

**PARKD Limited**

**ABN 94 615 443 037**

**Annual Report 30 June 2022**



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# CORPORATE DIRECTORY

Directors	Bronte Howson (Non-Executive Chairman) Peter McUtchen (Managing Director) Robert Freedman (Non-Executive Director) Robert Martin (Non-Executive Director)
Company secretary	Kevin Hart
Registered office	Suite 8, 7 The Esplanade Mt. Pleasant WA 6153  Phone: 08 9429 8863
Principal place of business	337 Harborne Street Osborne Park WA 6017  Phone: 08 9429 8863
Share register	Link Market Services Limited QV1 Building, Level 12 250 St Georges Terrace Perth WA 6000  Phone: 1300 554 474
Auditor	RSM Australia Partners Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
Solicitors	HWL Ebsworth Level 20, 240 St George's Terrace Perth WA 6000
Bankers	Australia & New Zealand Banking Group Limited 32 St Quentin's Avenue Claremont WA 6010
Stock exchange listing	PARKD Limited shares are listed on the Australian Securities Exchange (ASX code: PKD)
Website	<a href="http://www.parkdgroup.com">www.parkdgroup.com</a>
Corporate Governance Statement	<a href="http://www.parkdgroup.com/corporate-governance">www.parkdgroup.com/corporate-governance</a>

# CHAIRMAN'S REPORT TO SHAREHOLDERS

Dear Shareholder

On behalf of the Board, I am pleased to present the 2022 Annual Report to shareholders.

During the 2021/22 financial year PARKD strengthened its strategic direction towards commercialisation of the PARKD System with ongoing technical design reports and services for multistorey car parks across Health, Automotive and Commercial Centres. Importantly we completed construction works for the John Hughes Group and delivered Stage 1 construction documentation for the Coxon Group and commenced design and construction for Audi Myaree, South of Perth.

The John Hughes Project delivered approx. 1800m<sup>2</sup> of mezzanine structure within an existing warehouse in inner-city Victoria Park. This technical solution delivered a versatile Storage mezzanine that has transformed the former warehouse into a more flexible commercial and operational space. The project demonstrates the flexibility of the PARKD System and technical solutions in a specialised sector of the construction market.

Stage 1 works were completed for the Coxon Group to deliver a 3-storey car park with commercial offices on the roof level which represented a successful transition of the companies IP into commercial construction solutions. These works included the management of the design and documentation of the project including the completion of shop drawings and construction documentation.

More recently PARKD has been engaged to deliver a Design and Construction Contract with Quattro Automotive Pty Ltd for the development of an integrated sales, servicing and storage facility for a second Audi Automotive Dealership in Myaree. The construction will utilise the PARKD prefabricated permanent structural solution throughout the proposed build and will provide a turnkey solution for the Dealership. The facility encompasses a new 12 vehicle show room, 16 environmentally friendly services bays and undercover all weather customer parking for up to 35 customers.

This application proves the value of our Intellectual Property by the Automotive Retail Sector which is one of our key commercialisation targets for future specialist turnkey dealership design and construction.

Technical and consulting works with Local Government Organisations, Universities, Hospital and the Private Sectors continue to generate important cash flow for the company and provides opportunities for new construction contracts while strengthening PARKD's position as a leading specialist in sustainable construction solutions.

The achievements this year are a testament to the strength and professionalism of our people and the clear vision of the Board to see PARKD realise its potential in applying its technical solutions across specialist projects and parking solutions.

I would like to thank my fellow directors, staff and all our shareholders for their ongoing support.

Yours faithfully



Mr Bronte Howson  
Non-Executive Chairman  
PARKD Limited

# DIRECTORS' REPORT

The directors present their report, together with the financial statements, on PARKD Limited (referred to hereafter as the 'Group') consisting of PARKD Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during the year ended 30 June 2022.

## Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Bronte Howson  
Peter McUtchen  
Robert Freedman  
Robert Martin

## Principal activities

During the financial year, the principal continuing activities of the Group were the design of modular car parks and the further developing and innovating of the modular car parking system. The PARKD car parking system is currently designed for single or multi rise arrangements for up to six levels, including the ground level.

Costs associated with the research and development of the system have not at the reporting date met the criteria for recognition as an intangible asset. As a result, the Company has continued to recognise these costs as an expense when incurred.

## Dividends

There were no dividends paid during the year (2021: Nil).

## Review of operations

Revenues for the period were generated from the delivery of technical design reports to develop multistorey car parks for various clients including St John of God Private Hospital, Healthscope Private Hospitals, Base Properties and Bendigo City Council; and the design and construction works on the John Hughes Group and the Coxon Group projects.

The John Hughes Project delivers approx. 1800m<sup>2</sup> pf mezzanine structure within an existing warehouse in inner-city Victoria Park. Substantial completion was achieved in June which includes all works associated with the physical use of the structure with fit out items completed in July 2022. The project demonstrates the flexibility of the PARKD System and technical solutions in a specialised sector of the construction market. This technical solution has delivered the John Hughes Group with a versatile Storage mezzanine that will transform the former warehouse into a more flexible commercial and operational space.

The Coxon Kewdale Commercial project, for the design and construction of a 3-storey car park and commercial building, has progressed with completion of manufacturing shop drawings in Stage 1 of the project. The Stage 2 formal construction contract is being negotiated.

The Group loss for the period was \$1,281,274 (2021: \$627,940). The loss for the period increase, in comparison to the prior year, was due to a number of factors including but not limited to the following:

- Increase in staff costs to reinstate salaries to pre-April 2020 COVID levels when staff salary reductions were taken and remuneration for work performed for the successful signing of construction contracts in the period;
- Directors and employees were granted incentive options during the year. Share based payment expense recognised in for the year amounted to \$294,147 Increased in general and administrative staff costs associated with increased activity in the period;
- There were no Government allowances or COVID-19 relief incentives received in this period (2021: \$138,000)
- The Company continues its research and development activities with the R&D rebate application received in this year of \$183,604 (2021: \$235,510).

The operating cash outflows for the year were increased to \$735,684 as compared to the prior year of \$490,047.

# DIRECTORS' REPORT

The Company's cash and cash equivalents were \$888,748 at 30 June 2022 (30 June 2021: \$1,698,182) and net assets at 30 June 2022 were \$672,498 (30 June 2021: \$1,659,625)

As an early-stage company, the Group's business model is highly dependent on the achievement of continued technical development success as well as future funding, customer engagement and general financial and economic factors.

## Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

## Matters subsequent to the end of the financial year

As the impact of the Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australia Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Subsequent to the year end, the Group reached practical completion of the facility constructed for the John Hughes Group in Victoria Park. The project marks a significant milestone for the Group from concept feasibility to the delivery of a turn-key solution for John Hughes.

In addition, subsequent to year end, the Group has signed a Design contract with Audi Centre Perth for Stage 1 technical services including design and documentation for the development of an integrated sales, servicing and storage facility at a site in Myaree, South West Perth. The value of Stage 1 works is \$426,500 and is expected to be completed in early December. Stage 1 works are being undertaken with the intent for the Group to deliver Stage 2 turnkey construction services subject to the outcomes of the technical works.

Other than the above, there are no matters or circumstance that have arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

## Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State Law.

# DIRECTORS' REPORT

## Information on directors

Name:	Bronte Howson OAM
Title:	Non-Executive Chairman
Qualifications:	MAICD
Experience and expertise:	<p>Mr Howson has experience in the Australian automotive retailing industry in a career spanning more than 35 years. He was appointed CEO of Automotive Holdings Group Limited (ASX: AHG) in January 2000 and became Managing Director in 2007 until 2017. Mr Howson led AHG from being a private group with operations largely based in Western Australia to becoming the nation's leading listed specialist automotive and logistics group, establishing a track record of driving profitable growth.</p> <p>Mr Howson is President and a life member of the East Perth Football Club and was awarded honorary life membership of Rocky Bay for his support of the charity. He was awarded the Medal in the Order of Australia in the 2016 Queen's Birthday honours list for services to the automotive industry and to charities.</p>
Length of service:	Director since 10 May 2017
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Audit and Risk Committee and Chair of Remuneration and Nomination Committee
Interests in shares:	17,115,132
Interests in options:	5,000,000 unlisted options with exercise price of \$0.20 expiring 30 September 2024
Contractual rights to shares:	Nil

Name:	Peter McUtchen
Title:	Managing Director
Qualifications:	B.Eng. (Civil Engineering)
Experience and expertise:	<p>Mr McUtchen has 15 years' experience in the structural design and construction of specialist concrete buildings and structures. His experience in the construction industry was founded with the specialist subcontractor, Soletanche Freyssinet where he developed his expertise in the design and construction of post-tensioned structures and management of construction projects. Upon establishing the Freyssinet brand in the Western Australian market, he transitioned into the engineering consulting industry becoming the Practice Manager for ADG Engineers (a national structural and civil engineering consultancy).</p> <p>Mr McUtchen's experience with Freyssinet spanned 11 years in both Australia and the United Kingdom, where he specialised in the design of post-tensioned structures and management of the building and construction areas of the business. His work at ADG Engineers in Perth focused on providing complete structural designs and solutions for builders and developers whilst continuing to partner with specialist subcontractors in the design of post-tensioned structures.</p> <p>Mr McUtchen is a National Councillor of the Concrete Institute of Australia, member of the Curtin University Civil and Mechanical School Industry Advisory Committee and a board member of the Curtin University School of Engineering.</p>
Length of service:	Director since 20 October 2016
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	10,270,000
Interests in options:	5,000,000 unlisted options with exercise price of \$0.20 expiring 30 September 2024
Contractual rights to shares:	Nil

# DIRECTORS' REPORT

Name: Robert Freedman  
Title: Non-Executive Director  
Qualifications: Member of the Institution of Engineers Australia and holds a Post Graduate Diploma in Business Administration (W.A.I.T.)  
Experience and expertise: Mr Freedman is the former Chairman and Non-Executive Director of SRG Limited (ASX: SRG), a leading Australian specialist design and construction company with over 50 years' experience supporting the construction of high-profile global projects. He has been associated with SRG (then Structural Systems) since 1970 when he joined the business as founding Manager for Western Australia. He then held the role of Managing Director from 1985 until 2009 and has been a Director since 1985, serving as Chairman of the Board between 2009 and 2014. Over the past five decades at SRG, Mr Freedman has been involved in the design and construction of many iconic projects, including Centrepont Tower and Stadium Australia in Sydney, Eleanor Schonell Bridge in Brisbane, Colonial Stadium and Rod Laver Arena in Melbourne, and the Emirates Tower in Dubai. He was responsible for establishing SRG's overseas operations in Asia, the United Kingdom, the Middle East and South Africa. He brings many strong global relationships from the construction industry, as well as extensive corporate and ASX experience to PARKD. Mr Freedman is also the current Chairman of Highway Construction, a West Australian owned civil engineering contractor specialising in the delivery and management of road, bridge and pavement construction contracts across Australia. Director since 4 May 2018  
Length of service: None  
Other current directorships: None  
Former directorships (last 3 years): None  
Special responsibilities: Member of Audit and Risk Committee and Member of Remuneration and Nomination Committee  
Interests in shares: 1,000,001  
Interests in options: 5,000,000 unlisted options with exercise price of \$0.20 expiring 30 September 2024  
Contractual rights to shares: Nil

Name: Robert Martin  
Title: Non-Executive Director  
Experience and expertise: Mr Martin is a successful businessman and accomplished company director with over 25 years' experience across a broad range of sectors including, mining and mining services, manufacturing and capital markets. Mr. Martin has a profound insight into corporate strategy, capital operation, management integration and business structures and efficiencies. Recently Mr Martin had owned and operated large and highly successful mining services business with offices in multiple jurisdictions globally. After multiple years of growth on growth revenue, profitability and expansion the company was acquired by a prominent Perth business. Mr Martin now runs a family office in Western Australia with a focus on investing and supporting emerging private and public businesses Mr Martin currently holds the positions of Non-Executive Chairman of Publicly Listed Equinox Resources Limited (ASX: EQN) Non-Executive Chairman of Critical Resources Limited (ASX:CRR) Non-Executive Director for Pathfinder Resources Limited (ASX: PF1) and as Non-Executive Director of TSX-V listed Volt Carbon Technologies (TSX-V: VCT).  
Length of service: Director since 1 March 2019  
Other current directorships: Equinox Resources Limited (ASX:EQN), Critical Resources Ltd (ASX:CRR), Pathfinder Resources Ltd (ASX:PF1), Volt Carbon Technologies (TSX-V:VCT)  
Former directorships (last 3 years): Suvo Strategic Minerals Ltd (ASX:SUV)  
Special responsibilities: Chair of Audit and Risk Committee and Member of Remuneration and Nomination Committee  
Interests in shares: 1,906,242  
Interests in options: 5,000,000 unlisted options with exercise price of \$0.20 expiring 30 September 2024  
Contractual rights to shares: Nil

# DIRECTORS' REPORT

## Company Secretary

Kevin Hart was appointed Company Secretary on 9 October 2020.

Mr Hart holds a Bachelor of Commerce Degree and is a Chartered Accountant. He is a Partner at Endeavour Corporate Pty Ltd, an advisory firm that specialises in the provision of Group secretarial and accounting services to ASX listed entities. Mr Hart has over 30 years of professional experience with the accounting and management of public companies.

## Meetings of directors

The number of meetings of directors (including meetings of committees of directors) held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full board		Audit & Risk Committee		Remuneration & Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held
Bronte Howson	11	11	2	2	2	2
Peter McUtchen	11	11	2*	2	1*	2
Robert Freedman	11	11	2	2	2	2
Robert Martin	11	11	2	2	2	2

Held: represents the number of meetings held during the time the director held office.

\*attended as observer

## Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

### **Principles used to determine the nature and amount of remuneration**

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and conforms to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel and is based on the following factors:

# DIRECTORS' REPORT

Alignment to shareholders' interests:

- focuses on sustained growth in shareholder wealth, including growth in the share price, as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

## *Non-executive directors' remuneration*

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Non-executive directors do not receive any retirement benefits, other than statutory superannuation.

ASX listing rules require the aggregate non-executive director's remuneration be determined periodically by a general meeting. Aggregate fixed remuneration for all non-executive directors as determined by the Board is not to exceed \$300,000 per annum. Directors' fees cover all main board and committee activities.

The level of non-executive director fixed fees as at the reporting date are as follows:

Bronte Howson	\$70,000 per annum **
Robert Freedman	\$35,000 plus statutory superannuation per annum
Robert Martin	\$35,000 plus statutory superannuation per annum

\*\* Mr Howson elected not to receive remuneration for the year to 30 June 2022.

Non-executive directors may also receive performance related compensation via options following receipt of shareholder approval. The issue of share-based payments as part of non-executive director remuneration ensures that director remuneration is competitive with market standards as well as providing an incentive to pursue longer term success for the Group. It also reduces the demand on the cash resources of the Group and assists in ensuring the continuity of service of directors who have extensive knowledge of the Group, its business activities, assets and the industry in which it operates. Details of share-based compensation is contained in this report.

## *Executive remuneration*

The Group aims to reward executives with a level and mix of remuneration based on their position and responsibility, which has both fixed and variable components.

The executive remuneration and reward framework have four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

# DIRECTORS' REPORT

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example, motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

Performance based short-term incentives ('STI') may be provided to executives to align the targets of the business with the targets of those executives responsible for meeting those targets.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares and options may be awarded to executives based on long-term incentive measures including increasing shareholder value. Share based LTIs issued to an Executive Director are subject to shareholder approval. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for directors and executives during the year ended 30 June 2022.

## *Use of remuneration consultants*

During the financial year ended 30 June 2022, the Group did not engage the services of independent remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs.

## *Voting and comments made at the Company's Annual General Meeting ('AGM')*

The Company received 83.72% of "for" votes on its Remuneration Report for the year ended 30 June 2021. The Company did not receive any specific feedback on the Remuneration Report at the AGM.

# DIRECTORS' REPORT

The key management personnel of the Group consisted of the following directors and executives of PARKD Limited:

- Peter McUtchen – Managing Director
- Bronte Howson – Non-Executive Chairman
- Robert Freedman – Non- Executive Director
- Robert Martin – Non- Executive Director

## Details of remuneration

### Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Cash salary and fees \$	Short-term benefits Cash bonus \$	Termination benefits \$	Non- monetary \$	Post- employment benefits Super- annuation \$	Long-term benefits Long service leave \$	Share-based payments Equity- settled \$	Total \$
<b>2022</b>								
<i>Non-Executive Directors<sup>1</sup>:</i>								
Bronte Howson <sup>2</sup>	-	-	-	-	-	-	56,995	56,995
Robert Freedman	35,000	-	-	-	3,500	-	56,995	95,495
Robert Martin	35,000	-	-	-	3,325	-	56,995	95,320
<i>Executive Directors:</i>								
Peter McUtchen	190,000	44,769	-	-	23,477	-	56,995	315,241
	<u>260,000</u>	<u>44,769</u>	<u>-</u>	<u>-</u>	<u>30,302</u>	<u>-</u>	<u>227,980</u>	<u>563,051</u>

<sup>1</sup> Payments above are only those made in capacity as Director. They do not include amounts for other services paid. Related party payments have been disclosed in Note 20.

<sup>2</sup> Mr Howson has forgiven his directors fee for the year to 30 June 2022.

# DIRECTORS' REPORT

2021	Cash salary and fees	Short-term benefits		Non-monetary	Post-employment benefits	Long-term benefits	Share-based payments	Total
	\$	Termination benefits	Termination benefits		Super-annuation	Long service leave	Equity-settled	
Bronte Howson <sup>2</sup>	-	-	-	-	-	-	-	-
Robert Freedman	35,000	-	-	-	3,325	-	-	38,325
Robert Martin	35,000	-	-	-	3,325	-	-	38,325
Peter McUtchen	170,000	-	-	-	16,150	-	-	186,150
Len Tronccone <sup>3</sup>	55,069	-	-	-	4,037	-	-	59,106
	295,069	-	-	-	26,837	-	-	321,906

<sup>1</sup> Payments above are only those made in capacity as Director. They do not include amounts for other services paid. Related party payments have been disclosed in Note 20.

<sup>2</sup> Mr Howson has forgiven his directors fee for the year to 30 June 2021.

<sup>3</sup> Represents remuneration from 1 July 2020 to 28 August 2020.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk – STI		At risk – LTI	
	2022	2021	2022	2021	2022	2021
<i>Non-Executive Directors:</i>						
Bronte Howson	-	-	-	-	-	-
Robert Freedman	100%	100%	-	-	-	-
Robert Martin	100%	100%	-	-	-	-
<i>Executive Directors:</i>						
Peter McUtchen	86%	100%	14%	-	-	-

# DIRECTORS' REPORT

Cash bonuses are dependent on meeting defined performance measures and are determined by the Nomination and Remuneration Committee having regard to the satisfaction of performance measures. Bonuses provided to executives in the financial year were to align the targets of the business with the targets of those executives.

The proportion of the cash bonus paid is as follows:

	2022	2021
Name	\$	\$
Executive Director Peter McUtchen	44,769	-

## Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Peter McUtchen
Title:	Managing Director
Agreement commenced:	30 November 2021
Term of agreement:	Open
Details:	Base salary of \$200,000 plus statutory superannuation, to be reviewed by the Remuneration and Nomination Committee 12 months from commencement and every 12 months thereafter or as otherwise agreed. 6 months termination notice by either party. The Company may elect to pay 6 months base salary and superannuation in lieu of notice. 12 months non-solicitation clause after termination. The Company may terminate without notice in certain circumstances such as misconduct.

## Share-based compensation

### Options

20,000,000 options over ordinary shares were granted during this financial year affecting remuneration of directors and other key management personnel (2021: Nil).

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

Name	Number of options granted during the year 2022	Number of options granted during the year 2021	Number of options vested during the year 2022	Number of options vested during the year 2021
Bronte Howson	5,000,000	-	2,500,000	-
Robert Freedman	5,000,000	-	2,500,000	-
Robert Martin	5,000,000	-	2,500,000	-
Peter McUtchen	5,000,000	-	2,500,000	-
Total	20,000,000	-	10,000,000	-

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

# DIRECTORS' REPORT

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Bronte Howson	2,500,000	16/09/2021	30/9/2021	30/9/2024	\$0.20	\$0.013
	2,500,000	16/09/2021	30/9/2022	30/9/2024	\$0.20	\$0.013
Robert Freedman	2,500,000	16/09/2021	30/9/2021	30/9/2024	\$0.20	\$0.013
	2,500,000	16/09/2021	30/9/2022	30/9/2024	\$0.20	\$0.013
Robert Martin	2,500,000	16/09/2021	30/9/2021	30/9/2024	\$0.20	\$0.013
	2,500,000	16/09/2021	30/9/2022	30/9/2024	\$0.20	\$0.013
Peter McUtchen	2,500,000	16/09/2021	30/9/2021	30/9/2024	\$0.20	\$0.013
	2,500,000	16/09/2021	30/9/2022	30/9/2024	\$0.20	\$0.013

Options granted carry no dividend or voting rights

All options were granted over unissued fully paid ordinary shares in the Company. Options vest based on the provision of service over the vesting period whereby the directors and executives become beneficially entitled to the option on vesting date. Options are exercisable by the holders as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
Bronte Howson	56,995	-	-	100%
Robert Freedman	56,995	-	-	59.68%
Robert Martin	56,995	-	-	59.79%
Peter McUtchen	56,995	-	-	18.08%

## Additional information

The earnings of the Group for the five years to 30 June 2022 are summarised below:

	2022 \$	2021 \$	2020 \$	2019 \$	2018 \$
Revenues from ordinary activities	2,102,193	121,300	267,200	1,040,551	139,676
Loss after income tax	1,281,274	627,940	1,303,898	1,572,509	2,328,668
Net assets	672,498	1,659,625	1,140,472	2,442,904	3,695,291

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2022	2021	2020	2019	2018
Share price at financial year end (\$)	0.02	0.036	0.02	0.09	0.25
Total dividends declared (cents per share)	0.00	0.00	0.00	0.00	0.00
Basic loss per share (cents per share)	1.28	0.78	1.74	2.09	3.82

# DIRECTORS' REPORT

## **Additional disclosures relating to key management personnel**

### *Shareholding*

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	<b>Balance at the start of the year</b>	<b>Received as part of remuneration</b>	<b>Additions</b>	<b>Disposals/ Other</b>	<b>Balance at the end of the year</b>	<b>Additions subsequent to year end</b>
<i>Ordinary shares</i>						
Bronte Howson	14,393,790	-	2,721,342	-	17,115,132	-
Robert Freedman	1,000,001	-	-	-	1,000,001	-
Robert Martin	1,906,242	-	-	-	1,906,242	-
Peter McUtchen	10,270,000	-	-	-	10,270,000	-
	<u>27,570,033</u>	<u>-</u>	<u>2,721,342</u>	<u>-</u>	<u>30,291,375</u>	<u>-</u>

### *Option holding*

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	<b>Balance at the start of the year</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired/ forfeited/ Other</b>	<b>Balance at the end of the year</b>
<i>Options over ordinary shares</i>					
Bronte Howson	-	5,000,000	-	-	5,000,000
Robert Freedman	-	5,000,000	-	-	5,000,000
Robert Martin	-	5,000,000	-	-	5,000,000
Peter McUtchen	-	5,000,000	-	-	5,000,000
	<u>-</u>	<u>20,000,000</u>	<u>-</u>	<u>-</u>	<u>20,000,000</u>

### *Other transactions with key management personnel and their related parties*

During the financial year, the following payments were made, or services rendered, to key management personnel and their related parties:

- Audi Centre Perth, of which Bronte Howson is Dealer Principal, received \$24,000 from the Group as a fee short term lease of the Group's operating office premises. The balance owing as at 30 June 2022 is nil.

All transactions were made on normal commercial terms and conditions and at market rates.

***This concludes the remuneration report, which has been audited.***

# DIRECTORS' REPORT

## Shares under option

Unissued ordinary shares of PARKD Limited under option at the date of this report are as follows:

Option series	Grant date	Expiry date	Exercise price	Number under option
PKDAF – Directors	16/09/2021	30/9/2024	\$0.20	20,000,000
PKDAF – Employees	11/10/2021	30/9/2024	\$0.20	6,500,000
PKDAG – Employees	18/10/2021	20/10/2023	\$0.20	800,00
<b>Total</b>				<b>27,300,000</b>

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

## Shares issued on the exercise of options

No ordinary shares of PARKD Limited were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted.

## Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

## Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

## Non-audit services

There were no amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor.

## Officers of the Company who are former partners of RSM Australia Partners

There are no officers of the Company who are former partners of RSM Australia Partners.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included in this financial report.

## Auditor

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

# DIRECTORS' REPORT

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors:



---

Peter McUtchen  
Managing Director

29 September 2022  
Perth

For personal use only

**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of PARKD Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



AIK KONG TING  
Partner

Perth, WA  
Dated: 29 September 2022

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

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## General information

The financial statements cover PARKD Limited as a Group consisting of PARKD Limited and the entities it controlled at the end of, or during the year. The financial statements are presented in Australian dollars, which is PARKD Limited's functional and presentation currency.

PARKD Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

### Registered office

Suite 8, 7 The Esplanade  
Mt. Pleasant WA 6153

### Principal place of business

337 Harborne Street  
Osborne Park WA 6017

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2022. The directors have the power to amend and reissue the financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	Group 2022 \$	Company 2021 \$
Revenue	5	2,102,193	121,300
Cost of sales		<u>(1,970,825)</u>	<u>(57,605)</u>
Gross profit		131,368	63,695
Interest income	5	332	1,160
Other income	5	183,604	376,126
<b>Expenses</b>			
Administration expenses		(502,733)	(373,641)
Employee benefits expense		(799,170)	(641,073)
Amortisation expense		-	(52,743)
Finance costs		(528)	(1,464)
Share based payments	21	<u>(294,147)</u>	<u>-</u>
<b>(Loss) before income tax expense</b>		<u>(1,281,274)</u>	<u>(627,940)</u>
Income tax expense	6	<u>-</u>	<u>-</u>
<b>(Loss) after income tax expense for the year</b>		(1,281,274)	(627,940)
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the year</b>		<u>(1,281,274)</u>	<u>(627,940)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	16	(1.28)	(0.78)
Diluted loss per share	16	(1.28)	(0.78)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	Group 2022 \$	Company 2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	888,748	1,698,182
Trade and other receivables	8	7,260	20,350
Contract assets	9	484,104	-
Other current assets	10	154,045	50,211
<b>Total current assets</b>		<u>1,534,157</u>	<u>1,768,743</u>
<b>Total assets</b>		<u>1,534,157</u>	<u>1,768,743</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	682,656	59,196
Contract liabilities	9	96,933	-
Provisions	12	82,070	49,922
<b>Total current liabilities</b>		<u>861,659</u>	<u>109,118</u>
<b>Total liabilities</b>		<u>861,659</u>	<u>109,118</u>
<b>Net assets</b>		<u>672,498</u>	<u>1,659,625</u>
<b>Equity</b>			
Issued capital	13	7,126,612	7,126,612
Reserves	14	457,226	210,210
Accumulated losses	15	(6,911,340)	(5,677,197)
<b>Total equity</b>		<u>672,498</u>	<u>1,659,625</u>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

Company 2021	Issued capital \$	Reserves \$	Accumulated Losses \$	Total equity \$
<b>Balance at 1 July 2020</b>	<b>5,979,519</b>	<b>1,107,409</b>	<b>(5,946,456)</b>	<b>1,140,472</b>
(Loss) after income tax expense for the year	-	-	(627,940)	(627,940)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(627,940)	(627,940)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued	1,252,507	-	-	1,252,507
Share issue costs	(105,414)	-	-	(105,414)
Option expired	-	(897,199)	897,199	-
<b>Balance at 30 June 2021</b>	<b>7,126,612</b>	<b>210,210</b>	<b>(5,677,197)</b>	<b>1,659,625</b>
Group 2022	Issued capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2021</b>	<b>7,126,612</b>	<b>210,210</b>	<b>(5,677,197)</b>	<b>1,659,625</b>
(Loss) after income tax expense for the year	-	-	(1,281,274)	(1,281,274)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(1,281,274)	(1,281,274)
<i>Transactions with owners in their capacity as owners:</i>				
Unlisted options expired in the year	-	(47,131)	47,131	-
Share based payments	-	294,147	-	294,147
<b>Balance at 30 June 2022</b>	<b>7,126,612</b>	<b>457,226</b>	<b>(6,911,340)</b>	<b>672,498</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	Group 2022 \$	Company 2021 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		1,357,344	152,681
Payments to suppliers and employees (inclusive of GST)		(2,276,436)	(1,017,195)
		(919,092)	(864,514)
Interest received		332	1,160
Interest and other finance costs paid		(528)	(202)
Research and development tax rebate received		183,604	235,509
Government stimulus measures received		-	138,000
<b>Net cash used in operating activities</b>	7	<u>(735,684)</u>	<u>(490,047)</u>
<b>Cash flows from investing activities</b>			
Bank guarantee deposits		(73,750)	-
<b>Net cash used in investing activities</b>		<u>(73,750)</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Payment of lease liabilities		-	(62,605)
Proceeds from issue of shares		-	1,252,507
Share issue transaction costs		-	(105,414)
<b>Net cash from financing activities</b>		<u>-</u>	<u>1,084,488</u>
Net (decrease)/increase in cash and cash equivalents		(809,434)	594,441
Cash and cash equivalents at the beginning of the financial year		<u>1,698,182</u>	<u>1,103,741</u>
<b>Cash and cash equivalents at the end of the financial year</b>	7	<u><u>888,748</u></u>	<u><u>1,698,182</u></u>

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

# NOTES TO THE FINANCIAL STATEMENTS

## Note 1. Significant accounting policies

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

### **New, revised or amending Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### *Historical cost convention*

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

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

#### *Going Concern*

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$1,281,274 and had net operating cash outflows of \$735,684 for the year ended 30 June 2022. As a result, the Group's ability to continue as a going concern is dependent on it being able to generate positive cash flows either through meeting revenue forecasts, further reducing operating costs or a combination of both.

These factors indicate significant uncertainty as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors believe that there are reasonable grounds that the Group will be able to continue as a going concern, after consideration of the following factors:

- The ongoing business development and procurement of new projects.
- The Group has contracts with existing customers that are anticipated to generate ongoing revenues;
- The Group has prepared a cash flow forecast for the next twelve months which demonstrates that the Group will have sufficient cash to continue as a going concern on the assumption of existing contracts generating ongoing revenues;
- The Group has the ability to curtail discretionary administrative and overhead cash outflows; and
- The Group has the ability to conduct capital raising as and when required.

The Directors have a reasonable expectation that will achieve its ongoing forecast cashflows, however should the Group not achieve its cashflow forecasts as planned, the Directors recognise that the ability of the Group to continue as a going concern may become dependent on the Group's ability to secure additional funding through either the issue of new equity, convertible debt, a combination of these or other funding instruments as required to fund ongoing planned activities and for working capital.

# NOTES TO THE FINANCIAL STATEMENTS

Whilst the Directors are confident that the Group would be able to secure sufficient funding to continue as a going concern based on demonstrated past successes in raising equity, should the Group not be successful in securing sufficient funding, this gives rise to a significant uncertainty about the Group's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Accordingly, the directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

## Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group. Supplementary information about the parent entity is disclosed in note 22.

## Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of PARKD Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. PARKD Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

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

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

## Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

## Foreign currency translation

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

### *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.

# NOTES TO THE FINANCIAL STATEMENTS

## Revenue recognition

The Group recognises revenue as follows:

### *Revenue from contracts with customers*

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

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

### *Rendering of services*

Revenue from a contract (based on terms of the contract) to provide services is recognised at the point upon the delivery of the service to the customers or over time as the services are rendered based on either a fixed price or an hourly rate.

### *Interest*

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

### *Other income*

Other income is primarily the research and development tax refund received for a claim under the Commonwealth Government's Research and Development Tax Incentive Regime. Revenue is recorded once it is highly probable that the Group will receive the benefit.

## Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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

## **Cash and cash equivalents**

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

## **Trade and other receivables**

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

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## **Contract assets**

Contract assets represents the Group's rights to consideration for work completed but not billed at the reporting date on its construction projects. The contract asset is transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the client. Contract assets are treated as financial assets for impairment purposes.

## **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## **Employee benefits**

### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

## **Share-based payments**

The Group provides benefits in the form of share-based payments, whereby persons render services in exchange for shares or rights over shares ('equity settled transactions'). The Group does not provide cash settled share-based payments.

# NOTES TO THE FINANCIAL STATEMENTS

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the period in which the service conditions are fulfilled, ending on the date on which the relevant persons become fully entitled to the award (the 'vesting period'). The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

All changes in the liability are recognised in profit or loss. Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

## **Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## **Earnings per share**

### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of PARKD Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## **Research costs**

Research costs are expensed in the period in which they are incurred.

Development costs are capitalised when it is probable that the project will be successful considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight line basis over the period of their expected benefit.

## **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2022. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

## **Note 2: Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

### *Share-based payment transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

### *Revenue recognised over time:*

The Group has revenue where the performance obligation is satisfied over time. Revenue is recognised over time by measuring the progress toward complete satisfaction of that performance obligation. A single method is applied consistently for measuring progress for each performance obligation satisfied over time.

Assessing the satisfaction of performance obligations over time requires judgment and the consideration of many criteria that should be met to qualify such as whether the customer presently is obligated to pay for an asset, whether the customer has legal title, whether the entity has transferred physical possession of the asset, whether the customer has assumed the significant risks and rewards of ownership of the asset, and whether the customer has accepted the asset. Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions occur, actual results are still likely to be different from the estimates since other anticipated events frequently do not occur as expected and the variation may be material. The related account balances at the end of the reporting year are disclosed in the notes 5 and 9 on revenue and contract assets.

### *Contract modifications:*

A contract with a customer is accounted for as a separate contract if (1) the scope of the contract increases because of the addition of promised goods or services that are distinct and (2) the price of the contract increases by an amount of consideration that reflects the Group's stand-alone selling prices of the additional promised goods or services. In order to

# NOTES TO THE FINANCIAL STATEMENTS

faithfully depict the Group's rights and obligations arising from a modified contract, the modifications may be accounted for some prospectively and others on a cumulative catch-up basis. The accounting for the modification depends on whether the additional promised goods or services are distinct. The accounting for contract modification requires judgement. In addition, if the Group has not yet determined the price, management has to estimate the change to the transaction price arising from the contract modification using the variable consideration guidance in the financial reporting standard. Contract modifications may have a significant impact on the Group's ability to record revenue. The related account balances at the end of the reporting year are disclosed in the notes 5 and 9 on revenue and contract assets.

## Note 3. Operating segments

The Group has considered the requirements of AASB 8 – Operating Segments and has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group operates as a single segment being the development of an innovative modular parking system (the "PARKD Modular Car Parking System").

There is no difference between the audited financial report and the internal reports generated for review. The Group is domiciled in Australia and is currently in the development phase and has generates revenue from operations in the current financial year. All the assets are located in Australia.

## Note 4. Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and short term deposits.

The Group manages its exposure to key financial risks, including interest rate and liquidity risk in accordance with its financial risk management policy. The objective of the policy is to support the delivery of its financial targets whilst protecting future financial security.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rates. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below.

### Interest rate risk

At reporting date, the Group had \$888,748 (2021: \$1,698,182) in cash and cash equivalents exposed to interest rate risk.

The Group's exposure to market interest rates relates primarily to cash and short-term deposits.

At reporting date, if interest rates had moved, as illustrated in the table below, with all other variables held constant, net loss and equity would have been affected as follows:

	Net loss Higher / (lower)		Equity Higher / (lower)	
	Group 2022	Company 2021	Group 2022	Company 2021
	\$	\$	\$	\$
+1% (100 basis points)	9,116	16,982	9,116	16,982
-1% (100 basis points)	(9,116)	(16,982)	(9,116)	(16,982)

The movements are due to higher / lower interest revenue from cash balances.

# NOTES TO THE FINANCIAL STATEMENTS

## Liquidity Risk

Liquidity risk is managed through the entity's objective to maintain adequate funding to meet its needs, currently represented by cash and short term deposits sufficient to meet the Group's current cash requirements.

## Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2022 and 30 June 2021.

The Group monitors capital with reference to the net debt position. The Group's current policy is to keep the net debt position negative, such that cash and cash equivalents exceeds debt.

## Note 5. Revenue

	Group 2022 \$	Company 2021 \$
<i>Revenue from contracts with customers</i>		
Feasibility and design technical services	248,250	121,300
Design and construction of car parks	1,853,943	-
	<u>2,102,193</u>	<u>121,300</u>
<i>Other revenue</i>		
Interest income	332	1,160
Research and development tax offset	183,604	235,510
Government assistance packages	-	138,000
Other income	-	2,616
	<u>183,936</u>	<u>377,286</u>
	<u>2,286,129</u>	<u>498,586</u>

## Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

## Timing of revenue recognition

Services transferred at a point in time – feasibility and design work	248,250	121,300
Services transferred over time – design and construction of car parks	1,853,943	-
	<u>2,102,193</u>	<u>121,300</u>

## Note 6. Income Tax

The prima facie tax receivable on loss before income tax is reconciled to the income tax expense as follows:

	Group 2022 \$	Company 2021 \$
Prima facie benefit on operating loss at 25% (2021: 26%)	320,319	163,264
Tax effect of non-deductible and non-assessable items	(38,537)	93,355
Tax effect of timing differences	41,018	(1,259)
Tax losses not brought to account	(322,800)	(255,360)
	<u>-</u>	<u>-</u>
Income tax benefit attributable to operating loss	-	-

# NOTES TO THE FINANCIAL STATEMENTS

A potential deferred tax asset, attributable to tax losses carried forward, amounts to approximately \$1,271,882 (2021: \$1,079,596) and has not been brought to account at reporting date because the directors do not believe it is appropriate to regard realisation of the deferred tax asset as probable at this point in time. This benefit will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and research and development expenditure to be realised;
  - the Group continues to comply with the conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss and research and development expenditure.

## Note 7. Cash and cash equivalents

	Group 2022 \$	Company 2021 \$
Cash at bank	888,748	1,698,182

## Reconciliation of profit after income tax to net cash from operating activities

Loss after income tax expense for the year	(1,281,274)	(627,940)
Adjustments for:		
Share-based payments	294,147	-
Amortisation expense	-	52,743
Non-cash interest expense	-	1,261
Change in operating assets and liabilities:		
- trade and other receivables	13,090	20,895
- other current assets	(30,084)	49,404
- contract assets	(484,104)	-
- contract liabilities	96,933	-
- employee entitlement provisions	32,148	14,483
- trade and other payables	623,460	(893)
Net cash used in operating activities	(735,684)	(490,047)

## Note 8. Trade debtors and other receivables

	Group 2022 \$	Company 2021 \$
Trade debtors	7,260	20,350

### Allowance for expected credit losses

The Group has not recognised any loss (2021: nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022.

## Note 9. Contract assets and liabilities

	Group 2022 \$	Company 2021 \$
Contract assets	484,104	-
Contract liabilities	96,933	-

# NOTES TO THE FINANCIAL STATEMENTS

## Note 9. Contract assets and liabilities (Cont'd)

### Reconciliation

Reconciliation of the written values at the beginning and end of the current and previous financial year are set out below:

	Group 2022 \$	Company 2021 \$
<b>Contract assets</b>		
Opening balance	-	-
Additions	484,104	-
Transfer to trade receivables	-	-
	<hr/>	<hr/>
Closing balance	484,104	-
	<hr/> <hr/>	<hr/> <hr/>
<b>Contract liabilities</b>		
Opening balance	-	-
Payments received in advance	96,933	-
Transfer to revenue	-	-
	<hr/>	<hr/>
Closing balance	96,933	-
	<hr/> <hr/>	<hr/> <hr/>

## Note 10. Other current assets

	Group 2022 \$	Company 2021 \$
Prepayments	79,655	49,571
Bank guarantee	73,750	-
Other receivables	640	640
	<hr/>	<hr/>
	154,045	50,211
	<hr/> <hr/>	<hr/> <hr/>

## Note 11. Trade and other payables

	Group 2022 \$	Company 2021 \$
Trade payables and accruals	682,656	59,196
	<hr/>	<hr/>

## Note 12. Provisions

	Group 2022 \$	Company 2021 \$
Employee benefits	82,070	49,922
	<hr/>	<hr/>

# NOTES TO THE FINANCIAL STATEMENTS

## Note 13. Equity – issued capital

	2022 Shares	2021 Shares	2022 \$	2021 \$
Ordinary shares	<u>100,200,133</u>	<u>100,200,133</u>	<u>7,126,612</u>	<u>7,126,612</u>

### Ordinary share capital

#### Movements in ordinary share capital

	No of shares	Issue price	\$
<b>Opening balance 1 July 2020</b>	75,150,000		5,979,519
Shares issued Non-renounceable entitlement offer	10,091,647	\$0.05	504,583
Shares issued Non-renounceable entitlement offer shortfall	14,958,486	\$0.05	747,924
Share issue costs	-	-	(105,414)
<b>Closing balance 30 June 2021</b>	<u>100,200,133</u>		<u>7,126,612</u>
	No of shares		\$
<b>Opening balance 1 July 2021</b>	<u>100,200,133</u>		<u>7,126,612</u>
<b>Closing balance 30 June 2022</b>	<u>100,200,133</u>		<u>7,126,612</u>

#### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

#### Share buy-back

There is no current on-market share buy-back scheme in place.

#### Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or a company was seen as value adding relative to the Company's current share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the previous financial reporting year

# NOTES TO THE FINANCIAL STATEMENTS

## Note 14. Equity – reserves

	Group 2022 \$	Company 2021 \$
Option reserve	457,226	210,210

### Option reserve

The option reserve records items recognised as expenses from the issue of share options.

### Movement in reserves

The movement in reserves during the current and previous financial year are set out below:

	No of Options	Value \$
<b>Option reserve</b>		
<b>Balance at 1 July 2021</b>	2,000,000	210,210
Options expired during the year	(2,000,000)	(47,131)
New options issued during the year	27,300,000	294,147
<b>Balance at 30 June 2022</b>	<u>27,300,000</u>	<u>457,226</u>

	No of Options	Value \$
<b>Option reserve</b>		
<b>Balance at 1 July 2020</b>	21,900,000	1,107,409
Options expired during the year	(19,900,000)	(897,199)
<b>Balance at 30 June 2021</b>	<u>2,000,000</u>	<u>210,210</u>

## Note 15. Equity – accumulated losses

	Group 2022 \$	Company 2021 \$
Accumulated losses at the beginning of the financial year	(5,677,197)	(5,946,456)
Loss after income tax expense for the year	(1,281,274)	(627,940)
Transfer from option reserve	47,131	897,199
Accumulated losses at the end of the financial year	<u>(6,911,340)</u>	<u>(5,677,197)</u>

## Note 16. Earnings per share

	Group 2022 \$	Company 2021 \$
<i>Earnings per share for loss from continuing operations</i>		
(Loss) after income tax attributable to the owners of PARKD Limited	<u>(1,284,274)</u>	<u>(627,940)</u>

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>100,200,133</u>	<u>80,125,910</u>

# NOTES TO THE FINANCIAL STATEMENTS

## Note 16. Earnings per share (cont'd)

	Cents	Cents
Basic (loss) per share	(1.28)	(0.78)
Diluted (loss) per share	(1.28)	(0.78)

## Note 17. Key management personnel disclosures

### Compensation

The aggregate compensation made to key management personnel of the Group is set out below:

	Group 2022 \$	Company 2021 \$
Short-term employee benefits	304,769	295,069
Post-employment benefits	30,302	26,837
Share-based payments	227,980	-
	<u>563,051</u>	<u>321,906</u>

## Note 18. Remuneration of auditors

During the financial year, the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Group and its network firms:

	Group 2022 \$	Company 2021 \$
<i>Assurance services - RSM Australia Partners</i>		
Audit and review of financial statements	<u>41,500</u>	<u>36,000</u>

## Note 19. Contingent assets and liabilities

The Group does not have any other contingent assets or contingent liabilities at 30 June 2022 (30 June 2021: Nil).

# NOTES TO THE FINANCIAL STATEMENTS

## Note 20. Related party transactions

### Key management personnel

Disclosures relating to key management personnel are set out in note 17 and the remuneration report in the directors' report.

### Transactions with related parties

During the financial year, the following payments were made, or services were rendered, to key management personnel and their related parties:

- Audi Centre Perth, of which Bronte Howson is Dealer Principle, received \$24,000 (2021: \$8,000) from the Group as short-term lease payments for the company office premises. The balance owing as at 30 June 2022 is nil (2021:Nil).

All transactions were made on normal commercial terms and conditions and at market rates.

### Receivable from and payable to related parties

There were no amounts receivable or payable to related parties at 30 June 2022 and 30 June 2021.

## Note 21. Share based payments

### For the year ended 30 June 2022:

Set out below are summaries of the movements of options granted to key management personnel, employees and contractors of the Group:

#### 2022

Grant date	Expiry date	Exercise price	Balance at the start of the year No.	Granted No.	Expired/ forfeited/ other No.	Balance at the end of the year No.
05/06/2019	31/12/2021	\$0.30	2,000,000	-	(2,000,000)	-
16/09/2021	30/09/2024	\$0.20	-	20,000,000	-	20,000,000
11/10/2021	30/09/2024	\$0.20	-	6,500,000	-	6,500,000
18/10/2021	20/10/2023	\$0.20	-	800,000	-	800,000
			2,000,000	27,300,000	(2,000,000)	27,300,000
Weighted average exercise price			\$0.30	\$0.20	\$0.30	\$0.20

#### 2021

Grant date	Expiry date	Exercise price	Balance at the start of the year No.	Granted No.	Expired/ forfeited/ other No.	Balance at the end of the year No.
04/11/2016	01/12/2020	\$0.30	9,000,000	-	(9,000,000)	-
18/07/2017	01/12/2020	\$0.30	5,500,000	-	(5,500,000)	-
01/12/2017	01/12/2020	\$0.30	2,500,000	-	(2,500,000)	-
17/07/2018	01/12/2020	\$0.30	250,000	-	(250,000)	-
28/11/2018	01/12/2020	\$0.30	1,250,000	-	(1,250,000)	-
20/12/2018	01/12/2020	\$0.30	150,000	-	(150,000)	-
05/06/2019	31/12/2021	\$0.30	2,000,000	-	-	2,000,000
28/11/2019	31/12/2020	\$0.30	1,250,000	-	(1,250,000)	-
			21,900,000	-	(19,900,000)	2,000,000
Weighted average exercise price			\$0.30	-	\$0.30	\$0.30

# NOTES TO THE FINANCIAL STATEMENTS

## Note 21. Share based payments (cont'd)

Set out below are the options exercisable at the end of the financial year:

			2022	2021
Option series	Grant date	Expiry date	Number	Number
Series B	05/06/2019	31/12/2021	-	2,000,000
PKDAF – Directors	16/09/2021	30/09/2024	20,000,000	-
PKDAF – Employees	11/10/2021	30/06/2024	6,500,000	-
PKDAG – Employees	18/10/2021	20/10/2023	800,000	-
			<u>27,300,000</u>	<u>2,000,000</u>

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.23 years (2021: 0.50 years).

### Expenses arising from share based payment transactions

Total expenses arising from share based payment transactions recognised during the period were as follows:

	2022	2021
	\$	\$
Options issued to KMP	227,980	1,466
Options issued to employees/consultants	66,167	-
Total	<u>294,147</u>	<u>1,466</u>

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

### PKDAF - Directors

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
16/09/2021	30/09/2022	\$0.045	\$0.20	100%	Nil	0.16%	\$0.013

### PKDAF - Employees

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
11/10/2021	30/09/2024	\$0.046	\$0.20	100%	Nil	0.44%	\$0.013

### PKDAG - Employees

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
18/10/2021	20/10/2023	\$0.044	\$0.20	100%	Nil	0.14%	\$0.008

# NOTES TO THE FINANCIAL STATEMENTS

## Note 22. Parent entity information

Set out below is the supplementary information about the parent entity.

	Parent	
	2022	2021
	\$	\$
<i>Statement of financial position</i>		
Assets		
Current assets	1,387,399	1,768,743
Non-current assets	50,000	-
Total assets	<u>1,437,399</u>	<u>1,768,743</u>
Liabilities		
Current liabilities	764,726	109,118
Total liabilities	<u>764,726</u>	<u>109,118</u>
Net Assets	<u>672,673</u>	<u>1,659,625</u>
Equity		
Issued capital	7,126,612	7,126,612
Reserves	457,226	210,210
Accumulated losses	(6,911,165)	(5,677,197)
Total equity	<u>672,673</u>	<u>1,659,625</u>
<i>Statement of profit or loss and other comprehensive income</i>		
(Loss) after income tax	(1,281,099)	(627,940)
Total Comprehensive loss	<u>(1,281,099)</u>	<u>(627,490)</u>

### *Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

### *Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

### *Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

# NOTES TO THE FINANCIAL STATEMENTS

## Note 23. Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiary:

Name	Country of incorporation	2022 %	2021 %
PARKD Construction Pty Ltd	Australia	100%	-

## Note 24. Events after the reporting period

As the impact of Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is continuously changing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Subsequent to the year end, the Group reached practical completion of the facility constructed for the John Hughes Group in Victoria Park. The project marks a significant milestone for the Group from concept feasibility to the delivery of a turn-key solution for John Hughes.

In addition, subsequent to year end, the Group has signed a Design contract with Audi Centre Perth for Stage 1 technical services including design and documentation for the development of an integrated sales, servicing and storage facility at a site in Myaree, South West Perth. The value of Stage 1 works is \$426,500 and is expected to be completed in early December. Stage 1 works are being undertaken with the intent for the Group to deliver Stage 2 turnkey construction services subject to the outcomes of the technical works.

Other than the above, there are no matters or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## Note 25: Dividends

There were no dividends paid during the year (2021: Nil).

# DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Group 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*.

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

On behalf of the directors



---

Peter McUtchen  
Managing Director

29 September 2022  
Perth

**RSM Australia Partners**

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
PARKD LIMITED**

**Opinion**

We have audited the financial report of PARKD Limited (the Company) and its subsidiaries (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 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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## Material Uncertainty Related to Going Concern

We draw attention to Note 1, which indicates that the Group incurred a loss of \$1,281,274 and had net operating cash outflows of \$735,684 for the year ended 30 June 2022. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
<p><b>Revenue From Contracts with Customers</b> Refer to Note 5 in the financial statements.</p>	
<p>The Group has recognised \$2,102,193 for revenue from contracts with customers.</p> <p>Construction contracts and related services revenue is recognised by the Group after assessing all factors relevant to each contract, including:</p> <ul style="list-style-type: none"> <li>• Determining the stage of completion and measurement of progress towards performance obligations;</li> <li>• Estimating total contract revenue and costs including contingencies;</li> <li>• Determining contractual entitlement and assessing the probability of customer approval of variations and acceptance of claims; and</li> <li>• Estimating the project completion date.</li> </ul> <p>We considered this to be a key audit matter due to the requirement of a significant number of assessments, judgements, and estimates by management around the identification of performance obligations, the determination and allocation of the transaction price across the performance obligations and the method of revenue recognition.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Assessing whether the Group's revenue recognition policy is in compliance with Australian Accounting Standards;</li> <li>• Assessing contractual terms with customers and testing project revenues and costs incurred to supporting documents;</li> <li>• Assessing management's assumptions in determining the stage of completion, total contract revenue and total budgeted costs;</li> <li>• Performing sample testing of the contract sum and any contract variations and claims to approved variation orders;</li> <li>• Performing sample testing of project costs incurred to supporting documents;</li> <li>• Checking the mathematical accuracy of revenue and profit recognised during the year based on the stage of completion method;</li> <li>• Evaluating management's assessment of any expected losses for contracts in progress at the reporting date; and</li> <li>• Assessing the appropriateness of disclosures in the financial statements.</li> </ul>

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year 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.

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.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf). This description forms part of our auditor's report.

## Report on the Remuneration Report

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of PARKD 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.



RSM AUSTRALIA PARTNERS



AIK KONG TING  
Partner

Perth, WA  
Dated: 29 September 2022

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# SHAREHOLDER INFORMATION

## ASX Additional Information

The Company's ordinary shares are quoted as 'PKD' on ASX. The shareholder information set out below was applicable as at 20 October 2022.

The total number of fully paid ordinary shares on issue is 100,200,133 held by 425 shareholders.

### **Distribution of equitable securities (ordinary shares)**

Analysis of number of equitable security holders by size of holding:

	Number of ordinary shares	% of total shares Issued	Number of holders of ordinary shares	% of total holders Issued
100,001 and over	91,254,394	91.07	135	31.76
10,001 to 100,000	8,498,210	8.48	208	48.94
5,001 to 10,000	378,549	0.37	42	9.88
1,001 to 5,000	71,008	0.07	21	4.94
1 to 1,000	4,153	0.01	19	4.47
	<b>100,200,133</b>	<b>100</b>	<b>408</b>	<b>100</b>
Holding less than a marketable parcel	1,680,418	1.68	153	36.00

The number of shareholders holding less than a marketable parcel of ordinary shares is based on the PARKD Limited closing share price of \$0.021 on 20 October 2022.

### **Equity security holders (ordinary shares)**

Twenty largest quoted equity security holders

The names of the twenty largest security holders of this class of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares Issued
CAP MCUTCHEN PTY LTD	9,670,000	9.65
BRONTE MCGREGOR HOWSON & COLLEEN CHRISTINE HOWSON <THE HOWSON SUPER FUND A/C>	9,099,595	9.08
DHT INVESTMENTS (WA) PTY LTD	5,498,000	5.49
MR STUART SPITERI & MRS PRANEETA MURTI	4,300,000	4.29
CROYSTONE NOMINEES PTY LTD	3,915,536	3.91
SOLSTRAALE NOMINEES PTY LTD <MUSGRAVE SUPER FUND A/C>	2,500,000	2.50
CRAYPOT NOMINEES PTY LTD	2,184,086	2.18
MRS COLLEEN HOWSON	2,100,001	2.10
BRONTE MCGREGOR HOWSON & COLLEEN CHRISTINE HOWSON <THE HOWSON SUPER FUND>	2,000,000	2.00
ELLISON (WA) PTY LTD	2,000,000	2.00
LD&R HOLDINGS PTY LTD	1,500,000	1.50
RONAM NOMINEES PTY LTD	1,429,385	1.43
MR ROBERT ANTHONY MARTIN	1,401,498	1.40
STEVSAAND HOLDINGS PTY LTD	1,387,904	1.39
ANTECHINUS ACCUMULATED ASSETS PTY LTD <PRICE SUPER FUND A/C>	1,365,000	1.36
ALLSTYLE HOLDINGS PTY LTD	1,333,334	1.33
MAC EQUITY PARTNERS (INTERNATIONAL) PTY LTD	1,250,000	1.25
MRS TRA THU LE	1,100,000	1.10
JONELLEN PTY LTD	1,077,163	1.08
MR CARL GEOFFREY KIRK	1,051,208	1.05
VALIAN NOMINEES PTY LTD <MCDONAGH S/F AC>	1,000,000	1.00
	<b>57,162,710</b>	<b>57.09</b>

# SHAREHOLDER INFORMATION

## Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Bronte Howson	17,115,132	17.08
Peter McUtchen	10,270,000	10.25
David Thomas	7,450,000	7.44

## Voting rights

The voting rights attached to ordinary shares are set out below:

### Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities having voting rights.

## On-market Buy-back

There is no current on-market buy-back of the Company's securities in place.

## Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares - PKDAF	26,500,000	7
Options over ordinary shares - PKDAG	800,000	1