



RAPTIS GROUP LIMITED

ABN 43 010 472 858

ASX CODE: (RPG)

APPENDIX 4E

Preliminary Final Report

Year ended 30 June 2023

Results for announcement to the market

\$A

Revenues from ordinary activities.	Decrease of 22%	502,443
Profit from ordinary activities after tax attributable to members	Increase from \$96,096 to	\$354,165
Net profit for the period attributable to members	Increase from \$96,096 to	\$354,165
Dividends (distributions)	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividend	N/A	

Earnings per security (EPS)	Current period	Previous corresponding period
Basic and diluted EPS	0.23 cents	0.06 cents

Net Tangible Assets per Security	Current period	Previous corresponding Period
Net tangible assets per security	1.1 cents	1.07 cents

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

<u>Earnings reconciliation:</u>	2023	2022
	\$	\$
Net profit (loss) for basic earnings	354,165	96,096
<u>Weighted average number of shares used as the denominator:</u>	Number	Number
Ordinary shares for basic EPS	152,842,427	152,842,427

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Dividends

Date the dividend is payable

N/A

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

N/A

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

N/A

Comments on Results

The result for the period was a profit of \$354,165 (2022, \$96,096).

The company operated the Gallery Management rights business with the first full year of trading. The result includes a fair value increment of \$274,850.

The company does not have a dividend reinvestment plan. There are no associate or joint venture entities.

Compliance Statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act 2001. No other standards were used.
2. This report, and the accounts upon which the report is based, use the same accounting policies.
3. This report does give a true and fair view of the matters disclosed.
4. The financial statements for the year ended 30 June 2023 are in the process of being audited.
5. Due to limitations of size, the entity does not have a formally constituted audit committee.
6. There are no expected modifications to the audit report.



Signed by James Raptis
Chairman
23 August 2023

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RAPTIS GROUP LIMITED

Consolidated Preliminary Financial Statements for the year ended 30 June 2023

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RAPTIS GROUP LIMITED ABN 43 010 472 858

**Consolidated statement of profit or loss and other comprehensive income
for the year ended 30 June 2023**

	Notes	2023 \$	2022 \$
Revenue from continuing operations	2	502,443	645,544
Other income - debt recovery	2	1,205	355,978
Fair value increment	8	274,850	-
Direct management rights costs		(251,714)	(44,997)
Feasibility costs		-	(699,750)
Amortisation and depreciation	1 & 10	(68,969)	(13,218)
Administrative expenses		(103,650)	(147,461)
Profit before income tax from continuing operations		354,165	96,096
Income tax expense	3	-	-
Net profit		354,165	96,096
Other comprehensive income net of tax		-	-
Total comprehensive income net of tax attributable to members of the company		354,165	96,096
Earnings per share		cents per share	cents per share
Basic and diluted, profit (loss) for the year attributable to ordinary equity holders of the parent (cents per share)	4	0.23	0.06
Dividends per share (cents)		-	-

The consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

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RAPTIS GROUP LIMITED ABN 43 010 472 858

**Consolidated statement of financial position
as at 30 June 2023**

	Notes	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	5	260,464	238,312
Trade and other receivables	6	34,387	595,358
Other assets	7	200,000	-
Total current assets		<u>494,851</u>	<u>833,670</u>
Non current assets			
Investment property at fair value	8	1,150,000	875,150
Property plant and equipment	9	80,162	83,615
Intangible assets management rights at cost	10	1,422,995	1,107,710
Total non current assets		<u>2,653,157</u>	<u>2,066,475</u>
Total assets		<u>3,148,008</u>	<u>2,900,145</u>
Liabilities and equities			
Current liabilities			
Trade and other payables	11	48,752	155,054
Total liabilities		<u>48,752</u>	<u>155,054</u>
Equity			
Issued capital	12	29,811,518	29,811,518
Accumulated losses		(26,712,262)	(27,066,427)
Total equity		<u>3,099,256</u>	<u>2,745,091</u>
Total liabilities and equity		<u>3,148,008</u>	<u>2,900,145</u>

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

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**Consolidated statement of changes in equity
for the year ended 30 June 2023**

	Issued Capital	(Accumulated Losses)	Total equity
	\$	\$	\$
Balance at 1 July 2021	29,811,518	(27,162,523)	2,648,995
Profit attributable to the entity	-	96,096	96,096
Balance at 30th June 2022	<u>29,811,518</u>	<u>(27,066,427)</u>	<u>2,745,091</u>
Balance at 1st July 2022	29,811,518	(27,066,427)	2,745,091
Profit attributable to the entity	-	354,165	354,165
Balance at 30th June 2023	<u>29,811,518</u>	<u>(26,712,262)</u>	<u>3,099,256</u>

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

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**Consolidated statement of cash flows
for the year ended 30 June 2023**

	Notes	2023 \$	2022 \$
Cash flows form operating activities			
Receipts from customers		548,671	551,174
Payments to suppliers and employees		(497,839)	(898,863)
		<hr/>	<hr/>
Net cash (used in) operating activities	5	50,832	(347,689)
Cash flow from investing activities			
Investing in intangible assets management rights		-	(1,120,000)
Investment in residential property		-	(875,150)
Purchase of property plant & equipment		-	(84,543)
		<hr/>	<hr/>
Net cash flow (used in) provided by investing activities		-	(2,079,693)
Cash flow from financing activities			
Repayment of related party loan		(28,680)	-
		<hr/>	<hr/>
		(28,680)	-
Net (decrease) increase in cash held		22,152	(2,427,382)
Cash at the beginning of the financial year		238,312	2,665,694
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	5	260,464	238,312

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

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**RAPTIS GROUP LIMITED ABN 43 010 472 858****Notes to the consolidated preliminary financial statements
for the year ended 30 June, 2023****Note 1: Statement of significant accounting policies adopted in the financial year.****Revenue**

Company owned property management fees are generated from the management and caretaking of residential property on behalf of owner clients. This revenue stream generates earnings through body corporate fees from property caretaking and management rental fees based on a percentage of rental income. Management fees are invoiced and collected monthly.

Detailed disclosure of these arrangements are available in the notices of meeting for 24 March 2022 and 29 June 2022.

Intangible assets

Intangible assets acquired are carried at cost less accumulated amortisation and accumulated impairment losses. The assets residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate at each reporting period. Management rights have been amortised over a period of 23 years and three months remaining term of the agreements.

	Note	2023 \$	2022 \$
Note 2: Revenue and expenses			
Profit from continuing operations before income tax has been determined after charging/(crediting) the following items:			
Revenue			
Management and caretaking fees		450,228	110,428
Rental investment income		52,215	7,116
Fair Value increment investment property	8	274,850	-
Development management fee income		-	528,000
Total revenue		<u>777,293</u>	<u>645,544</u>
Other income - debt recovery		1,205	355,978
Total Revenue from operating activities		<u>778,498</u>	<u>1,001,522</u>
Expenses			
Cost of sales		246,556	44,997
Amortisation of intangible assets management rights		65,515	12,290
Audit fees		35,521	43,140
Interest cost Deputy Commissioner of Taxation		763	-
Investment property holding costs		12,219	1,864
Depreciation of property plant and equipment		3,454	928
Feasibility costs		-	699,750
Administration and other expenses		60,305	102,457
Total expenses		<u>424,333</u>	<u>905,426</u>

Note 3: Income Tax

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

Accounting profit before income tax	<u>354,165</u>	<u>96,096</u>
The prima facie tax expense calculated at the statutory income tax rate of 25% (2022: 26%) on the operating profit	88,541	24,024
Add (less) tax effect of:		
Net gain on fair value adjustments for investment properties	(68,713)	-
Amortisation expense non allowable for tax purposes	16,379	3,073
Utilisation of previously unrecognised tax losses	(36,208)	(27,097)
Income tax expense reported in the statement of profit and loss	<u>-</u>	<u>-</u>

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RAPTIS GROUP LIMITED ABN 43 010 472 858
Notes to the consolidated preliminary financial statements
for the year ended 30 June, 2023

Note 4: Earnings Per Share

Reconciliation of earnings to profit or loss

	2023	2022
	\$	\$
Profit	354,165	96,096
Earnings used to calculate basic and diluted EPS	<u>354,165</u>	<u>96,096</u>

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

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

Basic and diluted earnings per share

Cents	Cents
0.23	0.06

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

\$	\$
<u>354,165</u>	<u>96,096</u>

Note 5: Cash and cash equivalents

Cash at bank

<u>260,464</u>	<u>238,312</u>
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Cash flow reconciliation

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

Profit before tax	354,165	96,096
Adjustments to reconcile profit before tax to net cash flows:		
Changes in operating assets and liabilities:		
Net gain on fair value increment on investment property	(274,850)	-
(Increase)/decrease in:		
Trade and other receivables	9,003	(13,757)
Related party receivables	-	(580,800)
Increase (decrease) in		
depreciation of plant and equipment	3,454	928
amortisation of intangible assets	65,515	12,290
Increase (decrease) in:		
Trade payables and GST	(77,775)	108,874
Related party payables	(28,680)	28,680
Net cash flows from operating activities	<u>50,832</u>	<u>(347,689)</u>

Note 6: Trade and other receivables

Current

Trade receivables	29,181	11,372
Deposit on acquisition of management rights	200,000	-
Trade receivables related party	-	580,800
GST receivable	5,206	3,186
	<u>234,387</u>	<u>595,358</u>

Note 7: Other assets

Current

Prepayment on contract	200,000	-
	<u>200,000</u>	<u>-</u>

Payment for management rights Pearl Residences Main Beach

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Notes to the consolidated preliminary financial statements
for the year ended 30 June, 2023

	2023	2022
	\$	\$
Note 8: Investment property		
Non current		
Balance at the beginning of the year	875,150	-
Additions - at cost approximating fair value	-	875,150
Fair value adjustments	274,850	-
Residential Investment unit at fair value at 30 June 2023	<u>1,150,000</u>	<u>875,150</u>

The fair value model is applied to all investment property. Investment properties are independently revalued annually. The investment property is a residential home unit held in the Gallery Residences at Broadbeach. The Group's investment property was valued as at 30 June 2023 by an independent professionally qualified valuer who holds a recognised relevant professional qualification and has recent experience in the location and segment of the investment property valued. The directors review the valuation performed by the independent valuer for financial reporting purposes.

Investment property acquired on 24 March 2022 at cost, approximating fair value at 30 June 2022. It was acquired following a meeting of members voting to approve the acquisition price which was based on independent valuation.

Note 9: Property plant and equipment		
Non current		
Real property at cost - management letting office	84,543	84,543
Less accumulated depreciation over the life of the agreement.	(4,381)	(928)
	<u>80,162</u>	<u>83,615</u>

Note 10: Intangible assets management rights		
Non current		
Management rights at cost	1,500,800	1,120,000
Less amortisation of management rights	(77,805)	(12,290)
	<u>1,422,995</u>	<u>1,107,710</u>

Note 11: Trade and other payables		
Current		
Trade payables	23,870	83,302
GST payable	24,882	43,072
Payables - related party loan	-	28,680
	<u>48,752</u>	<u>155,054</u>

Note 12: Issued Equity		
Issued and paid up capital		
152,842,427 (2022:152,842,427) fully paid ordinary shares		
Carrying value at end of the year	<u>29,811,518</u>	<u>29,811,518</u>

	Number	Number
Balance of shares at the beginning of the reporting period	152,842,427	152,842,427
Shares issued during the reporting period	-	-
Balance of shares at the end of the reporting period	<u>152,842,427</u>	<u>152,842,427</u>

Terms and Conditions

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

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RAPTIS GROUP LIMITED ABN 43 010 472 858
Notes to the consolidated preliminary financial statements
for the year ended 30 June, 2023

Note 13: Related Parties

Entities associated with Mr James Raptis provided office and associated administrative overheads to support the conduct of the Company.

On 24 September 2022 six months after members approved the acquisition of the Gallery Residences Management Rights the adjustment of purchase consideration was determined in accordance with arrangements approved by members. This was based on the number of units in the letting pool at that time applied to the table of value determined by valuer engaged by the independent expert. The asset value increased from \$1,120,000 to \$1,500,800. The adjusted purchase consideration is due to an entity associated with James Raptis. The Company entered into an agreement with the entity associated with James Raptis to waive repayment of the adjusted purchase consideration of \$380,000 and offset it against monies owed to the Company by other entities associated with James Raptis, as detailed below.

On 14 June 2023, the Company entered into a Settlement Deed with a number of entities associated with Jim Raptis. Under the terms of the Settlement Deed, payment of development management fee revenue of \$580,800 recognised by the Company in the prior year has been agreed to be waived. Of this amount, \$380,800 has been agreed to be offset against the adjusted purchase consideration of \$380,800 for the acquisition of the Gallery Residences Management Rights referred to above, the payment for which has been waived by agreement with that entity. The balance of \$200,000 has agreed to be offset against the acquisition of the Pearl Residences Management Rights from an entity associated with James Raptis. The acquisition of the Pearl Residences Management Rights was approved by members on 24 March 2022, however has not yet occurred. The balance of \$200,000 has been recorded in these financial statements as a prepayment until details of the acquisition are finalised.

At 30 June 2022 an amount of \$28,680 was payable to an entity associated with James Raptis being funds held pending management rights, settlement adjustment apportionments being resolved. This was paid during the year.

Development Management agreements are subject to performance milestones. The building industry on the Gold Coast has been subject to significant delays due to supply chain issues and an extremely competitive market for subcontractor, experienced building trades and construction industry personnel resources. These delays have pushed back completion dates so that performance bonuses are no longer payable under the development management agreements.

Note 14: Contingent liability

The agreement to acquire the beneficial interest in the Pearl Residences management rights was approved by members at a General Meeting on 24 March 2022. The company has no secured debt at present and anticipates being able to borrow to fund the balance to settle the management rights when the building is completed. The amount agreed to acquire the Pear Residences management business and the reception office is \$713,218 of which \$513,218 is a contingent liability.

Note 15: Events Subsequent to Balance Date

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

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