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**RBR GROUP**  
Limited



**ANNUAL REPORT 2022**

ABN 38 115 857 988



## RBR GROUP LIMITED

ABN: 38 115 857 988

### CORPORATE DIRECTORY

#### DIRECTORS

Ian Macpherson  
*Executive Chairman*

Athol Emerton  
*Non-Executive Director*

Paul Horsfall  
*Non-Executive Director*

Matthew Worner (appointed 25 October 2021)  
*Non-Executive Director*

#### COMPANY SECRETARY

Patrick Soh (resigned 4 May 2022)  
Melissa Fee (appointed 4 May 2022)

#### PRINCIPAL REGISTERED OFFICE

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Western Australia 6005

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#### AUDITOR

Dry Kirkness (Audit) Pty Ltd (formerly Butler Settineri (Audit) Pty Ltd)  
Ground Floor, 50 Colin Street  
West Perth  
Western Australia 6005

#### SHARE REGISTRY

Automic Group  
Level 5, 191 St Georges Terrace  
Perth  
Western Australia 6000  
Telephone: 1300 288 664

#### STOCK EXCHANGE LISTING

ASX Code: RBR

# ANNUAL REPORT

## For the year ended 30 June 2022

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## CHAIRMAN'S LETTER

**Dear Shareholder,**

Welcome to the 2022 Annual Report for your Company.

This time last year I made reference to our continuing optimism in building a successful labour services business in East Africa (specifically Mozambique) notwithstanding the significant challenges we have encountered in recent years.

Twelve months on we maintain our view that development of the world scale LNG projects in the north of the Country, in particular the Total project, will proceed although there is little clarity as to precise timeframes for recommencement.

Aside from the Total LNG project we referenced the further opportunity to secure contracts of significance elsewhere in the country, notably in south and central Mozambique including the gas field development projects being undertaken near Temane, Inhambane province by the South African-based Sasol.

As announced to ASX on 20 September operating subsidiary Projectos Dinamicos Lda ("PD") secured its first contract for construction of temporary site facilities at the Temane project area. At the time of writing PD has responded to further Requests for Tender at Temane.

In addition, the group have made the decision to relocate the accommodation and associated infrastructure assets secured from Wentworth camp and to construct a 100 person multiuser camp at Temane for accommodation of the various contractors and subcontractors to the Project.

With a restructured team, new office facilities in Temane and improved working capital position of PD we are accelerating our business activities, not only in the capital of Maputo but importantly directly in the provincial locations of these world scale projects in the central and northern regions of the country.

In just the past month the Group has made significant progress; addressing our previously "challenged" working capital position. The Company has concluded an interim capital raise of \$320k by way of a small placement and commitment of convertible loan funds. The placement was priced on the basis of a 30-day VWAP, no discount and direct to investors with no broker involvement required. In addition, we have been advised that all prerequisites for repatriation of a further \$300k from Mozambique have been satisfied; the first tranche of those monies being received this week.

Importantly, the capital injection was the first stage of a planned broader alignment of our business with private financial services entity Tennant Group ("Tennant"). South African based Tennant has built a significant presence in the African continent with a focus on employee benefits, skills training, administration and payroll services, retirement planning and more recently Insurance. Tennant are looking to expand beyond Africa and are looking at opportunities in Australia which in turns add to the logic of our two groups working more closely together.

With the assistance of Tennant, the Company is working on the structure and execution of a larger finance facility of up to USD\$2.0m. The exact form of the facility is subject to agreement of the parties and ASX compliance but will likely be by way of an issue of a preference or convertible security. The funding will be applied to working capital to expand our operational reach and service offerings both in Africa and Australia and to satisfy any residual liability on the existing convertible note debt of the company not otherwise repaid or converted.

Further detail is contained in our ASX release of 30 September.

With the Temane operations underway, improved capital position and the ongoing support of Tennant we can move forward into the 2023 calendar year with greater confidence.

In closing, on behalf of your Board, I would like to express our appreciation for the efforts of the management teams in Mozambique and to our shareholders, thank you for your continued support.

**Ian Macpherson**  
**Executive Chairman**

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# FINANCIAL REPORT

For the year ended  
30 June 2022



## DIRECTORS' REPORT

The Directors present their report on RBR Group Limited ("RBR") and the entities it controlled at the end of and during the year ended 30 June 2022.

### DIRECTORS

The names and details of the Directors of RBR during the financial year and until the date of this report are:

**Ian Macpherson** – *B.Comm., CA*  
**Executive Chairman**  
**Appointed 18 October 2010**

Mr Macpherson is a Chartered Accountant with over forty years experience in the provision of financial and corporate advisory services. Mr Macpherson was formerly a partner at Arthur Anderson & Co managing a specialist practice providing corporate and financial advice to the mining and mineral exploration industry.

In 1990, Mr Macpherson established Ord Partners (later to become Ord Nexia) and has specialised in the area of corporate advice with particular emphasis on capital structuring, equity and debt raising, corporate affairs and Stock Exchange compliance for public companies in the mining and industrial areas. He has further been involved in numerous asset acquisitions and disposal engagements.

He has acted in the role of Director and Company Secretary for a number of entities and is currently a Non-Executive Director of Red 5 Limited (15 April 2014 to present).

Mr Macpherson is a Member of the Institute of Chartered Accountants in Australia, the Australian Institute of Company Directors and past member of the Executive Council of the Association of Mining Exploration Companies (WA) Inc.

**Athol Emerton** – *MICS*  
**Non-Executive Director**  
**Appointed 19 August 2019**

Mr Emerton has over 30 years of experience in commerce in Southern Africa, including Mozambique and has chaired the South African Shipping Association (SAASOA) training committee for 7 years, including the scoping panel that developed the TETA shipping qualification & headed the establishment of an industry wide shipping learnership programme.

He is a self-motivated leader in the maritime and transport logistics industries, with a particular interest in building business capacity and opportunities through entrepreneurial thought, and a passion for skills development and upliftment of indigenous populations. Mr Emerton's wealth of experience and unique skills set has been gained through working with many of the large, well known, international resource and shipping companies around the world, and he is considered a specialist in developing landside, marine and transport solutions in inhospitable (due to political, economic, or geographical reasons) regions or ports.

Mr Emerton is the Managing Partner of the African operations of global logistics company LBH. After establishing the LBH operations in South Africa and Mozambique 36 years ago, Mr Emerton has grown the business into one of the premier logistics and ships agency enterprises in the region.

**Paul Horsfall** – *Hons.B.Compt C.A.(S.A.) F.Inst.Dir.*  
**Non-Executive Director**  
**Appointed 14 May 2020**

Mr Horsfall has been in the logistics industry for over thirty years. He has an in depth understanding of the logistics industry in the three facets of Supply Chain, namely International Freight Forwarding & Customs Brokerage, International Express and Courier & Warehousing and Distribution. He started a company in South Africa on behalf of an American Listed group, Fritz Companies Inc, which developed into one of the top five logistics service providers in South Africa under the brand, UPS South Africa.

Mr Horsfall was President of Africa for UPS Inc. and as such has extensive experience in logistics across the African continent. UPS owns or has agency operations across 51 countries in Africa. Nigeria is its largest operation in Africa.

Mr Horsfall has been on the Board or as an Advisor to many companies over the past six years across diversified businesses. Mr Horsfall has strong leadership and mentorship skills in developing and training people. Mr Horsfall is an Honorary Life Member & Board Director of the American Chamber of Commerce in South Africa.

Mr Horsfall is currently Group Chief Executive Officer and shareholder within the Tennant Group.



## DIRECTORS' REPORT (Continued)

**Matthew Worner** – *Hons.B.Compt C.A.(S.A.) F.Inst.Dir.*

**Non-Executive Director**

**Appointed 25 October 2021**

Mr Worner is a former lawyer with more than 20 years experience in the mining and energy sector having worked with a number of ASX companies as a Company Secretary and Director. Mr Worner has a strong understanding of the ASX Listing Rules, the Corporations Act, IPO's, and Capital Raisings. Mr Worner has overseen the completion of multiple asset acquisitions and divestments across the globe, including the USA, and maintains strong connections with regulatory bodies, governments and capital markets.

Mr Worner is a Director of Talon Energy Limited (ASX: TPO), and public unlisted companies D3 Energy Limited and Patriot Lithium Limited.

**Paul Graham-Clarke** – *B.Sc. (Tokyo)*

**Non-Executive Director**

**Appointed 16 December 2015**

**Resignation 30 November 2021**

**Richard Carcenac** – *B.Sc. Eng. (Civil), MBA*

**Chief Executive Officer and Executive Director**

**Appointed 16 June 2015**

**Resignation 24 October 2021**

### COMPANY SECRETARY

**Melissa Fee** – *BSc (Hons), Masters of Accounting, CA.*

**Appointed 4 May 2022**

Ms Fee works as a Corporate Advisor at Grange Consulting Group, a boutique provider of Company Secretarial and Financial Services. She has spent the last 7 years working across the mining, technology and manufacturing sectors and specialises in financial management and financial reporting services.

Ms Fee is a qualified chartered accountant, a member of Chartered Accountants Australia and New Zealand and holds a Masters of Accounting from Curtin University.

**Patrick Soh** – *B.Bus., CPA.*

**Resigned 4 May 2022**

### CORPORATE STRUCTURE

RBR Group Limited (ACN 115 857 988) is a Company limited by shares that was incorporated on 19 August 2005 and is domiciled in Australia.

### PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Group during the financial year focused on the provision of labour services in Mozambique. The Group operates via wholly owned subsidiaries Futuro Skills Mozambique, Lda ("Futuro Skills"), Futuro People, Lda and Futuro Business Services, Lda in the provision of training, labour, and professional services in Mozambique. The Company also owns 50% of accommodation camp construction and services business Projectos Dinamicos, Lda ("PD"), held through an investment by Futuro Skills.

### DIVIDENDS

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.



## DIRECTORS' REPORT (Continued)

### REVIEW OF OPERATIONS AND ACTIVITIES

Despite the difficulties encountered in the Group's Mozambique operations throughout the year under review, RBR Group Limited ("RBR") maintained its focus and efforts on developing its services and profile in-country in order to maximise the significant opportunities that will materialise with the recommencement of ramp up and construction of the onshore facilities for the LNG projects in Cabo del Gado in the north in addition to the LPG expansion project to the south of the country in Inhambane.

The Company's plans remain unchanged, that is, to capitalise on these huge project opportunities by providing a comprehensive, integrated solution to the challenge of identifying, recruiting and upskilling local workers to accepted standards; accommodating them in purpose-built camps for training both on and off the job until they are deemed fully competent, and managing their employment and placement with client companies.

Having dealt with the tragedy and immediate financial impact following the insurgency in Palma in March 2021; the Group had to manage a significant economic downturn across the country, which was further impacted by the global COVID-19 pandemic.

Nevertheless, the offshore development of ENI's FLNG has progressed well. The vessel has been delivered and is processing gas with first commercial deliveries planned for later this year. Further exploration of the Coral fields are planned. The Company remains firmly of the view that construction and development of the very northern Palma LNG project will recommence notwithstanding they remain on hold and the development timeframe unknown. In the interim the Company has identified the best near-term opportunity to secure sustainable contract revenue is via its investment in camp provider and manager Projectos Dinamicos ("PD").

Following settlement of the contract dispute in relation the Wentworth camp contract and payment of the outstanding contractual monies in February 2022; PD had sufficient capital to both add personnel and increase its marketing activities.

Throughout the balance of the year PD re-focused on alternative project opportunities in the south of the Country near the town of Temane, Inhambane Province in particular, where South African O&G major SASOL is expanding its existing gas facilities and additional corporate investment is taking place. The Group reacted rapidly and has established offices, business licences and a management team in Temane.

As reported in the June Quarterly Report PD was awarded preferred tenderer on its first contract at Temane with the contractual terms finalised and announced 20 September 2022.

Given the continued Military control of Palma and contractual "force majeure" on all contractors to the TotalEnergies LNG consortium project, PD resolved to secure and remove all remaining Wentworth camp assets. These have been successfully relocated to storage in Pemba and are currently being staged through to Temane.

Notwithstanding the departure from Wentworth the Company maintains communication with both the lease holder and all parties that are still pursuing the Total LNG contract opportunities. RBR remains ready to re-engage on the project at very short notice.

As referred to in the accompanying Chairman's letter, PD has subsequently resolved to relocate these existing assets for construction of a dedicated accommodation and training facility at Temane for multi-client use.

Outside of Mozambique, the Company maintains a watching brief and presence in Guinea, West Africa via its joint venture with training and recruitment group Sepis SARL. The Company continues to explore Australian opportunities structured around a partnership model.

From a financial performance perspective, the Group achieved its first operating profit in the year under review. This result was despite the difficulties encountered as outlined above.

Most recently the Company has announced the plan for a closer alignment of our business activities with South African based Tennant Group, the first stage of which was the raising of \$320k in capital and is now looking to secure a greater working capital facility with the assistance of Tennant. It is the intent that part proceeds of that facility will be applied to satisfying the repayment of existing convertible note debts of the parent company.

### Corporate and Financial Position

As at 30 June 2022 the Consolidated Group had cash reserves of \$3,764,629 (2021: \$1,975,535). The net profit/(loss) after tax, for the year was \$2,562,547 (2021: loss of \$2,134,842).

During the financial year 5,640,260 ordinary shares were issued by the Company at \$0.0049 on the conversion of options.



## DIRECTORS' REPORT (Continued)

### Risk Management

The Board is responsible for the oversight of the Consolidated Group's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework. Since resignation of the Chief Executive Officer this responsibility has been assumed by the Board.

Arrangements put in place by the Board to monitor risk management include monthly reporting to the Board in respect of operations and the financial position of the Consolidated Group.

### ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Group's principle activities of training, labour broking and business services has minimal environmental impact. During the current financial year, activity has predominantly been attributable to the camp accommodation projects managed by operating entity and 50% owned subsidiary, Projectos Dinamicos Lda ("PD"). Where there are potential environmental impacts the organisation has policies and procedures for the safe handling of materials and for the minimisation of its impact on the environment.

### EARNINGS/LOSS PER SHARE

	<u>2022</u>	<u>2021</u>
	Cents	Cents
Basic earnings/(loss) per share	0.037	(0.158)
Diluted earnings/(loss) per share	0.036	(0.158)

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Consolidated Group that occurred during the financial year under review.

### OPTIONS OVER UNISSUED CAPITAL

#### *Unlisted Options and Performance Rights*

During the financial year there were no unlisted options or performance rights issued by the Company.

Company had issued the following options:

- 18,090,260 conversion options with an exercise price of equal to the volume weighted average price per Share of Shares traded on ASX during the 20 trading day period ending on the date that a Notice of Exercise is given in respect of the option, which expired 8 September 2022.

Since 30 June 2022 and up until the date of this report there have been no further options issued to Directors or Staff.

For a reconciliation of the number of options on issue refer to note 16(c).

No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

### EVENTS SUBSEQUENT TO THE REPORTING DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Consolidated Group to affect substantially the operations of the Consolidated Group, the results of those operations or the state of affairs of the Consolidated Group in subsequent financial years except for the following:

- In July 2022, the Company informed the Western Australian regulator, Training Accreditation Council, of the intent to de-register the Registered Training Organisation, Freelance Support Pty Ltd, effective 27 July 2022.
- On 8 September a total of 12,450,000 unlisted options with an exercise price of \$0.011 expired.
- Post year end the Company commenced discussions with South African based financial services entity Tennant Group with the aim of securing a financing facility of up to US\$2.0m. Funds to be utilised for general working capital to expand operations in addition to settling the Company's existing convertible note debt as detailed in note 15. At the date of this report the structure and quantum of that facility are being finalised, subject to compliance with ASX and requisite securities legislation.
- An initial \$320k in capital was raised from Tennant Group. This is by way of a \$20k placement to the Managing Director of Tennant Group and a \$300k interest free, unsecured convertible loan. The convertible loan is subject to Shareholder approval which will be sought at the upcoming AGM.
- On 26 September the Company received \$150,265; the first tranche of the repatriation funds from Mozambique.



## DIRECTORS' REPORT (Continued)

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

RBR is developing and growing the business units described in the "Review of Operations and Activities" (page 8) and developing the client base and revenues.

### INFORMATION ON DIRECTORS

As at the date of this report the Directors' interests in shares, unlisted options and convertible notes of the Consolidated Group are as follows:

Directors	Ordinary Shares	Unlisted Options <sup>(i)</sup>
Ian Macpherson Executive Chairman Appointed 18 October 2010	87,014,285	-
Athol Emerton Non-Executive Director Appointed 19 August 2019	110,663,157	-
Paul Horsfall Non-Executive Director Appointed 14 May 2020	43,367,530	-
Matthew Worner Non-Executive Director Appointed 25 October 2021	-	-

Notes:

- (i) The options are conversion options with an exercise price equal to the volume weighted average price per Share of Shares traded on ASX during the 20-trading day period ending on the date that a Notice of Exercise is given in respect of the option and expired 8 September 2022.

### DIRECTORS' MEETINGS

The number of meetings of the Consolidated Group's Directors held in the period each Director held office during the financial year and the numbers of meetings attended by each Director were:

Director	Board of Directors' Meetings	
	Meetings Attended	Meetings held while a director
I Macpherson	7	7
R Carcenac	3	3
A Emerton	7	7
P Graham-Clarke	4	4
P Horsfall	7	7
M Worner	4	4

During the year, the Board completed regular information updates via video and telephone conference with formal Board meetings completed for the approval of resolutions.



## DIRECTORS' REPORT (Continued)

### REMUNERATION REPORT

Recommendation 8.1 of the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4<sup>th</sup> edition)* states that the Board should establish a Remuneration Committee. The Board has formed the view that given the number of Directors on the Board, this function could be performed just as effectively with full Board participation. Accordingly, it was resolved that there would be no separate Board sub-committee for remuneration purposes.

This report details the amount and nature of remuneration of each Director of the Consolidated Group and Executive Officers of the Consolidated Group during the year.

#### Overview of Remuneration Policy

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the Executive Team. The broad remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining, and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide the Managing Director (or equivalent) and the Executive Team with a remuneration package consisting of a fixed and variable component that together reflects the person's responsibilities, duties, and personal performance. An equity-based remuneration arrangement for the Board and the Executive Team is in place. The remuneration policy is to provide a fixed remuneration component and a specific equity related component, with performance conditions. The Board believes that this remuneration policy is appropriate given the stage of development of the Consolidated Group and the activities which it undertakes and is appropriate in aligning Director and Executive objectives with shareholder and business objectives.

Directors receive a superannuation guarantee contribution required by the government, which is currently 10.5% per annum (10% for the financial year 2022) and do not receive any other retirement benefits. Some individuals, however, can choose to sacrifice part or all of their salary to increase payments towards superannuation.

All remuneration paid to Directors is valued at cost to the Consolidated Group and expensed. Options are valued using either the Black-Scholes methodology or the Binomial model. In accordance with current accounting policy the value of these options is expensed over the relevant vesting period.

#### Non-Executive Directors

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment, and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties, and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. The annual aggregate amount of remuneration paid to Non-Executive Directors was approved by shareholders on 7 November 2006 and is not to exceed \$200,000 per annum and as subsequently re-adopted in the new constitution approved at the AGM on 30 October 2019. Actual remuneration paid to the Consolidated Group's Non-Executive Directors is disclosed below notwithstanding the approved maximum of \$200,000 and the policy of fair remuneration. Remuneration fees for Non-Executive Directors are not linked to the performance of the Consolidated Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Consolidated Group.

#### Senior Executives and Management

The Consolidated Group aims to reward executives with a level of remuneration commensurate with their position and responsibilities within the Consolidated Group so as to:

- Reward executives of the Consolidated Group and individual performance against targets set by reference to appropriate benchmarks;
- Reward executives in line with the strategic goals and performance of the Consolidated Group; and
- Ensure that total remuneration is competitive by market standards.

#### Structure

Remuneration consists of the following key elements:

- Fixed remuneration; and
- Issuance of performance rights.

#### Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis including any employee benefits e.g. motor vehicles) as well as employer contributions to superannuation funds.

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.



## DIRECTORS' REPORT (Continued)

Remuneration packages for the staff who report directly to the Managing Director (or equivalent) are based on the recommendation of the Managing Director (or equivalent), subject to the approval of the Board in the annual budget setting process.

### Service Agreement

Mr Richard Carcenac was appointed Chief Executive Officer and an Executive Director on 16 June 2015 and resigned 24 October 2021. A summary of his employment contract is as follows:

- Term of agreement – Ongoing, subject to termination and notice periods;
- Base Salary, \$250,000 including superannuation;
- Termination of employment by either party requires 3 month's written notice.

Contracted key management personnel are engaged on standard commercial terms.

Details of the nature and amount of each element of the remuneration of each Director and Executive Officer of RBR Group Limited paid/accrued during the year are as follows:

	Short-term Benefits		Post-Employment	Other	Equity Compensation	Total
	Base Salary/Fees	Suspended Fees <sup>(i)</sup>	Superannuation Contributions	Annual Leave Payout	Performance Rights <sup>(iii)</sup>	
2022	\$	\$	\$		\$	\$
<b>Directors</b>						
I Macpherson – Executive Chairman	101,030	-	4,103	-	-	105,133
R Carcenac – Chief Executive Officer <sup>(iv)</sup>	71,933	-	7,193	54,042	-	133,168
A Emerton – Non-Executive	37,600	-	-	-	-	37,600
P Graham-Clarke – Non-Executive <sup>(v)</sup>	8,333	-	-	-	-	8,333
P Horsfall – Non-Executive	33,000	-	-	-	-	33,000
M Worner – Non-Executive <sup>(ii)</sup>	23,000	-	-	-	-	23,000
<b>Total</b>	<b>274,896</b>	<b>-</b>	<b>11,296</b>	<b>54,042</b>	<b>-</b>	<b>340,234</b>
	Base Salary/Fees	Suspended Fees <sup>(i)</sup>	Superannuation Contributions	Other	Performance Rights <sup>(iii)</sup>	Total
2021	\$	\$	\$	\$	\$	\$
<b>Directors</b>						
I Macpherson – Executive Chairman	84,649	(2,667)	4,116	-	-	86,098
R Carcenac – Chief Executive Officer	235,921	(8,333)	22,413	-	10,745	260,746
A Emerton – Non-Executive	52,000	(7,000)	-	-	-	45,000
P Graham-Clarke – Non-Executive	25,000	(5,000)	-	-	-	20,000
P Horsfall – Non-Executive	22,634	(2,634)	-	-	-	20,000
<b>Total</b>	<b>420,204</b>	<b>(25,634)</b>	<b>26,529</b>	<b>-</b>	<b>10,745</b>	<b>431,844</b>

#### Notes:

- Suspended fees as announced in the Quarterly Activities report on 30 April 2020 have since been paid and accrued to 30 June 2021.
- M Worner was appointed as a Director on 25 October 2021.
- Amounts represent value of performance rights expensed for the period.
- R Carcenac resigned on 24 October 2021 and amounts disclosed for 2022 relate to the period 1 July 2021 - 24 October 2021.
- P Graham-Clarke resigned on 30 November 2021 and amounts disclosed for 2022 relate to the period 1 July 2021 – 30 November 2021.

Other than the Directors and Executive Officers disclosed above there were no other Executive Officers who received emoluments during the financial year ended 30 June 2022.



## DIRECTORS' REPORT (Continued)

### Loans

There were no loan transactions with Directors or Executives in the current year.

### Movement in Shares

The aggregate numbers of shares of the Company held directly, indirectly, or beneficially by Directors and Executive Officers of the Consolidated Group or their personally related entity are as follows:

	Opening	Acquired	Acquired on Exercise of Options <sup>(i)</sup>	Disposed/ Other Changes <sup>(iii)</sup>	30 June	Movement <sup>(ii)</sup>	Closing
<b>2022</b>							
Mr I Macpherson	81,014,286	4,400,000	1,600,000	-	87,014,286	-	87,014,286
Mr R Carcenac	38,719,780	-	-	(38,719,780)	-	-	-
Mr A Emerton	110,663,157	-	-	-	110,663,157	-	110,663,157
Mr P Graham-Clarke	24,435,565	-	-	(24,435,565)	-	-	-
Mr P Horsfall	39,327,270	-	4,040,260	-	43,367,530	-	43,367,530
Mr M Worner	-	-	-	-	-	-	-
<b>2021</b>							
Mr I Macpherson	58,714,285	22,300,001	-	-	81,014,286	-	81,014,286
Mr R Carcenac	35,041,210	3,678,570	-	-	38,719,780	-	38,719,780
Mr A Emerton	96,948,872	13,714,285	-	-	110,663,157	-	110,663,157
Mr P Graham-Clarke	20,864,135	3,571,430	-	-	24,435,565	-	24,435,565
Mr P Horsfall	19,125,970	20,201,300	-	-	39,327,270	-	39,327,270

Notes:

(i) These relate to options that were converted to shares on 17 February 2022.

(ii) Movement represents change in holding from 30 June to date of issued Financial Report.

(iii) Other changes include movements in shares relating to Directors that resigned during the year, and therefore did not hold any shares in their capacity as Director at 30 June 2022.

### Movement in Options

The aggregate numbers of options of the Company held directly, indirectly, or beneficially by Directors and Executive Officers of the Consolidated Group or their personally related entity are as follows:

	Opening	Acquired <sup>(i)</sup>	Exercised	Disposed/ Other Changes <sup>(iii)</sup>	30 June	Movement <sup>(ii)</sup>	Closing
<b>2022</b>							
Mr I Macpherson	1,600,000	-	(1,600,000)	-	-	-	-
Mr R Carcenac	450,000	-	-	(450,000)	-	-	-
Mr A Emerton	1,600,000	-	-	-	1,600,000	(1,600,000)	-
Mr P Graham-Clarke	-	-	-	-	-	-	-
Mr P Horsfall	4,040,260	-	(4,040,260)	-	-	-	-
Mr M Worner	-	-	-	-	-	-	-
<b>2021</b>							
Mr I Macpherson	2,857,143	1,600,000	-	-	4,457,143	(2,857,143)	1,600,000
Mr R Carcenac	800,000	450,000	-	-	1,250,000	(800,000)	450,000
Mr A Emerton	2,500,000	1,600,000	-	-	4,100,000	(2,500,000)	1,600,000
Mr P Graham-Clarke	714,286	-	-	-	714,286	(714,286)	-
Mr P Horsfall	1,892,893	4,040,260	-	-	5,933,153	(1,892,893)	4,040,260



## DIRECTORS' REPORT (Continued)

### Notes:

- (i) Conversion options with an exercise price equal to the volume weighted average price per Share of Shares traded on ASX during the 20 trading day period ending on the date that a Notice of Exercise is given in respect of the option, expiring 8 September 2022, were issued following conversion of convertible notes on 8 September 2020.
- (ii) Movement represents change in holding from 30 June to date of issued Financial Report and were a result of the conversion options expiring as detailed in Note (i).
- (iii) Other changes include movements in options relating to Directors that resigned during the year, and therefore did not hold any options in their capacity as Director at 30 June 2022.

There were no amounts payable on the issue of the options, and there are no performance conditions attached. All options previously issued have now expired.

### Movement in Convertible Notes

The aggregate numbers of Convertible Notes of the Company held directly, indirectly, or beneficially by Directors and Executive Officers of the Consolidated Group or their personally related entity are as follows:

	Opening	Conversion <sup>(i)</sup>	On appointment	Closing
<b>2022</b>				
Mr I Macpherson	-	-	-	-
Mr R Carcenac <sup>(ii)</sup>	-	-	-	-
Mr A Emerton	-	-	-	-
Mr P Graham-Clarke <sup>(iii)</sup>	-	-	-	-
Mr P Horsfall	-	-	-	-
Mr M Worner	-	-	-	-
<b>2021</b>				
Mr I Macpherson	80,000	(80,000)	-	-
Mr R Carcenac	22,500	(22,500)	-	-
Mr A Emerton	80,000	(80,000)	-	-
Mr P Graham-Clarke	-	-	-	-
Mr P Horsfall	202,013	(202,013)	-	-

### Notes:

- (i) Conversion options with an exercise price equal to the volume weighted average price per Share of Shares traded on ASX during the 20 trading day period ending on the date that a Notice of Exercise is given in respect of the option, were issued following conversion of convertible notes on 8 September 2020 and expired 8 September 2022.
- (ii) R Carcenac resigned 24 October 2021.
- (iii) P Graham-Clarke resigned 30 November 2021.

### Performance Rights

The terms and conditions of each grant of options affecting remuneration in this or future reporting periods are as follows:

	Granted Number	Terms & Conditions for each Grant				
		Date of Grant	Date of Vesting	Option Value (\$)	Exercise Price (\$)	Expiry Date
<b>Performance Rights</b>						
R Carcenac Class 3 <sup>(i)</sup>	7,500,000	29 Nov 2018	Refer <sup>(i)</sup> below	0.00689	N/A	29 Nov 2020

### Notes:

- (i) Rights subject to performance criteria prior to 29 November 2020; the Company's market capitalisation averaging over a period of 30 consecutive trading days a daily average of not less than \$10,000,000; and Mr Carcenac completing 12 months of continuous employment with the Company following date of issue.



## DIRECTORS' REPORT (Continued)

### Movement in Performance Rights

The aggregate numbers of Performance Rights of the Company held directly, indirectly, or beneficially by Directors and Executive Officers of the Consolidated Group or their personally related entity are as follows:

	Opening	Granted	Vested	Expired	Closing
<b>2022</b>					
Mr R Carcenac <sup>(i)</sup>	-	-	-	-	-
<b>2021</b>					
Mr R Carcenac	7,500,000	-	-	(7,500,000)	-

Notes:

(i) R Carcenac resigned 24 October 2021.

### OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL OF THE GROUP

Mr Emerton controls a number of organisations that are customers of RBR's African subsidiaries and include the following entities.

ALMAR CONSTRUÇÕES MOÇAMBIQUE LDA	LBH XPRESS LDA
EAST COAST MARINE LDA	Maputo Container Freight Station LDA
JUMBO PROJECTS LDA	SB2 LOGISTICA LDA
LBH MOÇAMBIQUE LDA	SNS LINES LDA

Included in the accounts to 30 June 2022 are sales \$115,694 (2021: \$105,968), payments \$62,732 (2021: \$90,296), trade receivables \$43,191 (2021: \$2,618) and trade creditors \$Nil (\$69,492).

\*\*\* **END OF REMUNERATION REPORT** \*\*\*\*

### INDEMNIFYING OFFICERS AND AUDITOR

During the year, the Company paid an insurance premium to insure certain officers of the Consolidated Group. The Officers of the Consolidated Group covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Consolidated Group. The insurance policy does not contain details of the premium paid in respect of individual officers of the Consolidated Group. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Consolidated Group has not provided any insurance for an auditor of the Consolidated Group.

### AUDITORS' INDEPENDENCE DECLARATION

Section 370C of the *Corporations Act 2001* requires the Consolidated Group's auditors Dry Kirkness (Audit) Pty Ltd, to provide the Directors of the Consolidated Group with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is attached and forms part of this Directors' Report.

### NON-AUDIT SERVICES

A company related to Dry Kirkness (Audit) Pty Ltd provided non-audit services on taxation during the period. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001.

	<u>2022</u>	<u>2021</u>
	\$	\$
Taxation Services	2,700	3,175

### PROCEEDINGS ON BEHALF OF THE CONSOLIDATED GROUP

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



## DIRECTORS' DECLARATION

### CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Consolidated Group support and have adhered to the principles of corporate governance. The Consolidated Group's corporate governance practices have been disclosed in Appendix 4G in accordance with ASX listing rule 4.7.3 at the same time as the annual report is lodged with the ASX. Further information about the Company's corporate governance practices is set out on the Company's web site at [www.rbrgroup.com.au](http://www.rbrgroup.com.au). In accordance with the recommendations of the ASX, information published on the web site includes codes of conduct and other policies and procedures relating to the Board and its responsibilities.

DATED at Perth this 30<sup>th</sup> day of September 2022

Signed in accordance with a resolution of the Directors

A handwritten signature in black ink, appearing to read 'Ian Macpherson', with a long horizontal flourish extending to the right.

**Ian Macpherson**  
**Executive Chairman**

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## AUDITOR'S INDEPENDENCE DECLARATION



### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of RBR Group Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of RBR Group Limited and the entities it controlled during the year.

DRY KIRKNESS (AUDIT) PTY LTD

LUCY P GARDNER  
Director

Perth

Date: 30 September 2022

Dry Kirkness (Audit) Pty Ltd  
Ground Floor, 50 Collin St  
West Perth, WA 6005

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RCA No. 289109

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approved under the Professional  
Standards Legislation

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Notes	<u>2022</u> \$	<u>2021</u> \$
Revenue	2	3,739,944	2,674,597
Cost of sales		(483,185)	(581,005)
Gross profit		<u>3,256,759</u>	<u>2,093,592</u>
Employee expenses		(471,518)	(683,446)
Directors' fees		(132,471)	(106,106)
Insurance expenses		(45,445)	(55,438)
Consultants' fees		(299,231)	(182,027)
Corporate expenses		(86,462)	(88,718)
Depreciation	8	(115,210)	(41,262)
Amortisation right of use asset	13	(61,097)	(37,974)
Property expenses		(72,780)	(102,340)
Share-based payments expense		-	(10,745)
Doubtful debts expenses		2,480,101	(2,287,694)
Impairment of fixed assets	8	(626,348)	-
Impairment of intangibles	9	(49,898)	(100,000)
Lease liability interest expense	13	(13,533)	(4,498)
Interest expense		(231,623)	(143,149)
Other expenses	3	(780,519)	(385,037)
<b>Profit/(Loss) before income tax</b>		<b>2,750,725</b>	<b>(2,134,842)</b>
Income tax	5	(188,178)	-
<b>Net Profit/(Loss) for the year after tax</b>		<b>2,562,547</b>	<b>(2,134,842)</b>
<i>Other comprehensive income that may be recycled to profit or loss</i>			
Foreign currency translation adjustments		71,066	(140,669)
Total other comprehensive profit/(loss)		<b>71,066</b>	<b>(140,669)</b>
<b>Total comprehensive profit/(loss)</b>		<b>2,633,613</b>	<b>(2,275,511)</b>
<b>Profit/(Loss) is attributable to:</b>			
Equity holders of RBR Group Limited		472,921	(1,720,188)
Non-controlling interests		2,089,626	(414,654)
		<b>2,562,547</b>	<b>(2,134,842)</b>
<b>Total comprehensive profit/(loss) is attributable to:</b>			
Equity holders of RBR Group Limited		601,261	(1,862,999)
Non-controlling interests		2,032,352	(412,512)
		<b>2,633,613</b>	<b>(2,275,511)</b>
<b>Earnings per share</b>			
Basic earnings/(loss) per share (cents per share)	22	0.037 cents	(0.158) cents
Diluted earnings/(loss) per share (cents per share)	22	0.036 cents	(0.158) cents

*The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Consolidated Group's accompanying notes.*



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	<u>2022</u> \$	<u>2021</u> \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	23(a)	3,764,629	1,975,535
Trade receivables	6	304,644	446,839
Other assets	7	28,217	34,160
<b>TOTAL CURRENT ASSETS</b>		<b>4,097,490</b>	2,456,534
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	8	1,680,734	2,184,983
Intangibles	9	-	49,898
Right of use asset	13	185,207	19,380
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,865,941</b>	2,254,261
<b>TOTAL ASSETS</b>		<b>5,963,431</b>	4,710,795
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	104,992	388,646
Provisions	12	354,959	73,216
Loan	14	462,416	2,125,522
Lease liability	13	69,063	20,693
Convertible note liability	15	1,950,761	2,050,761
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,942,191</b>	4,658,838
<b>NON-CURRENT LIABILITIES</b>			
Lease liability	13	124,964	-
Provisions	12	151,993	-
Loan		31,134	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>308,091</b>	-
<b>TOTAL LIABILITIES</b>		<b>3,250,282</b>	4,658,838
<b>NET ASSETS</b>		<b>2,713,149</b>	51,957
<b>EQUITY</b>			
Contributed equity	16(a)	24,245,323	24,217,744
Reserves	17	911,855	783,515
Accumulated losses		(24,044,246)	(24,517,168)
<b>Equity attributable to equity holders in the Company</b>		<b>1,112,932</b>	484,092
<b>Non-controlling interests</b>	10(b)	1,600,217	(432,135)
<b>TOTAL EQUITY</b>		<b>2,713,149</b>	51,957

*The above Consolidated Statement of Financial Position should be read in conjunction with the Consolidated Group's accompanying notes.*



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

Notes	Contributed Equity	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated losses	Owners of the parent	Non- controlling interest	Total
<b>BALANCE AT 30 JUNE 2020</b>	21,074,074	888,837	26,744	(22,796,980)	(807,325)	(21,076)	(828,401)
Loss for the year	-	-	-	(1,720,188)	(1,720,188)	(414,654)	(2,134,842)
Other comprehensive income	-	-	(142,811)	-	(142,811)	2,142	(140,669)
Total comprehensive income	-	-	(142,811)	(1,720,188)	(1,862,999)	(412,512)	(2,275,511)
Transactions with owners in their capacity as owners:							
Non-controlling interest on business combination	-	-	-	-	-	1,454	1,454
Shares issued during the year	16(b) 3,335,075	-	-	-	3,335,075	-	3,335,075
Share issue costs	16(b) (191,405)	-	-	-	(191,405)	-	(191,405)
Performance rights and options during the year	16(b) -	10,745	-	-	10,745	-	10,745
<b>BALANCE AT 30 JUNE 2021</b>	24,217,744	899,582	(116,067)	(24,517,168)	484,092	(432,135)	51,957
Profit for the year	-	-	-	472,921	472,921	2,089,626	2,562,547
Other comprehensive income	-	-	128,340	-	128,340	(57,274)	71,066
Total comprehensive income	-	-	128,340	472,921	601,261	2,032,352	2,633,613
Transactions with owners in their capacity as owners:							
Non-controlling interest on business combination	-	-	-	-	-	-	-
Shares issued during the year	16(b) 27,579	-	-	-	27,579	-	27,579
Share issue costs	-	-	-	-	-	-	-
Performance rights and options during the year	-	-	-	-	-	-	-
<b>BALANCE AT 30 JUNE 2022</b>	<b>24,245,323</b>	<b>899,582</b>	<b>12,273</b>	<b>(24,044,246)</b>	<b>1,112,932</b>	<b>1,600,217</b>	<b>2,713,149</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Consolidated Group's accompanying notes.



## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Notes	<u>2022</u> \$	<u>2021</u> \$
<b>Cash flows from operating activities</b>			
Receipts from customers		6,542,391	356,543
Payments to suppliers and employees (inclusive of goods and services tax)		(2,651,715)	(2,642,032)
Interest received		364	231
Convertible note interest paid		(231,623)	(148,355)
Income taxes refund/(paid)		(65,678)	430
<b>Net cash provided by/(used in) operating activities</b>	23(b)	<b>3,593,739</b>	<b>(2,433,183)</b>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		(78,148)	(34,648)
Proceeds from Sale of Prospects		-	98,000
Exploration and evaluation expenditure		-	(3,000)
<b>Net cash (used in)/provided by investing activities</b>		<b>(78,148)</b>	<b>60,352</b>
<b>Cash flows from financing activities</b>			
Proceeds from loan		-	29,314
Repayment of loan		(1,631,973)	(40,617)
Repayment of lease liability		(93,169)	(42,222)
Proceeds from the issue of shares (net of fees)		27,579	2,375,100
Proceeds from convertible notes		(100,000)	1,750,000
Capital raising costs		-	(290,644)
<b>Net cash (used in)/provided by financing activities</b>		<b>(1,797,563)</b>	<b>3,780,931</b>
<b>Net increase in cash held</b>		<b>1,718,028</b>	<b>1,408,100</b>
<b>Cash at the beginning of the financial year</b>		<b>1,975,535</b>	<b>493,963</b>
Exchange rate movements		71,066	73,472
<b>Cash at the end of the financial year</b>	23(a)	<b>3,764,629</b>	<b>1,975,535</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the Consolidated Group's accompanying notes.



## NOTES TO THE FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the financial report of the Company, RBR Group Limited and its controlled entities ("RBR" or "Consolidated Group"), are stated to assist in a general understanding of the financial report. These policies have been consistently applied to all the years presented, unless otherwise indicated.

RBR Group Limited is a Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the official list of the Australian Securities Exchange. The financial statements are presented in Australian dollars which is the Consolidated Group's functional currency.

#### (a) Basis of Preparation

This general-purpose financial report has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the *Corporations Act 2001*.

RBR Group Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial report was authorised for issue by the Directors.

#### Going Concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group made a profit after tax for the year of \$2,562,547 (2021: Loss of \$2,134,842). At 30 June 2022 the Group had cash assets of \$3,764,629 (2021: \$1,975,535) and net cash inflow from operating activities of \$3,593,739 (2021: cash outflow \$2,433,183). This positive result for the year was largely due to the settlement of the contract dispute in relation to the Wentworth camp project in Mozambique and funds were received in the second half of the financial year. However, at 30 June 2022 the Group has current liabilities of \$2,942,191 (2021: \$4,658,838) due to be settled or re-negotiated in the near term. This condition is indicative of the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

The ability of the Group to continue as a going concern is dependent on securing additional funding, either through raising equity or securing additional debt financing.

The Directors are satisfied they will be able to raise additional working capital as required and thus it is appropriate to prepare the financial statements on a going concern basis. In arriving at this position, the Directors have considered the following matters:

- The Group is in ongoing discussions with a South African based financial services entity Tennant Group, with the aim of securing a financing facility of up to US\$2.0m. Funds will be utilised for the purpose of settling the Group's existing convertible note debt as detailed in Note 15 and contribute to the working capital of the Group. At the date of this report, \$320k has been committed;
- The Group is in discussions with convertible note holders in relation to re-negotiating the terms of the convertible notes;
- The Group has the ability to implement cost cutting measures to reduce the working capital required by over the next 12 months;
- Key shareholders have confirmed willingness to financially support the Group via a debt or equity event;
- Cash on hand as at 30 June 2022 of \$3,764,629; and
- A history of successfully completing capital raisings over the preceding financial period.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

#### (b) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Detailed information about each of these estimates and judgements is included in the relevant note:

- Uncertain tax position – Note 5
- Impairment of fixed assets – Note 8



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### (c) Basis of Consolidation

#### **Controlled Entity**

The consolidated financial statements comprise the financial statements of RBR Group Limited and its subsidiaries as at 30 June each year.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. The subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity and ceases to be consolidated from the date on which control is transferred out of the consolidated entity.

The acquisition of the subsidiaries have been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

Accordingly, the consolidated financial statements include the results of the subsidiaries for the period from their acquisition.

### (d) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively;
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

### (e) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred asset or liability is recognised in relation to those temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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.

Current and future tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### (f) Foreign Currency Translation

The financial statements are presented in Australian dollars, which is RBR Group Limited's functional and presentation currency.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### **Foreign currency transactions**

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

### **Foreign operations**

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

### **(g) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised (Refer to Note 2 for further details).

#### **Revenue from rendering of services**

Rendering of services revenue from training, payroll and business service fees is recognised by reference to the stage of completion of the contracts. Stage of completion is measured by reference to delivery of service. Projectos Dinamicos Lda provides camp accommodation for the Mozambique LNG Project.

### **Interest income**

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

### **(h) Cash and Cash Equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, which are readily convertible to cash on hand, and which are used in the cash management function on a day-to-day basis.

### **(i) Employee Entitlements**

Liabilities for wages and salaries, annual leave and other current employee entitlements expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

### **(j) Plant and Equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

#### **Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Plant and equipment include camp infrastructure, including camp modules and fixtures & fittings.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### **Depreciation**

Depreciable non-current assets are depreciated over their expected economic life using either the straight line or the diminishing value method. Profits and losses on disposal of non-current assets are taken into account in determining the operating loss for the year. The depreciation rate used for each class of assets is as follows:

- Plant & equipment 10 - 67%

### **(k) Goods and Services Tax (GST)**

Revenues, expenses, and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). 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.

Receivables and payables are stated with the amount of GST included. GST incurred is claimed from the ATO when a valid tax invoice is provided. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### **(l) Payables**

These amounts represent liabilities for goods and services provided to the Consolidated Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### **(m) Contributed Equity**

Issued capital is recognised as the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

### **(n) Earnings per Share**

Basic earnings per share ("EPS") are calculated based upon the net profit/(loss) attributable to equity holders of the parent divided by the weighted average number of shares. Diluted EPS are calculated as the net profit/(loss) attributable to equity holders of the parent divided by the weighted average number of shares and dilutive potential shares.

### **(o) Leases**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

### **(p) Borrowings**

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

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

### (q) Share-based payment transactions

The Company provides benefits to employees (including Directors and Consultants) of the Consolidated Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("Equity-settled transactions").

There is currently one plan in place to provide these benefits being an Employee Share Option Plan ("ESOP") which provides benefits to Directors, Consultants and Senior Executives.

The cost of these equity-settled transactions is measured by reference to fair value at the date at which they are granted. The fair value is determined by an external valuer using either the Black-Scholes or Binomial model.

In valuing equity-settled transactions, other than conditions linked to the price of the shares of RBR Group Limited ("market conditions"), management reviews the likelihood of achieving performance criteria.

The cost of equity settled securities is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

Where the Consolidated Group acquires some form of interest in an exploration tenement or an exploration area of interest and the consideration comprises share-based payment transactions, the fair value of the equity instruments granted is measured at grant date. The cost of equity securities is recognised within capitalised mineral exploration and evaluation expenditure, together with a corresponding increase in equity.

### (r) Comparative Figures

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

### (s) Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework, to identify and analyse the risks faced by the Consolidated Group. These risks include credit risk, liquidity risk and market risk from the use of financial instruments. The Consolidated Group has only limited use of financial instruments through its cash holdings being invested in short-term interest-bearing securities. The primary goal of this strategy is to maximise returns while minimising risk through the use of accredited Banks with a minimum credit rating of A1 from Standard & Poors. The Consolidated Group's working capital is maintained at its highest level possible and regularly reviewed by the full board.

### (t) Changes in accounting policies and disclosures

In the current year, the Consolidated Group has adopted all new and revised Standards and Interpretations that have been issued and are effective for the accounting periods beginning on or after 1 January 2021. The adoption of the new and revised Standards and Interpretations had no change to the group's accounting policies.

### (u) Standards issued but not yet effective

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 Group for the annual reporting period ended 30 June 2022. The adoption of these new pronouncements is not expected to have an impact on the Consolidated Group.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 2. OTHER INCOME

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>Revenue</b>		
Revenue from training services <sup>(i)</sup>	58,397	129,050
Revenue from payroll services <sup>(ii)</sup>	252,263	147,517
Revenue from business services <sup>(iii)</sup>	151,579	75,214
Revenue from Projectos Dinamicos, Lda <sup>(iv)</sup>	3,270,142	2,280,085
Revenue from sale of Data	5,000	5,000
Other income	2,199	37,500
Interest	364	231
	<b>3,739,944</b>	<b>2,674,597</b>

Notes:

- (i) RBR delivers training services to clients and recognises revenue based on completion of training by students. Pricing is based on each training program and student enrolment for the program. A program is considered delivered following a final report on training sent to the client.
- (ii) Payroll and HR services are based on a percentage of the total payroll and billed following completion of the payroll service.
- (iii) RBR delivers a range of business services to clients and recognises revenue on successful delivery of those services. There is a schedule of fixed prices for services.
- (iv) PD settled a contract dispute in relation to the Wentworth camp contract. Settlement funds were received in the second half of the financial year.

### 3. EXPENSES

	<u>2022</u>	<u>2021</u>
	\$	\$
Contributions to employee's superannuation plans	19,930	34,730
Depreciation - plant and equipment	115,210	41,262
Amortisation - right of use asset	61,097	37,974
Share based payment expense	-	10,745
Provision for employee entitlements	(46,640)	11,265
<b>Other Expenses</b>		
Travel and accommodation	12,387	78,181
IT and communications	50,019	53,492
Legal and public relations	44,909	78,467
Foreign currency translation adjustments	(373,240)	(478,290)
Futuro Skills Mozambique training and other related costs	891,570	528,113
Projectos Dinamicos - other	-	17,821
PacMoz - other	35,455	32,625
Futuro Business Services - other	72,546	57,691
Other	46,873	16,937
	<b>780,519</b>	<b>385,037</b>

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## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4. AUDITORS' REMUNERATION

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>Dry Kirkness (Audit) Pty Ltd (Including component auditors Perfect Partners - Mozambique)</b>		
Audit and review of the financial statements	47,073	38,500
Taxation Services – company related to Dry Kirkness (Audit) Pty Ltd	2,700	3,175
	<u>49,773</u>	<u>41,675</u>

### 5. INCOME TAX

#### (a) Income tax expense

The income tax expense for the year is \$188,178 (2021: \$Nil).

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>(b) Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Profit/(Loss) from continuing operations before income tax expense	<u>2,750,725</u>	(2,134,842)
Prima facie tax expense/(benefit) at the Australian tax rate of 25% (2021: 26%)	<b>687,681</b>	(555,059)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	<b>22,027</b>	12,667
Non-assessable income	-	9,750
Overseas projects income and expenses	<b>(772,233)</b>	274,654
Other allowable expenditure	<b>(30,531)</b>	(34,473)
Deferred tax asset not brought to account	<u>281,234</u>	292,461
Income tax expense	<u><b>188,178</b></u>	<u>-</u>

As disclosed in Note 2, proceeds from the settlement of the dispute in relation to the Wentworth camp project were received during the year resulting in a profit for the 50% owned subsidiary. This is expected to result in a taxable result for the Company for the tax year ending 31 December 2022. However, the amount of tax payable is uncertain as it is dependent on the operating expenses and revenue for the remainder of the year. Refer to Note 12 for the provision recognised in relation to income tax.

#### (c) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	<u>21,286,569</u>	20,011,771
Potential tax benefit at 25%	<u>5,321,642</u>	5,203,060

#### (d) Unrecognised deferred tax

##### Unrecognised deferred tax assets

Provisions	<b>(18,705)</b>	(8,000)
Blackhole expenditure	<b>52,202</b>	-
Capital raising fees	-	76,579
Lease liabilities	<b>22,464</b>	5,408
Carry forward tax losses	<u>5,321,642</u>	5,203,060
	<u><b>5,377,603</b></u>	<u>5,277,047</u>

No deferred tax asset has been recognised for the above balance as at 30 June 2022 as it is not considered probable that future taxable profits will be available against which it can be utilised.

##### Unrecognised deferred tax liabilities

Capitalised mineral exploration and evaluation expenditure	<u>-</u>	<u>-</u>
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#### (e) Franking credits balance

The Consolidated Group has no franking credits as at 30 June 2022 available for use in future years (2021: \$Nil).



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. TRADE RECEIVABLES

#### Current

	<u>2022</u>	<u>2021</u>
	\$	\$
Trade receivables	127,012	77,705
Projectos Dinamicos, Lda accrued revenue	-	2,280,085
Projectos Dinamicos, Lda doubtful debt	-	(2,280,085)
Projectos Dinamicos, Lda tax receivables	-	289,879
Other receivables	177,632	79,255
	<u>304,644</u>	<u>446,839</u>

Trade receivables represent outstanding amounts owed by customers. Other receivables include GST/VAT and other tax assets.

### 7. OTHER ASSETS

#### Current

	<u>2022</u>	<u>2021</u>
	\$	\$
Prepayments	<u>28,217</u>	<u>34,160</u>

### 8. PLANT AND EQUIPMENT

	<u>2022</u>	<u>2021</u>
	\$	\$
Plant and office equipment		
At impaired cost	1,981,649	2,355,660
Accumulated depreciation	(300,915)	(170,677)
	<u>1,680,734</u>	<u>2,184,983</u>

#### Reconciliation

Reconciliation of the carrying amounts for each class of plant and equipment are set out below:

	<u>2022</u>	<u>2021</u>
	\$	\$
<b><i>Plant and office equipment</i></b>		
Carrying amount at beginning of the year	2,184,983	24,967
Additions	78,148	2,225,455
Disposals	-	-
Impairment	(626,348)	-
Depreciation	(115,210)	(41,262)
Foreign currency differences	159,161	(24,177)
Carrying amount at the end of the year <sup>(i)</sup>	<u>1,680,734</u>	<u>2,184,983</u>

#### Notes:

(i) Included in the above carrying value, are assets of \$1,590,812 (2021: \$2,159,457), held by PD which were in temporary storage at 30 June 2022 pending relocation.

In March 2021, there was an attack on the town of Palma by insurgents where PD had a camp accommodation project. As a result of the attack, the camp experienced some minor structural damage. Post the insurgency the Mozambique military took control of the town of Palma and access was denied to all non-military personnel. In the ensuing months the camp experienced extensive looting of movable, but insured, items. Insurance claims for US \$1,242,922 (MZN 78,552,698) had been submitted. As at 30 June 2022 the insurance claims are still in progress. However, based on the most recent legal advice in country the Group decided it was prudent to partially impair the fixed assets by a value of \$626,348, which has been recognised in the Statement of Profit or Loss and Other Comprehensive Income. This represents management's best estimate of the carrying value of the fixed assets held within PD at 30 June 2022.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 9. INTANGIBLES

	<u>2022</u> \$	<u>2021</u> \$
Goodwill of Freelance Support Pty Ltd	-	49,898
	-	49,898

#### Reconciliation

	<u>2022</u> \$	<u>2021</u> \$
Cost brought forward	49,898	149,898
Goodwill impairment of PacMoz, Lda	-	(100,000)
Goodwill impairment of Freelance Support	(49,898)	-
	-	49,898

Subsequent to year end, it was announced that Freelance Support Pty Ltd would be de-registered (Refer to Subsequent Events Note, note 27) and therefore the goodwill was impaired to nil as at 30 June 2022.

### 10. INTERESTS IN OTHER ENTITIES

#### (a) Material Subsidiaries

##### Particulars in relation to the Controlled Group

RBR Group Limited is the parent entity.

Name of Controlled Entity	Country of incorporation	Class of Shares	Equity Holding	
			<u>2022</u>	<u>2021</u>
Freelance Support Pty Ltd <sup>(i)</sup>	Australia	Ordinary	100%	100%
PacMoz, Lda	Mozambique	Ordinary	100%	100%
Futuro Skills Mozambique, Lda <sup>(ii)</sup>	Mozambique	Ordinary	100%	100%
Futuro Business Services, Lda <sup>(iii)</sup>	Mozambique	Ordinary	100%	100%
Rubicon Resources & Mining, Lda <sup>(iv)</sup>	Mozambique	Ordinary	59.4%	59.4%
Morson Mozambique, Lda <sup>(iv)</sup>	Mozambique	Ordinary	59.4%	59.4%
Futuro Skills Guinee SARL <sup>(v)</sup>	Guinea	Ordinary	60%	60%
Projectos Dinamicos, Lda <sup>(vi)</sup>	Mozambique	Ordinary	50%	50%

#### Notes:

- (i) RBR purchased 100% of the issued capital of Freelance Support Pty Ltd on 11 January 2016.
- (ii) RBR Incorporated Futuro Skills Mozambique, Lda on 9 July 2015.
- (iii) RBR Incorporated Futuro Business Services, Lda on 24 May 2017.
- (iv) Parent entity owner PacMoz, Lda. These entities are dormant.
- (v) RBR Incorporated Futuro Skills Guinee SARL on 21 February 2018.
- (vi) RBR purchased 50% of the issued capital of Projectos Dinamicos, Lda on 12 March 2021.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### (b) Non-controlling interests (NCI)

Set out below is summarised financial information for Projectos Dinamicos, Lda that has non-controlling interests that are material to the Group. The amounts disclosed are before inter-company eliminations.

Summarised Balance Sheet	Projectos Dinamicos, Lda	
	<u>2022</u>	<u>2021</u>
	\$	\$
Current Assets	2,427,867	(878,782)
Current Liabilities	(591,912)	(2,218,480)
Current Net assets/(liabilities)	<b>1,835,955</b>	(3,097,262)
Non-current Assets	1,589,108	2,157,886
Non-current Liabilities	-	-
Non-current Net assets	<b>1,589,108</b>	2,157,886
Net Assets/(liabilities)	<b>3,425,063</b>	(939,376)
Accumulated NCI	<b>1,727,974</b>	(410,870)
<b>Summarised Statement of Profit or Loss &amp; Other Comprehensive Income</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
	\$	\$
Revenue	3,265,105	2,280,085
Income tax expense	188,178	-
Profit/(Loss) for the year after tax	4,171,435	(824,648)
Other Comprehensive Income	(57,274)	2,142
Total Comprehensive Income	4,114,161	(822,506)
Profit/(Loss) allocated to NCI	2,085,717	(412,324)
Dividends paid to NCI	-	-
<b>Summarised Statement of Cashflows</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
	\$	\$
Cashflows from/(used in) operating activities	5,142,554	(1,001,970)
Cashflows from/(used in) investing activities	(405,411)	1,050,745
Cashflows from/(used in) financing activities	(1,707,423)	-
Net increase/(decrease) in cash and cash equivalents	<b>3,029,720</b>	48,775
<b>11. TRADE AND OTHER PAYABLES</b>		
<b>Current (Unsecured)</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
	\$	\$
Trade creditors	107,640	221,280
Other creditors and accruals	(2,648)	167,366
	<b>104,992</b>	<b>388,646</b>
<b>12. PROVISIONS</b>		
<b>Current</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
	\$	\$
Provision for income tax	126,042	(1,425)
Employee entitlements	28,001	74,641
Other provisions	200,916	-
	<b>354,959</b>	<b>73,216</b>

Provision for income tax relates to the likely tax payment in relation to the dispute settlement in PD. Employee entitlements are a calculation of leave owing to employees. Other provisions relates to deferred taxes in Mozambique.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### Non-current

	<u>2022</u>	<u>2021</u>
	\$	\$
Other provisions	151,993	-
	<u>151,993</u>	<u>-</u>

### 13. LEASES

The Group has identified a lease asset relating to land and buildings with information about the lease as follows.

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>Right of use asset</b>		
Balance at the beginning of the year	19,380	55,782
Right of use asset recognised	221,606	1,572
Amortisation of right of use asset	(60,875)	(37,974)
Foreign exchange impact	5,096	-
Balance at the end of the year	<u>185,207</u>	<u>19,380</u>
<b>Lease Liability</b>		
Less than one year	69,063	20,293
One to five years	124,964	-
Total lease liability	<u>194,028</u>	<u>20,293</u>
<b>Amounts recognised in profit or loss</b>		
Amortisation of right of use asset	(61,097)	(37,974)
Lease liability interest expense	(13,533)	(4,498)
Short term leases	415,448	444,697
Low value leases	2,664	2,664
<b>Amounts recognised in the statement of cash flows</b>		
Total cash outflow for leased assets	(511,281)	(434,522)

#### (a) Office leases

The Group leases land and building for its office space in Australia with a rental term of one year and in Mozambique with a rental term of three years. The lease for the offices in Australia has an option to renew, which has been included in the calculation of the lease asset as it is likely the Company will exercise the option to renew.

The Group also leases other land and buildings but are currently on either a short-term basis or no long-term contract has been put in place. A lease asset and liability have not been recognised for these properties.

#### (b) Other leases

The Group also leases office equipment with contract terms of one to four years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 14. LOAN

#### Current (Unsecured)

	<u>2022</u>	<u>2021</u>
	\$	\$
Projectos Dinamicos, Lda ("PD") partner loan <sup>(i)</sup>	462,416	2,125,522
Insurance funding	-	-
	<u>462,416</u>	<u>2,125,522</u>

Note:

- (i) As at 30 June 2022 the partner loan with PD relates to the investment contribution by the 50 per cent other shareholders. RBR Group Limited and its controlled entities ("the Group") own the remaining PD 50 per cent shareholding. Within PD the Group has an inter-company loan of \$0.93M (2021: 1.24M) which is eliminated on Consolidation.

### 15. CONVERTIBLE NOTES

During the year \$100,000 of the ("RBRCN") Convertible Notes was repaid and no new convertible notes were issued in relation to either of the Convertible Notes detailed below. As at 30 June 2022, there remain 300,000 RBRCN and 1,750,000 RBRCN1 Convertible Notes on issue. On 22 January 2019, the Company had originally issued 1,304,513 RBRCN Convertible Notes at a face value of \$1.

	<u>2022</u>	<u>2021</u>
Balance at the beginning of the year	2,050,761	400,000
Convertible Notes issued during the year	-	1,750,000
Amounts Repaid during the year	(100,000)	-
Convertible notes transaction costs	-	(99,239)
Balance at the end of the year	<u>1,950,761</u>	<u>2,050,761</u>

#### (a) The key terms of the 300,000 RBRCN Convertible Notes are as follows

**Type of Instrument:** Convertible notes which are convertible into Ordinary Fully Paid Shares and attaching Options; the Notes will not be quoted on any securities exchange or financial market.

**Face Value:** Each Note shall have a face value of \$1.00 (Face Value); the aggregate Face Value of all Notes is \$300,000 at 30 June 2022.

**Maturity Date:** The Notes will mature on 7 October 2022.

**Interest:** The Notes shall bear interest at the rate of 12% per annum, accrued monthly and calculated monthly; interest on the Notes shall be paid quarterly in cash by the Company to the Noteholder.

**Conversion at election of Noteholder:** The Noteholder may at any time after the date that is 6 months after the Issue Date and prior to the Maturity Date and the Company issuing a Redemption, elect to convert all the Notes into Shares by providing the Company with notice of the conversion in a form acceptable to the Company acting reasonably. On receipt of a Conversion Notice, the Company must issue Shares to the Noteholder based on a price per Share equal to the lower of \$0.015 and the issue price of any equity capital raising completed by the Company within the two months prior to receipt of the Conversion Notice, but in any event not less than \$0.01; issue Options to the Noteholder for nil or nominal consideration on the basis that the Noteholder is entitled to 1 Option of every 5 Shares issued to the Noteholder on conversion of the Notes and immediately pay to the Noteholder any outstanding Interest that is due and payable.

**Repayment at election of Company:** The Company may, at any time prior to the Maturity Date and the Noteholder providing a Conversion Notice elect to redeem all the Notes by providing written notice to the Noteholders. Within 2 business days of issuing a Redemption Notice, the Company must pay to each Noteholder the Face Value of the Notes in cash; issue Options to each Noteholder for nil or nominal consideration and pay each Noteholder in cash an amount equal to 12 months Interest on the Principal Amount less any amount of Interest already paid by the Company to the relevant Noteholder as at the date of the Redemption Notice.

If the Company issues a Redemption Notice, it must redeem all of the Notes. The number of Options issued will be the same number of Options that would have been issued to the Noteholder had the Noteholder given a Conversion Notice to the Company dated the same date as the Redemption Notice.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

**Repayment at Maturity Date:** If at the Maturity Date the Notes have not been converted by the Noteholder or repaid by the Company, the Company must redeem all the Notes by paying to the Noteholder (within 2 business days of the Maturity Date) the Face Value of the Notes in cash plus any outstanding Interest that is due and payable.

**Option Exercise Price and Expiry Date:** Each Option will be unquoted and have an exercise price equal to the volume weighted average price per Share of Shares traded on ASX during the 20 trading day period ending on the date that an Exercise Notice is given in respect of the Option and will expire at 5.00pm (WST) on the date that is two (2) years after their issue (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date. Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company upon exercise of the Option.

(b) **The key terms of the 1,750,000 RBRCN1 Convertible Notes are as follows**

**Type of Instrument:** Convertible notes which are convertible into Ordinary Fully Paid Shares and attaching Options; the Notes will not be quoted on any securities exchange or financial market.

**Face Value:** Each Note shall have a face value of \$1.00 (Face Value); the aggregate Face Value of all Notes is \$1,750,000 at 30 June 2022.

**Maturity Date:** The Notes will mature on 25 November 2022.

**Interest:** The Notes shall bear interest at the rate of 11% per annum, accrued monthly and calculated monthly; interest on the Notes shall be paid quarterly in cash by the Company to the Noteholder.

**Conversion at election of Noteholder:** The Noteholder may at any time after the Issue Date and prior to the Maturity Date and the Company issuing a Redemption, elect to convert all the Notes into Shares by providing the Company with notice of the conversion in a form acceptable to the Company acting reasonably. On receipt of a Conversion Notice, the Company must issue Shares to the Noteholder based on a price per Share equal to the higher of \$0.01 and a 20% discount to the 10 day VWAP immediately prior to receipt of the Conversion Notice, but in any event not less than \$0.01; issue Options to the Noteholder for \$0.0001 consideration per option on the basis that the Noteholder is entitled to 1 Option of every 4 Shares issued to the Noteholder on conversion of the Notes and immediately pay to the Noteholder any outstanding Interest that is due and payable.

**Repayment at election of Company:** The Company may, at any time prior to the Maturity Date and the Noteholder providing a Conversion Notice elect to redeem all the Notes by providing written notice to the Noteholders. Within 2 business days of issuing a Redemption Notice, the Company must pay to each Noteholder the Face Value of the Notes in cash; issue Options to each Noteholder for \$0.0001 consideration and pay each Noteholder in cash an amount equal to 12 months Interest on the Principal Amount less any amount of Interest already paid by the Company to the relevant Noteholder as at the date of the Redemption Notice.

If the Company issues a Redemption Notice, it must redeem all of the Notes. The number of Options issued will be the same number of Options that would have been issued to the Noteholder had the Noteholder given a Conversion Notice to the Company dated the same date as the Redemption Notice.

**Repayment at Maturity Date:** If at the Maturity Date the Notes have not been converted by the Noteholder or repaid by the Company, the Company must redeem all the Notes by paying to the Noteholder (within 2 business days of the Maturity Date) the Face Value of the Notes in cash plus any outstanding Interest that is due and payable.

**Option Exercise Price and Expiry Date:** Each Option will be unquoted and have an exercise price equal to the higher of \$0.01 or 20% discount to the 10 day VWAP immediately prior to conversion (Exercise Price) and will expire at 5.00pm (WST) on the date that is two (2) years after their issue (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date. Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company upon exercise of the Option.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. CONTRIBUTED EQUITY

(a) Ordinary Shares

	<u>2022</u>	<u>2021</u>
	\$	\$
1,287,620,346 (2021: 1,281,980,086) fully paid ordinary shares	24,245,323	24,217,744

(b) Share Movements during the Year

	<u>2022</u>		<u>2021</u>	
	Number of Shares	\$	Number of Shares	\$
Beginning of the financial year	1,281,980,086	24,217,744	884,484,168	21,074,074
<b><i>New share issues during the year</i></b>				
Director placement <sup>(i)</sup>	-	-	25,014,285	175,100
Share based payment <sup>(ii)</sup>	-	-	780,333	5,462
Conversion of Convertible Notes <sup>(iii)</sup>	-	-	90,451,300	904,513
Placement Tranche 1 <sup>(iv)</sup>	-	-	249,207,105	1,993,657
Placement Tranche 2 <sup>(iv)</sup>	-	-	32,042,895	256,343
Conversion of options <sup>(v)</sup>	5,640,260	27,579	-	-
Less costs of share issues	-	-	-	(191,405)
	<b>1,287,620,346</b>	<b>24,245,323</b>	1,281,980,086	24,217,744

Notes:

- (i) Director placement shares approved at the general meeting on 8 July 2020.  
(ii) Share based payment to Everest Corporate Pty Ltd.  
(iii) Conversion of 904,513 convertible notes.  
(iv) Placement shares issued following capital raise announcement on 28 January 2021.  
(v) Conversion of options on 17 February 2022 with issue price \$0.0048896 and expiry 08/09/2022.

(c) Share Option Reserve

	<u>2022</u>		<u>2021</u>	
	Options/ Rights	\$	Options/ Rights	\$
Beginning of the financial year	60,356,795	899,582	49,766,535	888,837
<b><i>Movements during the year</i></b>				
Performance rights and option amortised during the year	-	-	-	10,745
R Carcenac Class 3 Performance Rights expiry	-	-	(7,500,000)	-
Conversion options issued <sup>(i)</sup>	-	-	18,090,260	-
Conversion of options <sup>(i)</sup>	(5,640,260)	-	-	-
Options expired <sup>(ii)</sup>	(42,266,535)	-	-	-
	<b>12,450,000</b>	<b>899,582</b>	60,356,795	899,582

Notes:

- (i) Conversion options with a conditional exercise price, expiring 8 September 2022.  
(ii) Options with an exercise price of \$0.014 expiring 31 August 2021.

(d) Unlisted Options

	Issue date	Expiry date	Number of options	Exercise Price	Weighted average value cents
<b><u>2022</u></b>					
None issued during the year	-	-	-	-	-
<b><u>2021</u></b>					
Unquoted conversion options (1 option for 5 Conversion shares) <sup>(i)</sup>	8 Sep 2020	8 Sep 2022	18,090,260	N/A	N/A

Notes:

- (i) Conversion options with a conditional exercise price, expiring 8 September 2022.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

During the financial year there were no options issued to staff under the RBR Share Option Plan (refer Note 18).

### (e) Performance Shares

During the year all performance rights had expired, and no new Performance Rights were issued.

### (f) Terms and Conditions of Contributed Equity

#### Ordinary Shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia.

The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held.

Ordinary shares which have no par value, entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

### (g) Capital Risk Management

Due to the nature of the Consolidated Group's activities, the Consolidated Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Consolidated Group's capital risk management is the current working capital position against the requirements to meet the costs of development of the group's business units and corporate overheads. The Consolidated Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Consolidated Group is as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Cash and cash equivalents	3,764,629	1,975,535
Trade and other receivables	304,644	446,839
Other assets	28,217	34,160
Trade and other payables	(104,992)	(388,646)
Provisions	(354,959)	(73,216)
Other current liabilities	(69,063)	(20,693)
Working capital position	<u>3,568,476</u>	<u>1,973,979</u>

### (h) Dividends

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 17. RESERVES

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>Reserves</b>		
Share Option Reserve	899,582	899,582
Foreign Currency Translation Reserve	12,273	(116,067)
<b>Total Reserves</b>	<b>911,855</b>	<b>783,515</b>

As represented by:

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>Share Option Reserve</b>		
Balance at the beginning of the year	899,582	888,837
Unissued (issued) shares	-	-
Performance rights expensed in current year	-	10,745
<b>Balance at the end of the year</b>	<b>899,582</b>	<b>899,582</b>

The share option reserve comprises any equity settled share-based payment transactions.

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>Foreign Currency Translation Reserve</b>		
Balance at the beginning of the year	(116,067)	26,744
Loss on translation of foreign subsidiaries	128,340	(142,811)
<b>Balance at the end of the year</b>	<b>12,273</b>	<b>(116,067)</b>

The foreign currency translation reserve is used to record currency differences arising from the translation of financial statements of foreign operations.

### 18. OPTION PLAN

The establishment of the RBR Group Limited Employee Securities Incentive Plan ("the Plan") was approved by special resolution at a General Meeting of Shareholders of the Consolidated Group held on 26 November 2020. All eligible Directors, Executive Officers, Employees and Consultants of RBR Group Limited who have been continuously employed by the Consolidated Group are eligible to participate in the Plan.

The Plan allows the Consolidated Group to issue free securities to eligible persons. Listing Rule 7.2, exception 9(b) provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

### 19. RELATED PARTIES

#### a) Key management personnel

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2022.

	<u>2022</u>	<u>2021</u>
	\$	\$
The totals of remuneration paid to the KMP of the Company during the year are as follows:		
Short-term employee benefits	274,896	394,570
Post-employment benefits	11,296	26,529
Other <sup>(i)</sup>	54,042	-
Share based payments	-	10,745
	<b>340,234</b>	<b>431,844</b>

Note:

<sup>(i)</sup> This relates to the annual leave payout for CEO Richard Carcenac, following his resignation in October 2021.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### b) Loans to Director and key management personnel

There were no loans to key management personnel during the year.

### c) Other transactions with Director and key management personnel

During the year the Company incurred the following transactions with related parties:

Mr Emerton controls a number of organisations that are customers of RBR's African subsidiaries and include the following entities.

ALMAR CONSTRUÇÕES MOÇAMBIQUE LDA	LBH XPRESS LDA
EAST COAST MARINE LDA	Maputo Container Freight Station LDA
JUMBO PROJECTS LDA	SB2 LOGISTICA LDA
LBH MOÇAMBIQUE LDA	SNS LINES LDA

Included in the accounts to 30 June 2022 are sales \$115,694 (2021: \$105,968), payments \$62,732 (2021: \$90,296), trade receivables \$43,191 (2021: \$2,618) and trade creditors \$Nil (\$69,492).

## 20. EXPENDITURE COMMITMENTS

### (a) Operating Lease Commitments

The Consolidated Group has entered into commercial leases for office premises in Mozambique and Australia. These leases have been accounted for under AASB16 with the recognition of a right of use asset and lease liability in the financials (Refer to Note 13).

	<u>2022</u> \$	<u>2021</u> \$
Within one year	-	2,943
After one year but not more than five years	-	-
	<u>-</u>	<u>2,943</u>

### (b) Capital Commitments

The Consolidated Group had no capital commitments at 30 June 2022 (2021: \$Nil).

## 21. SEGMENT INFORMATION

The Consolidated Group has operated the business in two distinct regions, Asia-Pacific and Africa since the purchase of PacMoz, Lda in March 2015. The operating segments are recognised according to geographical location, with each segment representing a strategic business unit. As the chief operating decision makers, the Directors and Executive Management team monitor the operating results of business units separately, for the purposes of making decisions about resource allocation and performance assessment.

	<u>Asia-Pacific</u> \$	<u>Africa</u> \$	<u>Total</u> \$
<b>Year ended 30/6/2022</b>			
Revenue	56,989	3,682,955	3,739,944
Operating Profit (Loss) before tax	(1,090,918)	3,841,643 <sup>1</sup>	2,750,725
Income Tax	-	(188,178)	(188,178)
Net Profit (Loss) after tax	(1,090,918)	3,653,465	2,562,547
Segment Assets	325,394	5,638,037	5,963,431
Segment Liabilities	2,130,690	1,119,592	3,250,282

<sup>1</sup> Included within the Operating Profit/(Loss) for segment Africa is an impairment expense of \$626,348 relating to an impairment of fixed assets.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 30/6/2021	<u>Asia-Pacific</u> \$	<u>Africa</u> \$	<u>Total</u> \$
Revenue	76,401	2,598,196	2,674,597
Operating Profit (Loss) before tax	(1,078,481)	(1,056,361)	(2,134,842)
Income Tax	-	-	-
Net Profit (Loss) after tax	(1,078,481)	(1,056,361)	(2,134,842)
Segment Assets	1,657,869	3,052,926	4,710,795
Segment Liabilities	2,288,720	2,370,118	4,658,838

### 22. EARNINGS/ (LOSS) PER SHARE

The following reflects the loss and share data used in the calculations of basic and diluted earnings/(loss) per share:

	<u>2022</u> \$	<u>2021</u> \$
Earnings/(loss) used in calculating basic and diluted earnings/ (loss) per share	472,921	(1,720,188)
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share:	1,284,035,304	1,087,970,506
Effect of dilutive securities-share options	23,214,563	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	1,307,249,867	1,087,970,506
Basic earnings/(loss) per share (cents per share)	0.037	(0.158)
Diluted earnings/(loss) per share (cents per share)	0.036	(0.158)

### 23. NOTES TO THE STATEMENT OF CASH FLOWS

#### (a) Cash and Cash Equivalents

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	<u>2022</u> \$	<u>2021</u> \$
Cash on hand	3,334	6,715
Cash at bank	3,744,690	1,952,215
Deposits at call	16,605	16,605
	<u>3,764,629</u>	<u>1,975,535</u>

#### (b) Reconciliation of the loss from ordinary activities after income tax to the net cash flows used in operating activities

	<u>2022</u> \$	<u>2021</u> \$
<b>Profit/(Loss) from ordinary activities after income tax</b>	2,562,547	(2,134,842)
<i>Adjustments for:</i>		
Depreciation	115,210	41,262
Amortisation right of use asset	61,097	37,974
Goodwill impairment	49,898	100,000
Impairment of fixed assets	626,348	-
Items relating to financing activities	39,580	-
Provision for tax liability	188,178	-
Share-based payments expense	-	10,745
Foreign currency translation	-	(248,172)
<i>Change in operating assets and liabilities:</i>		
Decrease/(Increase) in prepayments	5,943	(7,584)
Decrease/(Increase) in receivables	142,195	(343,733)
Increase/(Decrease) in trade creditors and accruals	(442,815)	93,299
Increase/(Decrease) in provisions	245,558	13,370
<b>Net cash inflows/(outflows) used in operating activities</b>	<u>3,593,739</u>	<u>(2,437,681)</u>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### (c) Stand-By Credit Facilities

As at 30 June 2022 the Consolidated Group has a business credit card facility available totaling \$20,000 of which \$1,167 (2021: \$299) was utilised.

### 24. FINANCIAL INSTRUMENTS

The Consolidated Group's activities expose it to a variety of financial risks and market risks. The Consolidated Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Group.

#### (a) Interest Rate Risk

The Consolidated Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market, interest rates and the effective weighted average interest rates on those financial assets, is as follows:

	Note	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate \$	Fixed Interest Rate \$	Assets/ (Liabilities) Non-Interest Bearing \$	Total \$
<b>2022</b>						
Financial assets						
Cash and cash equivalents	23(a)	0.01%	3,744,690	16,605	3,334	3,764,629
<b>2021</b>						
Financial assets						
Cash and cash equivalents	23(a)	0.02%	1,952,215	16,605	6,715	1,975,535

#### (b) Foreign currency exchange risk

The Consolidated Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The carrying amount of the Consolidated Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	2022	2021
Assets – Mozambique Metical	5,633,514	3,049,167
Liabilities – Mozambique Metical	1,114,408	2,366,095
Assets – Guinean Franc	4,523	3,759
Liabilities – Guinean Franc	5,184	4,022

Foreign currency sensitivity analysis:

The Consolidated Group is exposed to Mozambique Metical (MZN) and Guinea Franc (GNF) currency fluctuations.

The following table details the Consolidated Group's sensitivity to a 10% increase and decrease in the Australian Dollar (AUD) against the relevant currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

The sensitivity analysis includes cash balances held in MZN/GNF and trade creditors and other payables held in MZN/GNF. A positive number indicates an increase in profit and other equity where the AUD weakens against the relevant currency. For a strengthening Australian Dollar against the relevant currency there would be an equal and opposite impact on the profit and other equity and the balances would be negative.

	2022 \$	2021 \$
AUD strengthens against MZN	(451,911)	(68,307)
AUD weakens against MZN	451,911	68,307
AUD strengthens against GNF	66	(26)
AUD weakens against GNF	(66)	26



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### (c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and in the notes to the financial statements.

The Consolidated Group does not have any material credit risk exposure to any single debtor or group of debtors, under financial instruments entered into by it. As at the end of the year the Consolidated Group had trade receivables of \$127,012 (2021: \$77,705) as detailed in Note 6, due within 12 months.

### (d) Liquidity Risk

The liquidity position of the Consolidated Group is managed to ensure sufficient liquid funds are available to meet financial obligations as they fall due. The contractual maturities of the financial liabilities referred to in Note 11 at the reporting date are less than 12 months.

### (e) Net Fair Values

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Consolidated Group has no financial assets where the carrying amount exceeds net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

## 25. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

### *Employee Entitlements*

The aggregate employee entitlement liability is disclosed in Note 12.

### *Directors, Officers, Employees and Other Permitted Persons Option Plan*

Details of the Consolidated Group's Directors, Officers, Employees and Other Permitted Persons Option Plan are disclosed in Note 18.

### *Superannuation Commitments*

The Consolidated Group contributes to individual employee accumulation superannuation plans at the statutory rate of the employees' wages and salaries, in accordance with statutory requirements, to provide benefits to employees on retirement, death or disability.

Accordingly, no actuarial assessments of the plans are required.

Funds are available for the purposes of the plans to satisfy all benefits that would have been vested under the plans in the event of:

- termination of the plans;
- voluntary termination by all employees of their employment; and
- compulsory termination by the employer of the employment of each employee.

During the year employer contributions (including salary sacrifice amounts) to superannuation plans totaled \$19,930 (2021: \$34,730).

## 26. CONTINGENT ASSETS AND LIABILITIES

There were no material contingent liabilities not provided for in the financial statements of the Consolidated Group as at 30 June 2022.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 27. EVENTS SUBSEQUENT TO THE REPORTING DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Consolidated Group to affect substantially the operations of the Consolidated Group, the results of those operations or the state of affairs of the Consolidated Group in subsequent financial years except for the following:

- In July 2022, the Company informed the Western Australian regulator, Training Accreditation Council, of the intent to de-register the Registered Training Organisation, Freelance Support Pty Ltd, effective 27 July 2022.
- On 8 September a total of 12,450,000 unlisted options with an exercise price of \$0.011 expired.
- Post year end the Company commenced discussions with South African based financial services entity Tennant Group with the aim of securing a financing facility of up to US\$2.0m. Funds to be utilised for general working capital to expand operations in addition to settling the Company's existing convertible note debt as detailed in Note 15. At the date of this report the structure and quantum of that facility are being finalised, subject to compliance with ASX and requisite securities legislation.
- An initial \$320k in capital was raised from Tennant Group. This is by way of a \$20k placement to the Managing Director of Tennant Group and a \$300k interest free, unsecured convertible loan. The convertible loan is subject to Shareholder approval which will be sought at the upcoming AGM.
- On 26 September the Company received \$150,265; the first tranche of the repatriation funds from Mozambique.

### 28. PARENT COMPANY

#### (a) Financial Position

As at 30 June 2022

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>Assets</b>		
Total current assets	3,463,592	4,694,419
Total non-current assets	547,709	486,854
<b>Total Assets</b>	<u>4,011,302</u>	<u>5,181,273</u>
<b>Liabilities</b>		
Total current liabilities	2,078,686	2,288,720
Total non-current liabilities	52,004	-
<b>Total Liabilities</b>	<u>2,130,690</u>	<u>2,288,720</u>
<b>Net Assets</b>	<u>1,880,611</u>	<u>2,892,553</u>
<b>Equity</b>		
Contributed equity	24,245,680	24,218,101
Reserves	899,582	899,582
Accumulated losses	(23,264,650)	(22,225,130)
<b>Total Equity</b>	<u>1,880,611</u>	<u>2,892,553</u>
Loss for the year	(1,039,520)	(1,076,251)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<u>(1,039,520)</u>	<u>(1,076,251)</u>

#### (b) Guarantees entered into

RBR Group Limited has not entered into a deed of cross guarantee with its wholly owned Australian subsidiary.

#### (c) Contingent liabilities

RBR Group Limited had no contingent liabilities at 30 June 2022 (2021: Nil).

#### (d) Capital commitments

RBR Group Limited's capital commitments are disclosed in Note 20.



## DIRECTORS' DECLARATION

In the opinion of the Directors of RBR Group Limited ("the Consolidated Group"):

- (a) the financial statements and notes, set out on pages 18 to 42 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards in Australia and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the financial position of the Consolidated Group as at 30 June 2022 and of its performance, as represented by the results of its operations, for the financial year ended on that date.
- (b) there are reasonable grounds to believe that RBR Group Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Executive Chairman and the Company Secretary for the financial year ended 30 June 2022.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 30<sup>th</sup> day of September 2022.

A handwritten signature in black ink, appearing to read 'Ian Macpherson', with a long horizontal flourish extending to the right.

**Ian Macpherson**  
**Executive Chairman**



## INDEPENDENT AUDITOR'S REPORT



### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBR GROUP LIMITED

#### Report on the financial report

##### Opinion

We have audited the financial report of RBR Group Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022 the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the 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 2022 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 have 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 and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

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

##### Material Uncertainty Related to Going Concern

Without qualifying our opinion above, we wish to draw your attention to Note 1(a) of the financial statements "Going Concern". The matters as set forth in Note 1(a) "Going Concern" indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

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## INDEPENDENT AUDITOR'S REPORT (Continued)

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period.

These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Plant and equipment</b> <i>(refer notes 1(j) and 8)</i></p> <p>Included in plant and equipment are assets associated with the accommodation camp constructed by Projectos Dinamicos, Lda at the Wentworth facility near Pemba.</p> <p>In late March 2021 an attack by insurgents resulted in the area being evacuated leaving the facility unattended. In the twelve months subsequent to the insurgency there was extensive looting of movable items of plant and equipment.</p> <p>A review of the assets recovered from the facility has resulted in an impairment of \$626,348 being recorded in the 2022 financial year.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> <li>• assessing management's assumptions in arriving at the level of impairment recognised; and</li> <li>• assessing the adequacy of the disclosures made by the Group in the financial report.</li> </ul>
<p><b>Provision for income tax</b> <i>(refer notes 1(e) and 5)</i></p> <p>During the year the group settled the CCS JV camp accommodation contract receiving settlement proceeds of US\$4.2M in February 2022.</p> <p>As a result of this settlement, Projectos Dinamicos, Lda has generated a profit on the contract which may result in a taxable profit for the current tax year ending 31 December 2022.</p> <p>Management has sought the assistance of an expert in estimating the level of tax potentially payable based on assumptions regarding tax losses available from prior years and the level of revenue and operating costs for the balance of the current tax year.</p> <p>The resulting tax expense recorded is \$188,178.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> <li>• considering the qualifications, objectivity and experience of management's expert;</li> <li>• assessing management's assumptions regarding the tax position of the subsidiary at the start of the current tax year;</li> <li>• assessing management's assumptions regarding the taxable result for the current tax year;</li> <li>• verifying the rate of tax applicable to the result for the current year; and</li> <li>• assessing the adequacy of the disclosures made by the Group in the financial report.</li> </ul>

### Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the period ended 30 June 2022, 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 accordingly we do not express any form of assurance conclusion thereon.

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## INDEPENDENT AUDITOR'S REPORT (Continued)

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Directors' responsibilities 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 the 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 Company'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 Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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## INDEPENDENT AUDITOR'S REPORT (Continued)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

### Report on the remuneration report

#### Opinion

We have audited the remuneration report included on pages 11 to 15 of the directors' report for the year ended 30 June 2022.

In our opinion the remuneration report of RBR Group Limited for the year ended 30 June 2022 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.

DRY KIRKNESS (AUDIT) PTY LTD

LUCY P GARDNER  
Director

Perth

Date: 30 September 2022



## ASX ADDITIONAL INFORMATION

Pursuant to the Listing Requirements of the Australian Stock Exchange Limited, the shareholder information set out below was applicable as at 16 September 2022.

### A. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### B. Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

Distribution	Number of Holders	Number of Shares
1 – 1000	117	20,737
1,001 – 5,000	60	136,627
5,001 – 10,000	35	259,308
10,001 – 100,000	354	19,220,893
100,001 – and over	512	1,267,982,781
<b>Totals</b>	<b>1,078</b>	<b>1,287,620,346</b>
The number of equity security holders holding less than a marketable parcel (based on 0.005 cents price) of securities are:	516	14,563,956

### C. Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

Shareholder Name	Issued Ordinary Shares	
	Number of Shares	Percentage of Ordinary Shares
Mr Athol Emerton	87,388,175	6.79%
Mr Ashley R Brown	52,000,000	4.04%
Mr Richard P Horsfall	43,367,530	3.37%
Ms Nicole Gallin & Mr Kyle Haynes (GH Super Fund A/C)	34,440,497	2.67%
Fats Pty Ltd (Macib Family A/C)	33,083,334	2.57%
Social Investments Pty Ltd	30,000,000	2.33%
Perth Capital Pty Ltd	22,857,143	1.78%
Ironfury Pty Ltd (The David Dunn Family A/C)	21,165,934	1.64%
Mr Jan A Grobbelaar	20,825,000	1.62%
Ragged Holdings Pty Ltd (Jon Young Family Fund A/C)	20,142,859	1.56%
Mr Richard A E Carcenac & Mrs Tania J Carcenac (Carcenac Super Fund A/C)	18,628,570	1.45%
Mr Paul Graham-Clarke	18,553,157	1.44%
Fats Pty Ltd (Macib Family A/C)	16,919,999	1.31%
Mr Athol Murray Emerton	16,799,983	1.30%
Mr Hasit Shah & Mr Shamit Shah & Mr Amit Shah	15,858,000	1.23%
Mr Richard A E Carcenac & Mrs Tania J Carcenac (Carcenac Family A/C)	15,810,000	1.23%
Mr Joseph M Vucetic & Ms Clara Gala (The JC Supernova S/F 2 A/C)	15,000,000	1.16%
Mr Anthony Violi	14,250,000	1.11%
Mr Mohammed A Asem	14,063,615	1.09%
Fats Pty Ltd (Macib Family A/C)	12,500,000	0.97%
<b>Total</b>	<b>523,653,796</b>	<b>40.67%</b>



## ASX ADDITIONAL INFORMATION (Continued)

### D. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who holds 5% or more of the issued capital) is set out below:

#### Issued Ordinary Shares

<u>Shareholder Name</u>	<u>Number of Shares</u>	<u>Percentage of Ordinary Shares</u>
Athol Emerton and Associated Entities	110,663,157	8.59%
Ian Macpherson and Associated Entities	87,014,286	6.76%

### E. Unquoted Securities

As at the date of this report, there are no unquoted securities on issue.

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