting of shareholders where the arrangements relating to the acquisition and sale of the management rights and associated assets were approved. The arrangements provided for Raptis private family interests to secure for Raptis Group Limited the income and capital of the Waterpoint Residences management business and associated assets, to provide funding for the acquisition of the beneficial interest, and negotiate the sale of the business to a buyer introduced by Raptis private interests. Gross revenue for the month of June 2020 after acquisition of the rights was \$131,205. The contract to sell the management business was settled on 24 September 2020 for an amount of \$7,945,100. The agreed commission was \$1,383,825 being 75% of the net proceeds above the assignment costs, after transaction costs. This has resulting in a surplus on sale of \$461,275 to Raptis Group Limited. Loan funds were repaid in full to Zoe Finance Pty Ltd an entity associated with James Raptis when the sale settled on 24 September 2020.

#### Note 10: Trade and other payables

Current:

GST payable

-

14,510

Deposit held on sale of management rights

208,000

-

Accruals and trade payables

110,342

22,500

318,342

37,010

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and normally settle on 45 day terms
- For terms and conditions with related parties, refer to note 19.



## Raptis Group Limited - 2020 Annual Report

ABN 43 010 472 858

### Notes To The Financial Statements For the Year ended 30 June, 2020

2020

2019

#### Note 11: Interest bearing borrowings

Related party loans

4,234,618

-

Entities associated with Mr Raptis provided finance under an arrangement approved by shareholders at a General Meeting and found to be fair and reasonable by an Independent Experts report. Interest on this facility was at 5% per annum. The facility was repaid on 24 September 2020 with the settlement of the Waterpoint management business.

#### Note 12: Income tax

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

Accounting profit before income tax

53,111

57,713

The prima facie tax expense calculated at the statutory income tax rate of 27.5% (2019: 27.5%) on the operating profit

14,606

15,871

Utilisation of previously unrecognised tax losses

(14,606)

(15,871)

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 \$42,727,374 (at the current tax rate of 27.5%) (2019: \$42,741,980). 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.

#### Note 13: 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 30 June 2020. No Directors fees will be payable until after 31 December 2020.



## Notes To The Financial Statements

### For the Year ended 30 June, 2020

#### Note 14: Auditors remuneration

Remuneration received or receivable by the auditors comprised:

	2020	2019
	\$	\$
Paid or payable by the company		
For audit or review services	26,512	21,103
For share registry services	8,716	8,716
	<u>35,228</u>	<u>29,819</u>

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 15: 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 16: Earnings per share

##### (a) Reconciliation of earnings to profit or loss

Profit	53,111	57,713
Earnings used to calculate basic EPS	<u>53,111</u>	<u>57,713</u>

Weighted average number of ordinary shares used in the calculation of earnings per share

No. of shares	No. of shares
<u>152,842,427</u>	<u>152,842,427</u>

Basic and diluted earnings per share

Cents	Cents
0.035	0.038
\$	\$
<u>53,111</u>	<u>57,713</u>

Operating profit after income tax used in the calculation of earnings per share

#### Note 17: Issued capital

Issued and paid up capital

152,842,427 (2018:152,842,427) fully paid ordinary shares carrying value at end of the year

<u>29,811,518</u>	<u>29,811,518</u>
-------------------	-------------------

Balance of shares at the beginning of the reporting period

Balance of shares at the end of the reporting period

Number	Number
<u>152,842,427</u>	<u>152,842,427</u>
<u>152,842,427</u>	<u>152,842,427</u>

#### 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, 2020**

**Note 18: Events subsequent to balance date**

The Waterpoint Residences management rights and associated assets were under a 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 included 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 was repaid to Raptis family interests on 2 September 2020. Refer to note 11.

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

**Note 19: Related parties**

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

Director related entities arranged for the management rights business and associated assets to be held by Raptis Group Limited, provided finance for the recognition of the asset, and introduced a contract of sale. A commission of \$1,383,825 was paid to entities associated with Mr Raptis in accordance with the approval of shareholders in General Meeting and as found fair and reasonable in the independent experts report. A surplus on settlement of \$461,275 came to Raptis Group Limited. The loan from Zoe Finance Pty Ltd an associate of James Raptis of \$4,234,618 at 30 June 2020 was repaid at settlement on 24 September 2020.

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 2020.

There were no other transactions with related parties.

**Note 20: 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	
		2020	2019
Parent entity Raptis Group Limited		%	%
Controlled entities of Raptis Group Limited			
Barbarella Developments Pty Ltd	Ordinary	100	100
Barbarella Marketing Pty Ltd	Ordinary	100	100
Barbarella Management Pty Ltd	Ordinary	100	100
Garnet Constructions Pty Ltd	Ordinary	100	100
Raptis Resorts Pty Ltd	Ordinary	100	nil
Waterpoint Management Pty Ltd	Ordinary	100	nil

All subsidiary entities were incorporated in Australia.

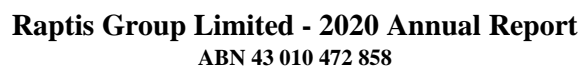
Raptis Resorts Pty Ltd was acquired during the year for \$1. No other entities were acquired or disposed of in the year up to 30 June 2020.

**(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 (f) Tax consolidation legislation.





**Note 20: Group structure (continued)**

25



## Directors' Declaration

for the year ended 30 June 2020

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 2020 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 issued by the international Accounting Standards Board, 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 of the Corporations Act 2001.

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

On behalf of the directors

A handwritten signature in black ink, appearing to be 'James Raptis'.

James Raptis, OBE  
Director  
9 November 2020  
Brisbane

## 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 2020, the consolidated statement of profit or loss and other comprehensive income, 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 2020 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 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 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.

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Key audit matter	How our audit addressed the key audit matter
<p><b>Non-current asset classified as held for sale</b></p> <p><i>Refer to notes 8 and 9 to the financial statements</i></p> <p>Included in the Group's non-current assets classified as held for sale are property assets of \$170,000 and intangible assets representing capitalised property management rights agreements of \$5,840,000.</p> <p>The non-current assets classified as held for sale are considered to be a key audit matter as it represented 90% of the total assets of the Group and were acquired and subsequently reclassified as non-current assets classified as held for sale within the same period. The determination of appropriate measurement and recognition under AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' and assessment as to the whether an impairment existed was the most significant matter to the audit.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>▪ We assessed the cost base of the property asset and intangible assets on initial acquisition in accordance with AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets' respectively;</li> <li>▪ We reviewed the recognition principles under AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' in relation to the subsequent recognition as a non-current asset classified as held for sale.</li> <li>▪ We assessed and challenged management's key assumptions and estimates used to determine the recoverable amount of the assets in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations';</li> <li>▪ We agreed the subsequent disposal of the assets to settlement statements and receipt of funds;</li> <li>▪ We assessed whether appropriate disclosure regarding the non-current assets classified as held for sale has been made in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', including disclosure of the sale subsequent to the balance date in accordance with AASB 110 'Events after the Reporting Period'.</li> </ul>

## 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 2020, 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 Group'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 Group 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: [www.auasb.gov.au/auditors\\_files/ar1.pdf](http://www.auasb.gov.au/auditors_files/ar1.pdf). This description forms part of our auditor's report.

### **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 2020.

In our opinion, the Remuneration Report of Raptis Group Limited for the year ended 30 June 2020, 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 Sydney Audit Pty Ltd**



**Andrew Hoffmann**

*Director*

9 November 2020



**Raptis Group Limited - 2020 Annual Report**  
ABN 43 010 472 858

**Company Particulars**

**The registered office of the company is:**

Raptis Group Limited  
Level 16  
1 Market Street  
Sydney NSW 2000

**Share Registry**

NextRegistries  
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

**Directors**

James Raptis OBE  
Helen Raptis  
Malcolm Cory

**Auditors**

Nexia Sydney Audit Pty Limited  
Level 16  
1 Market Street  
Sydney NSW 2000

**Secretaries**

James Raptis OBE  
Malcolm Cory

**Solicitors**

Hopgood and Ganim  
Level 8  
Waterfront Place  
1 Eagle Street  
Brisbane QLD 4000

**Website**

[www.raptis.com](http://www.raptis.com)



## Raptis Group Limited - 2020 Annual Report

ABN 43 010 472 858

### Shareholder information

(a) Distribution of shareholders at 30 October 2020.

Category (size of holdings)	number of ordinary shareholders
1 - 1,000	110
1,001 - 5,000	206
5,001 - 10,000	120
10,001 - 100,000	112
100,001 - and over	41
Total holders for classes selected	<u>589</u>

(b) There are 469 holders with less than a marketable parcel of 16,666 units.

(c) The number of shares held by the substantial shareholder as at 30 October 2020 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%
L J K Nominees Pty Ltd	5,203,625	3.40%
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%
Funderstone Securities Limited	2,320,000	1.52%
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%
James and Helen Pantos	529,000	0.35%
	<u>144,032,030</u>	<u>94.24%</u>

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