



**PARKD Limited**

**ABN 94 615 443 037**

**Annual Report - 30 June 2023**

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<b>Directors</b>	Bronte Howson – Chairman Peter McUtchen – Managing Director Robert Freedman – Non-executive Director Robert Martin – Non-executive Director
<b>Company Secretary</b>	Kevin Hart
<b>Registered Office</b>	Suite 8, 7 The Esplanade Mt. Pleasant WA 6153
<b>Principal place of business</b>	337 Harborne Street Osborne Park WA 6017 Tel: 08 9429 8863
<b>Share register</b>	Link Market Services Limited QV1 Building, Level 12 250 St Georges Terrace Perth WA 6000 Tel: 1300 554 474
<b>Auditor</b>	RSM Australia Partners Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
<b>Solicitors</b>	Hamilton Locke Pty Ltd Level 48, 152-158 St Georges Terrace Perth WA 6000
<b>Bankers</b>	Australia & New Zealand Banking Group Limited 32 St Quentin's Avenue Claremont WA 6010
<b>Stock exchange listing</b>	PARKD Limited shares are listed on the Australian Securities Exchange (ASX code: PKD)
<b>Website</b>	<a href="http://www.parkdgroup.com">www.parkdgroup.com</a>
<b>Corporate Governance Statement</b>	<a href="http://www.parkdgroup.com/corporate-governance">www.parkdgroup.com/corporate-governance</a>

## CHAIRMAN'S LETTER TO SHAREHOLDERS

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Dear Shareholder

On behalf of the Board, I am pleased to present the 2023 Annual Report to shareholders.

During the 2022/2023 financial year PARKD strengthened its strategic direction towards commercialisation of the PARKD System with ongoing technical design reports and services for multistorey carparks across Health, Automotive and Commercial Centres. We also saw the completion of construction works for the John Hughes Group Rushton Street project and progressed Stage 1 design works for Audi Myaree, South of Perth to Stage 2 Construction with an estimated value of \$9.5M representing the largest contract in the company's short history.

PARKD also secured two additional projects for the John Hughes Group in being awarded a \$4.3m, 3-level car park design and construction contract over 2 stages. Stage 1 involves the design and construction documentation phase which commenced in late June 2023 with Stage 2 turnkey construction expected to commence late 2023. The third project involves advisory, design and technical works which we are confident will follow the same path of progress as the previous projects.

In collaboration with Bluescope/Fielders, PARKD completed independent R&D testing of its new permanent and temporary structural slab "Kit-of-Part" system consisting of PARKD's patent pending Metal Deck Support Bracket System (MDSB), PARKD's patented Continuous Voided Beam Technology (CVB™) and Fielders existing Slimdek Structural Metal Decking Slab system. The MDSB developed by PARKD works seamlessly with the Company's CVB™ technology and along with Fielders Slimdek creates a safer, faster and more cost-efficient method of building multi-level concrete developments by removing the need for formwork and using less concrete than any other concrete structural solution currently on the market. Due to the success of the independent testing, the new structural "Kit-of-Parts" system will be immediately adopted and specified for use on existing projects. PARKD and Fielders have entered into a 120-day exclusivity agreement to complete due diligence for the proposed licencing of PARKD's MDSB intellectual property. PARKD's patent for its CVB™ technology is now registered and granted in Australia, United States, South Africa and Japan, and provisionally accepted in New Zealand, Europe and Canada. A Divisional Patent Application has been lodged for the newly developed MDSB System.

Technical and consulting works with Local Government Organisations, Universities, Hospital and the Private Sectors continue to provide technical and design revenue with potential opportunities for the company to secure further construction projects into the future whilst continuing to position PARKD as a leading specialist in the development of multi-level car park structures.

Our Team were very proud to have been awarded the West Australian Technology and Innovation Award from the Concrete Institute of Australia Awards for Excellence in Concrete (for the design and construction of the Rushton Street project) and the National Award for Sustainable Parking Development by peak parking association Parking Australia. Both awards are a testament to the strength and professionalism of our people and the vision 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 OAM  
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 2023

### 1. 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:

<b>Director</b>	Bronte Howson <i>OAM</i>
<b>Position</b>	Non-executive Chairman
<b>Qualification</b>	MAICD
<b>Length of service</b>	Director since 10 May 2017
<b>Experience and expertise</b>	<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 the Western Australian Football League. He was awarded honorary life membership of Rocky Bay for his support of the charity. In 2016 he was awarded the Order of Australia Medal in the Queen's Birthday honours list for services to the automotive industry, sport and to charities.</p>
<b>Special responsibilities</b>	Member of Audit and Risk Committee and Chair of Remuneration and Nomination Committee
<b>Other Directorships</b>	None
<b>Former directorships in the last 3 years</b>	None
<b>Interest in shares</b>	18,733,332
<b>Interest in options</b>	5,000,000 unlisted options with exercise price of \$0.20 expiring 30 September 2024
<b>Contractual right to shares</b>	None
<b>Director</b>	Peter McUtchen
<b>Position</b>	Managing Director
<b>Qualification</b>	B.Eng. ( <i>Civil Engineering</i> )
<b>Length of service</b>	Director since 20 October 2016
<b>Experience and expertise</b>	<p>Mr McUtchen is the founder and original owner of the intellectual property incorporated in the PARKD Car Park System including the Continuously Voided Beams (CVB™) and recently developed metal deck support bracket (MDSB) (patent pending). Peter has worked in the construction industry for 20 years' specialising in the delivery of consulting and construction services for large scale commercial and residential projects.</p> <p>His experience in the technical education of markets and establishment of companies in new regions and sectors is extensive both nationally and</p>

## DIRECTORS REPORT

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internationally and he is regarded as a subject matter expert on post tensioned structures and construction methodology.

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.

<b>Special responsibilities</b>	None
<b>Other Directorships</b>	None
<b>Former directorships in the last 3 years</b>	None
<b>Interest in shares</b>	10,270,000
<b>Interest in options</b>	5,000,000 unlisted options with exercise price of \$0.20 expiring 30 September 2024
<b>Contractual right to shares</b>	None

<b>Director</b>	Robert Freedman
<b>Position</b>	Non-executive Director
<b>Qualification</b>	Member of the Institution of Engineers Australia and holds a Post Graduate Diploma in Business Administration (W.A.I.T.)
<b>Length of service</b>	Director since 4 May 2018
<b>Experience and expertise</b>	<p>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.</p> <p>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.</p>

<b>Special responsibilities</b>	Member of Audit and Risk Committee and Member of Remuneration and Nomination Committee
<b>Other Directorships</b>	None
<b>Former directorships in the last 3 years</b>	None
<b>Interest in shares</b>	1,000,001
<b>Interest in options</b>	5,000,000 unlisted options with exercise price of \$0.20 expiring 30 September 2024
<b>Contractual right to shares</b>	None

## DIRECTORS REPORT

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<b>Director</b>	Robert Martin
<b>Position</b>	Non-executive Director
<b>Length of service</b>	Director since 1 March 2019
<b>Experience and expertise</b>	<p>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. Mr Martin previously owned and operated a 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.</p> <p>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 Battery Age Minerals Limited (ASX: BM8) (formerly Pathfinder Resources), as Non-Executive Director of TSX-V listed Volt Carbon Technologies (TSX-V: VCT) and Executive Chairman of Pioneer Lithium Limited (not currently listed).</p>
<b>Special responsibilities</b>	Member of Audit and Risk Committee and Member of Remuneration and Nomination Committee
<b>Other Directorships</b>	Equinox Resources Limited (ASX: EQN); Critical Resources Limited (ASX:CRR); Battery Age Minerals Limited (ASX: BM8) (formerly Pathfinder Resources Ltd); Volt Carbon Technologies (TSX-V:VCT); Pioneer Lithium Limited
<b>Former directorships in the last 3 years</b>	Suvo Strategic Minerals Ltd (ASX:SUV)
<b>Interest in shares</b>	2,806,242
<b>Interest in options</b>	5,000,000 unlisted options with exercise price of \$0.20 expiring 30 September 2024
<b>Contractual right to shares</b>	None

### 2. 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 Director at Endeavour Corporate No. 2 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.

### 3. 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:

Director	Board		Audit & Risk Committee		Remuneration & Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended
Bronte Howson	9	9	2	2	2	2
Peter McUtchen	9	9	2	2*	2	2*
Robert Freedman	9	8	2	2	2	2
Robert Martin	9	8	2	2	2	1

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

\*attended as observer

### 4. 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.

### 5. Dividends

There were no dividends paid during the year (2022: Nil).

### 6. Review of operations

During the year, PARKD completed construction works for the John Hughes Group, delivered Stage 1 construction documentation for the Coxon Group and substantially completed Stage 1 design works for the Audi Centre Myaree project.

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 demonstrated the flexibility of the PARKD System and technical solutions in a specialised sector of the construction market.



PARKD was engaged to deliver a Design and Construction Contract for the development of an integrated sales, servicing, and storage facility for an Audi Automotive Dealership in Myaree in two stages. Stage 1 works of the Audi Centre Myaree includes technical works and management of the design and documentation of the project with the intent to deliver Stage 2 development. Stage 2 is construction phase which will utilise the PARKD prefabricated permanent structural solution throughout to provide a turnkey solution for the Dealership. During the year, PARKD substantially completed its Stage 1 works in accordance with the latest Customer Interface design guidelines.

In addition, the company completed several new feasibility advisory contracts with NSW Port Authority, Western Australia Private Hospital Operator Bethesda Health Car, Fremantle city Council and Tasmanian car park developer Sultan Group.

PARKD also secured and submitted additional works for the John Hughes group at another auto retail centre. Following completion of feasibility advisory works, the Company was awarded a \$4.3m 3-level car park design and construction contract with the John Hughes group. This contract will be delivered in 2 stages; stage 1 involves construction documentation valued at \$280k which commenced late June 2023 and is forecast to complete in the next quarter and the stage 2 turnkey construction works valued at \$4.18m with an expected commencement date of Q4 of 2023 calendar year.

These projects present the Company with the opportunity to utilise its patent pending Metal Deck Support Bracket developed in partnership with Bluescope/Fielders to both improve the outcomes for our clients and refine construction methodologies and manufacturing efficiencies for the scaled delivery of the solution to the wider construction market.

PARKD completed independent R&D testing of its new permanent and temporary structural slab system in collaboration with Bluescope/Fielders and Curtin University. This new structural slab “Kit-of-Parts” system consists of PARKD’s Metal Deck Support Bracket system (MDSB), PARKD’s patented Continuously Voided Beam (CVB™) technology and Fielders Slimdek Structural Decking Slab system (an existing Fielders product). As a result of the successful independent R&D testing, the new structural slab “Kit-of-Parts” system will be immediately adopted and specified for use on existing projects. This new innovative technology streamlines construction activity creating further time and cost benefits to the PARKD Systems both from a cost and embodied carbon aspect.

The Company also commenced commercial negotiation for technical advisory works for new clients Woolworths (Fabcot Pty Ltd) and Perth Airport (Perth Airport Pty Ltd) during the quarter and is on track to reach 5000 suspended car bays under current technical advisory works.

Together these works present a bank of potential opportunities for the company to secure further technical and construction projects into the future whilst positioning PARKD as a leading specialist in the development of multi-level car park structures.

PARKD was awarded the Western Australia Technology and Innovation Award in the Concrete Institute of Australia Awards for Excellence in Concrete for the design and construction of the John Hughes Rushton Street Project that was completed in 2022 using the rapid permanent PARKD prefabricated structural system. The awards recognise the significant contribution to excellence in concrete research, design, construction and materials in Australia and in particular this category includes significant contributions to the understanding of use of concrete as evidenced by research, technical publications, patent applications, new products or pieces of equipment, new techniques, design innovations, or educational activity. This award is testament to the work delivered by the PARKD team and implementation of the system delivering solutions to our client on that project.

The Group loss for the period was \$530,122 (2022: \$1,281,274). The operating cash outflows for the year were decreased to \$521,944 as compared to the prior year of \$735,684. The Company's cash and cash equivalents were \$402,304 at 30 June 2023 (30 June 2022: \$888,748 and net assets at 30 June 2023 were \$237,009 (30 June 2022: \$672,498).

### 7. Principle risks and uncertainties

#### (a) Technology development and commercialisation risk

The Company has intellectual property rights to the PARKD Car Park System. A significant risk is whether the Company can further develop business opportunities so as to commercialise the PARKD Car Park System. This development includes successful technology development and commercial development such as client engagement by entering into commercial contracts for the supply (by construction), Lease or licence of the PARKD Car Park System. A failure to achieve commercialisation of the PARKD Car Park System will have a significant adverse impact on the Company's business model, operating results and financial position.

#### (b) Intellectual Property and competing technology risk

The success of the PARKD Car Park System will depend in part on the Company's ability to obtain and maintain patents (and therefore proprietary rights) without infringing the proprietary rights of others. The strength of patents involves complex legal and scientific questions and can be uncertain. There can be no assurance that any patents in relation to the PARKD Car Park System will afford the Company commercially significant protection of the PARKD Car Park System or that competitors or other parties will not develop competing technologies that circumvents such patents.

#### (c) Ability to attract and retain key personnel

The Company's prospects depend in part on the ability to further develop the PARKD Car Park System, by key members of management and development personnel. Loss of key personnel may have an adverse impact on the Company's performance.

#### (d) Cost of components parts risk

The Company's estimated cost of components such as concrete and steel elements may vary due to availability of products, resources, materials or any variables that may impact on the cost of components or elements in the PARKD Car Park System.

#### (e) Construction efficiency

Construction efficiency may vary due to any variable that impacts on the design of the PARKD Car Park System, any necessary development approvals, the availability of materials, the availability of subcontractors, performance of subcontractors, fabrication of elements, accessibility to the site, weather or any other aspect relating to the design, procurement, management or construction of the system.

#### (f) Regulatory Approval

PARKD Car Park System design has been carried out in accordance with ISO 9001 certified company management system and quality assurance manual with concept calculations and detailing in accordance

with relevant Australian Standard provisions. The supply and construction of the PARKD Car Park System will require various approvals relevant to the location of the structure. These may include the requirement for local council (such as development approval) or government approvals. There is no guarantee that any such required approvals will be granted in a particular situation which may limit the use of the PARKD Car Park System or require modifying a proposal.

(g) Litigation, disputes and claims

The Company may be subject to litigation and other disputes and claims in the ordinary course of its business including enforcing or defending its intellectual property rights against infringement and unauthorised use by competitors, contractual disputes, occupational health and safety claims or other proceedings in the course of its business. Such litigation, disputes and claims, including the cost of settling claims or paying any fines, operational impacts and reputational damage could materially adversely affect the Company's business, operating and financial performance.

(h) Insurance

The Company will maintain insurance that is substantially consistent with industry practice and having regard to the nature of activities being conducted. However, there is no guarantee that such insurance or any future necessary coverage will be available to the Company at competitive premiums (if at all) or that, in the event of a claim, the level of insurance carried by the Company now or in the future will be adequate. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition, and results of the Company.

### **8. Significant changes in the state of affairs**

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

### **9. Matters subsequent to the end of the financial year**

No matters or circumstance has arisen since 30 June 2023 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.

### **10. 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.

### **11. Environmental regulation**

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

### 12. 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:

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 remuneration as Chairman for first six months of the financial year were settled by issue of shares in lieu of cash payment. Fees for the second half of the financial year are accrued and not yet paid. 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

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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 2023.

### *Use of remuneration consultants*

During the financial year ended 30 June 2023, 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 81.11% of "for" votes on its Remuneration Report for the year ended 30 June 2022. The Company did not receive any specific feedback on the Remuneration Report at the AGM.

### *Key management personnel*

Key Management personnel of the Group consisted of the following, being the directors of PARKD Limited:

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

## DIRECTORS REPORT

### Details of remuneration:

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

30 June 2023	Cash salary and fees \$	Short-term benefits			Non- monetary \$	Post- employment benefits Superannuation \$	Long-term benefits Long service leave \$	Share based payments Equity settled \$	Total \$
		Cash bonus \$	Termination benefits \$						
<i>Non-executive Directors<sup>1</sup></i>									
Bronte Howson	35,000	-	-	-	3,675	-	46,930 <sup>2</sup>	85,605	
Robert Freedman	35,000	-	-	-	3,675	-	8,255	46,930	
Robert Martin	35,000	-	-	-	3,485	-	8,255	46,740	
<i>Executive Director</i>									
Peter McUtchen	200,000	-	-	-	21,000	-	8,255	229,255	
	<u>305,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,835</u>	<u>-</u>	<u>71,695</u>	<u>408,530</u>	

<sup>1</sup>Payments above are only those made in capacity as Director. They do not include amounts for other services. Related party payments have been disclosed in Note 21.

<sup>2</sup> Includes remuneration settled by issue of shares in lieu of cash for the period to 31 December 2022 (\$35,000 + superannuation) as approved by shareholders at the AGM on 25 November 2022.

## DIRECTORS REPORT

	Cash salary and fees	Short-term benefits			Post- employment benefits	Long-term benefits	Share based payments	Total
		Cash bonus	Termination benefits	Non- monetary	Superannuation	Long service leave	Equity settled	
<b>30 June 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 Director</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>227,990</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. Related party payments have been disclosed in Note 21.

<sup>2</sup>Mr Howson forgave his fees for the year to 30 June 2022.



## DIRECTORS REPORT

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

	Fixed Remuneration		At risk – STI		At risk - LTI	
	2023	2022	2023	2022	2023	2022
<i>Non-executive Directors</i>						
Bronte Howson	100%	-	-	-	-	-
Robert Freedman	100%	100%	-	-	-	-
Robert Martin	100%	100%	-	-	-	-
<i>Executive Director</i>						
Peter McUtchen	100%	86%	-	14%	-	-

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. There were no bonus payments in the current financial year, bonuses provided to executives in the previous 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:

	2023	2022
	\$	\$
<i>Executive Director</i>		
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.

## DIRECTORS REPORT

### Share based compensation

No options over ordinary shares were granted during this financial year affecting remuneration of directors and key management personnel (2022: 20,000,000).

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation are set out below:

Name	Number of options granted in the year		Number of options vested in the year	
	2023	2022	2023	2022
Bronte Howson	-	5,000,000	5,000,000	2,500,000
Robert Freedman	-	5,000,000	5,000,000	2,500,000
Robert Martin	-	5,000,000	5,000,000	2,500,000
Peter McUtchen	-	5,000,000	5,000,000	2,500,000
Total	-	20,000,000	20,000,000	10,000,000

The terms and conditions of options granted over ordinary shares in 2022 affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable		Exercise price	Fair value per option at grant date
			date	Expiry 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.

## DIRECTORS REPORT

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation for the year ended 30 June 2023 are set out below:

Name	Value of options granted in the year	Value of options exercised in the year	Value of options lapsed in the year	Remuneration consisting of options for the year <sup>(1)</sup>
	\$	\$	\$	%
Bronte Howson	-	-	-	9.64%
Robert Freedman	-	-	-	17.59%
Robert Martin	-	-	-	17.66%
Peter McUtchen	-	-	-	3.60%

<sup>(1)</sup> Option expense for the year represents the amortised value of granted options that vested in the year. No new options were granted this year, all KMP options are now fully vested.

### **Additional information**

The earnings of the Group for the five years to 30 June 2023 are summarised below:

	2023	2022	2021	2020	2019
	\$	\$	\$	\$	\$
Revenues from ordinary activities	1,149,302	2,102,193	121,300	267,200	1,040,551
Loss after income tax	530,122	1,281,274	627,940	1,303,898	1,572,509
Net assets	237,009	672,498	1,659,625	1,140,472	2,442,904

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

	2023	2022	2021	2020	2019
	\$	\$	\$	\$	\$
Share price at financial year end (\$)	0.02	0.02	0.036	0.02	0.09
Total dividends declared (cents per share)	0.00	0.00	0.00	0.00	0.00
Basic loss per share (cents per share)	0.52	1.28	0.78	1.74	2.09

### ***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 start of year</b>	<b>Received as remuneration</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at end of year</b>
<i>Ordinary shares</i>					
Bronte Howson	17,115,132	1,618,200 <sup>(1)</sup>	-	-	18,733,332
Robert Freedman	1,000,001	-	-	-	1,000,001
Robert Martin	1,906,242	-	900,000	-	2,806,242
Peter McUtchen	10,270,000	-	-	-	10,270,000
	<u>30,291,375</u>	<u>1,618,200</u>	<u>900,000</u>	<u>-</u>	<u>32,809,575</u>

<sup>(1)</sup> Shares issued in lieu of cash payment of remuneration for the first half of the 2023 financial year.

#### *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 start of year</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired/Forfeit /Lapsed</b>	<b>Balance at end of year</b>
<i>Options</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>20,000,000</u>	<u>-</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 2023 is \$16,000.
- Stage 1 Design and construction documentation services provided by PARKD to Quattro Automotive Pty Ltd, an entity related to Mr Bronte Howson. The 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 gross revenue to PARKD from this project at 30 June 2023 was \$580,322 (comprising the initial contract value and variations as at balance date). The contract liabilities balance relating to this project as at 30 June 2023 is \$17,740.
- The balance owing to Bronte Howson relating to his director fees as at 30 June 2023 is \$38,675.

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

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

### 13. Equity securities on issue

	30 June 2023	30 June 2022
Ordinary fully paid shares	101,818,333	100,200,133
Options over unissued shares	27,300,000	27,300,000

#### *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 2023 and up to the date of this report on the exercise of options granted.

#### *Options granted to directors and KMP's of the Company*

The Company has not granted any options over unissued ordinary shares in the Company to any directors or KMP's during or since the end of the financial year.

### 14. Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of PARKD support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the ASX Corporate Governance Council and considers that PARKD is in compliance with those guidelines which are of importance to the commercial operation of an entity of its this size and stage of operation.

The Group has elected to publish its Statement of Corporate Governance Practices on its website [www.parkdgroup.com](http://www.parkdgroup.com). In addition, each year the Key to Disclosures - Corporate Governance Council Principles and Recommendations will be available to shareholders at the same time that the Annual Report is released.

### 15. Indemnification 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.

### 16. Indemnification of auditors

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.

### 17. 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.

### 18. Proceedings on behalf of the Group

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.

### 19. Lead 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.

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

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

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

On behalf of the directors:



Peter McUtchen  
Managing Director  
30 August 2023  
Perth WA

**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 2023, 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.

A stylized, handwritten-style logo for RSM.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink.

AIK KONG TING  
Partner

Perth, WA  
Dated: 30 August 2023

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 \$	2022 \$
Revenue from contracts with customers	5	1,149,302	2,102,193
Cost of sales		(856,417)	(1,970,825)
Gross profit		292,885	131,368
Interest income	5	3,609	332
Other income	5	239,621	183,604
Expenses			
Administrative expenses		(493,548)	(502,733)
Employee benefits expense	6	(512,674)	(799,170)
Finance costs		(2,682)	(528)
Share based payment expense	22	(57,333)	(294,147)
Loss before income tax expense		(530,122)	(1,281,274)
Income tax expense	7	-	-
Loss after income tax expense for the year		(530,122)	(1,284,274)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(530,122)	(1,281,274)
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	17	(0.52)	(1.28)
Diluted loss per share	17	(0.52)	(1.28)

*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 2023

	NOTE	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	402,304	888,748
Trade and other receivables	9	140,754	7,260
Contract assets	10	32,916	484,104
Other current assets	11	115,011	154,045
<b>Total current assets</b>		<u>690,985</u>	<u>1,534,157</u>
<b>Total assets</b>		<u>690,985</u>	<u>1,534,157</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	367,653	682,656
Contract liabilities	10	17,740	96,933
Provisions	13	68,583	82,070
<b>Total current liabilities</b>		<u>453,976</u>	<u>861,659</u>
<b>Total liabilities</b>		<u>453,976</u>	<u>861,659</u>
<b>Net assets</b>		<u>237,009</u>	<u>672,498</u>
<b>Equity</b>			
Issued capital	14	7,163,912	7,126,612
Reserves	15	514,559	457,226
Accumulated losses	16	(7,441,462)	(6,911,340)
<b>Total equity</b>		<u>237,009</u>	<u>672,498</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 2023

	Issued Capital \$	Reserves \$	Accumulated losses \$	Total Equity \$
<b>Balance at 1 July 2022</b>	<b>7,126,612</b>	<b>457,226</b>	<b>(6,911,340)</b>	<b>672,498</b>
Loss after income tax expense for the year	-	-	(530,122)	(530,122)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(530,122)	(530,122)
Transactions with owners in their capacity as owners:				
Share based payments	38,675	57,333	-	96,008
Share issue costs	(1,375)	-	-	(1,375)
<b>Balance at 30 June 2023</b>	<b>7,163,912</b>	<b>514,559</b>	<b>(7,441,462)</b>	<b>237,009</b>
<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)
Transactions with owners in their capacity as owners:				
Unlisted options expired in the year	-	(47,131)	47,131	-
Share based payments	-	294,147	-	297,147
<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 FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,399,939	1,357,344
Payments to suppliers and employees (inclusive of GST)		(2,162,431)	(2,276,436)
		(762,492)	(919,092)
Interest received		3,609	332
Interest and other finance costs paid		(2,682)	(528)
Research and development tax rebate received		239,621	183,604
<b>Net cash used in operating activities</b>	8	(521,944)	(735,684)
Cash flows from investing activities			
Bank guarantee deposits		36,875	(73,750)
<b>Net cash from /(used in) investing activities</b>		36,875	(73,750)
Cash flows from financing activities			
Share issue transaction costs	14	(1,375)	-
<b>Net cash used in financing activities</b>		(1,375)	-
Net (decrease)/increase in cash and cash equivalents		(486,444)	(809,434)
Cash and cash equivalents at the beginning of the financial year		888,748	1,698,182
<b>Cash and cash equivalents at the end of the financial year</b>	8	402,304	888,748

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

### **Note 1: Significant accounting policies**

#### **1.1 Reporting entity**

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

<b>Registered office</b>	<b>Principal place of business</b>
Suite 8, 7 The Esplanade Mt. Pleasant WA 6153	337 Harborne Street Osborne Park WA 6017

The consolidated financial statements for the year ended 30 June 2023 comprise the Company, PARKD Limited and the entities it controlled at the end of, or during the year (together referred to as the “Group” and individually as “Group entities”).

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

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 30 August 2023. The directors have the power to amend and reissue the financial statements.

#### **1.2 Basis of preparation and summary of 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.

##### ***a) 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.

##### ***b) 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 \$530,122 and had net operating cash outflows of \$521,944 for the year ended 30 June 2023. 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.

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.

### **c) 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 23.

### **d) 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 2023 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.

### **e) 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.

### **f) 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.

### **g) 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.

### **h) 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.

### **i) 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.



### **j) 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.

### **k) 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.

### **l) 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.

### **m) 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.

### **n) Contract liabilities**

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

### **o) 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.

### **p) 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.

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.

### **q) 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.

### **r) 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.

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

### **s) 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.

### **t) 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 2023. 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.

### *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 10 on revenue and contract assets and liabilities.

### *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 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 10 on revenue and contract assets and liabilities.

### 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 \$402,304 (2022: \$888,748) 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		Equity	
	Higher / (lower)		Higher / (lower)	
	2023	2022	2023	2022
	\$	\$	\$	\$
+1% (100 basis points)	5,771	9,116	5,771	9,116
-1% (100 basis points)	(5,771)	(9,116)	(5,771)	(9,116)

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

#### *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.

## NOTES TO THE FINANCIAL STATEMENTS

### 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 2023 and 30 June 2022.

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

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Revenue from contracts with customers</i>		
Feasibility and design technical services	266,957	248,250
Design and construction of car parks	882,345	1,853,943
	<u>1,149,302</u>	<u>2,102,193</u>
<i>Other revenue</i>		
Interest income	3,609	332
Research and development tax offset	239,621	183,604
	<u>243,230</u>	<u>183,936</u>
	<u>1,392,532</u>	<u>2,286,129</u>
<i>Disaggregation of revenue</i>		
The disaggregation of revenue from contracts with customers is as follows:		
<i>Timing of revenue recognition</i>		
Services transferred at a point in time – feasibility and design work	266,957	248,250
Services transferred over time – design and construction of car parks	882,345	1,853,943
	<u>1,149,302</u>	<u>2,102,193</u>

### Note 6: Employee benefit expense

	<b>2023</b>	<b>2022</b>
	\$	\$
Wages, salaries and fees	763,952	836,221
Contributions to defined contribution plans	65,746	73,045
Less: allocation to project cost of sales	(317,024)	(110,096)
	<u>512,674</u>	<u>799,170</u>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 7: Income Tax

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

	2023 \$	2022 \$
Prima facie benefit on operating loss at 25% (2022: 25%)	132,531	320,319
Tax effect of non-deductible and non-assessable items	33,522	(38,537)
Tax effect of timing differences	(55,987)	41,018
Tax losses not brought to account	(110,066)	(322,800)
	<u>                    </u>	<u>                    </u>
Income tax benefit attributable to operating loss	-	-

A potential deferred tax asset, attributable to tax losses carried forward, amounts to approximately \$1,242,268 (2022: \$1,271,882) 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 8: Cash and cash equivalents

	2023 \$	2022 \$
Cash at bank	402,304	888,748
	<u>                    </u>	<u>                    </u>
Reconciliation of profit after income tax to net cash from operating activities		
Loss after income tax expense for the year	(530,122)	(1,281,274)
Adjustments for:		
Share-based payments	57,333	294,147
Share-based payments (in lieu of cash for director's fees)	38,675	-
Change in operating assets and liabilities:		
- trade and other receivables	(133,494)	13,090
- other current assets	2,159	(30,084)
- contract assets	451,188	(484,104)
- contract liabilities	(79,193)	96,933
- employee entitlement provisions	(13,487)	32,148
- trade and other payables	(315,003)	623,460
	<u>                    </u>	<u>                    </u>
Net cash used in operating activities	(521,944)	(735,684)

## NOTES TO THE FINANCIAL STATEMENTS

### Note 9: Trade debtors and other receivables

	2023 \$	2022 \$
Trade debtors	140,754	7,260

#### *Allowance for expected credit losses*

The Group has not recognised any loss (2022: nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

### Note 10: Contract assets and liabilities

	2023 \$	2022 \$
Contract assets	32,916	484,104
Contract liabilities	17,740	96,933

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

#### *Contract assets*

Opening balance	484,104	-
Additions	32,916	484,104
Transfer to trade receivables	(484,104)	-
Closing balance	32,916	484,104

#### *Contract liabilities*

Opening balance	96,933	-
Payments received in advance	17,740	96,933
Transfer to revenue – performance obligations satisfied in previous period	(96,933)	-
Closing balance	17,740	96,933

### Note 11: Other current assets

	2023 \$	2022 \$
Prepayments	76,516	79,655
Bank guarantee	36,875	73,750
Other receivables	1,620	640
	115,011	154,045



## NOTES TO THE FINANCIAL STATEMENTS

### Note 12: Trade and other payables

	2023 \$	2022 \$
Trade payables and accruals	367,653	682,656

### Note 13: Provisions

	2023 \$	2022 \$
Employee benefits	68,583	82,070

### Note 14: Equity – Issued capital

	2023 Shares	2022 Shares	2023 \$	2022 \$
Ordinary shares	101,818,333	100,200,133	7,163,912	7,126,612

<i>Movement in ordinary share capital:</i>	No. of shares	Issue Price	\$
<b>Opening balance 1 July 2022</b>	100,200,133		7,126,612
Shares issued in lieu of cash	1,618,200	\$0.0239	38,675
payment of director's fees	-	-	(1,375)
Share issue costs	-	-	-
<b>Closing balance 30 June 2023</b>	<u>101,818,333</u>		<u>7,163,912</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 15: Equity - Reserves

	<b>2023</b>	<b>2022</b>
	\$	\$
Option reserve	514,559	457,226

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:

	<b>2023</b>		<b>2022</b>	
	<b>No of options</b>	<b>Value \$</b>	<b>No of options</b>	<b>Value \$</b>
Balance at 1 July	27,300,000	457,226	2,000,000	210,210
Options issued during the year	-	-	27,300,000	294,147
Amortisation of options during the year	-	57,333	-	-
Options expired in the year	-	-	(2,000,000)	(47,131)
Balance at 30 June	<u>27,300,000</u>	<u>514,559</u>	<u>27,300,000</u>	<u>457,226</u>

### Note 16: Equity – Accumulated losses

	<b>2023</b>	<b>2022</b>
	\$	\$
Accumulated losses at the beginning of the financial year	(6,911,340)	(5,677,197)
Loss after income tax expense for the year	(530,122)	(1,281,274)
Transfer from option reserve	-	47,131
	<u>(7,441,462)</u>	<u>(6,911,340)</u>

### Note 17: Earnings per share

	<b>2023</b>	<b>2022</b>
	Cents	Cents
Basic and diluted loss per share	(0.52)	(1.28)

The calculation of basic and diluted loss per share from continuing operations was based on the loss for the year of \$530,122 (2022: \$1,281,274).

The number of weighted average shares is calculated as follows:

	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	101,046,917	100,200,133

### Note 18: Key management personnel disclosures

#### Compensation

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

	2023	2022
	\$	\$
Short-term employee benefits	305,000	304,769
Post-employment benefits	31,835	30,302
Share-based payments	71,695	227,980
	<u>408,530</u>	<u>563,051</u>

### Note 19: 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:

	2023	2022
	\$	\$
<i>Assurance services - RSM Australia Partners</i>		
Audit and review of financial statements	<u>48,000</u>	<u>41,500</u>

### Note 20: Contingent assets and liabilities

The Group does not have any other contingent assets at 30 June 2023 (30 June 2022: Nil).

The Group has provided bank guarantee to customers as disclosed in Note 11.

### Note 21: Related party transactions

#### Key management personnel

Disclosures relating to key management personnel are set out in note 18 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:

- Short term office lease payments for company office premises of \$24,000 (2022: \$24,000) to Audi Centre Perth, of which Bronte Howson is Dealer Principle. The balance owing as at 30 June 2023 is \$16,000 (2022: Nil).
- Stage 1 Design and construction documentation services provided by PARKD to Quattro Automotive Pty Ltd, and entity related to Mr Bronte Howson. The 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 gross revenue to PARKD from this project at 30 June 2023 was \$580,322 (comprising the initial contract value and variations as at balance date). The contract liabilities balance relating to this project as at 30 June 2023 is \$17,740 (2022: Nil).
- The balance owing to Bronte Howson relating to his director fees at 30 June 2023 is \$38,675 (2022: Nil).

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

## NOTES TO THE FINANCIAL STATEMENTS

### Note 22: Share based payments

#### Shares:

During the year, the Company issued 1,618,200 to the Chairman in lieu of cash payment of remuneration for the period 1 July 2022 to 31 December 2022 of \$38,675 (being Chairman fees inclusive of superannuation guarantee for the six months). The shares were issued at an issue price of \$0.0239 per share and was approved by shareholders at the Annual General Meeting on 25 November 2022.

#### Options:

No options were granted during the year to 30 June 2023 (2022: 27,300,000)

The table below summarises the movement of options granted to key management personnel, employees and contractors of the Group:

<b>30 June 2023</b>			<b>Balance at the start of the year No.</b>	<b>Granted No.</b>	<b>Expired/ forfeited/ other No.</b>	<b>Balance at the end of the year No.</b>
<b>Grant date</b>	<b>Expiry date</b>	<b>Exercise price</b>				
16/09/2021	30/09/2024	\$0.20	20,000,000	20,000,000	-	20,000,000
11/10/2021	30/09/2024	\$0.20	6,500,000	6,500,000	-	6,500,000
18/10/2021	20/10/2023	\$0.20	800,000	800,000	-	800,000
			<b>27,300,000</b>	<b>27,300,000</b>	<b>-</b>	<b>27,300,000</b>
Weighted average exercise price			\$0.20	\$0.20	-	\$0.20
<b>30 June 2022</b>			<b>Balance at the start of the year No.</b>	<b>Granted No.</b>	<b>Expired/ forfeited/ other No.</b>	<b>Balance at the end of the year No.</b>
<b>Grant date</b>	<b>Expiry date</b>	<b>Exercise price</b>				
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
			<b>2,000,000</b>	<b>27,300,000</b>	<b>(2,000,000)</b>	<b>27,300,000</b>
Weighted average exercise price			\$0.30	\$0.20	\$0.30	\$0.20

## NOTES TO THE FINANCIAL STATEMENTS

Options exercisable at end of the financial year are set out in the table below:

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

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.72 years (2022: 2.23 years).

### Expenses arising from share-based payment transactions:

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

	2023 \$	2022 \$
<i>Options</i>		
Amortisation of options issued to KMP in prior period	33,019	227,980
Amortisation of options issued to employees/consultants in prior period	24,314	66,167
	<u>57,333</u>	<u>294,147</u>

Share based payment expense for options is amortised over the vesting period of the options.

### Shares

Directors' remuneration	<u>38,675</u>	-
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For the options granted during the prior financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
<i>PKDAF – Directors</i>	16/09/2021	30/09/2024	\$0.045	\$0.20	100%	Nil	0.16%	\$0.013
<i>PKDAF – Employees</i>	11/10/2021	30/09/2024	\$0.046	\$0.20	100%	Nil	0.44%	\$0.013
<i>PKDAG - Employees</i>	18/10/2021	20/10/2023	\$0.044	\$0.20	100%	Nil	0.14%	\$0.008

## NOTES TO THE FINANCIAL STATEMENTS

### Note 23: Parent entity information

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

	Parent	
	2023	2022
	\$	\$
<i>Statement of financial position</i>		
Assets		
Current assets	658,684	1,387,399
Non-current assets	14,561	50,000
Total assets	<u>673,245</u>	<u>1,437,399</u>
Liabilities		
Current liabilities	436,236	764,726
Total liabilities	<u>436,236</u>	<u>764,726</u>
Net Assets	<u>237,009</u>	<u>672,673</u>
Equity		
Issued capital	7,163,912	7,126,612
Reserves	514,559	457,226
Accumulated losses	(7,441,462)	(6,911,165)
Total equity	<u>237,009</u>	<u>672,673</u>
<i>Statement of profit or loss and other comprehensive income</i>		
Loss after income tax	(530,297)	(1,281,099)
Total Comprehensive loss	<u>(530,297)</u>	<u>(1,281,099)</u>

#### *Contingent liabilities*

The parent entity's contingent liabilities is disclosed in Note 20.

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

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

#### *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

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### **Note 24: Interest in subsidiaries**

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

<b>Name</b>	<b>Country of incorporation</b>	<b>2023</b> %	<b>2022</b> %
PARKD Construction Pty Ltd	Australia	100%	100%

### **Note 25: Events after the reporting period**

There are no matters or circumstance that have arisen since 30 June 2023 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 26: Dividends**

There were no dividends paid during the year (2022: Nil).

## DIRECTORS' DECLARATION

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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 2023 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations 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.



Peter McUtchen  
Managing Director  
30 August 2023  
Perth, WA



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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 2023, 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 2023 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.

#### THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

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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 \$530,122 and had net operating cash outflows of \$521,944 for the year ended 30 June 2023. 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
<b>Revenue From Contracts with Customers</b> Refer to Note 5 in the financial statements.	
<p>The Group has recognised \$1,149,302 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 2023, 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 2023. In our opinion, the Remuneration Report of PARKD Limited, for the year ended 30 June 2023, 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.

A handwritten signature of 'RSM' in black ink.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to be 'AIK KONG TING'.

AIK KONG TING  
Partner

Perth, WA  
Dated: 30 August 2023

## ASX ADDITIONAL 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 29 September 2023.

The total number of fully paid ordinary shares on issue is 101,818,333 held by 389 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	93,198,906	91.53	122	31.36
10,001 to 100,000	8,206,841	8.06	191	49.10
5,001 to 10,000	345,499	0.34	39	10.03
1,001 to 5,000	63,124	0.06	19	4.88
1 to 1,000	3,963	0.01	18	4.63
	<b>101,818,333</b>	<b>100</b>	<b>389</b>	<b>100</b>
Holding less than a marketable parcel	875,187	0.86	107	27.51

The number of shareholders holding less than a marketable parcel of ordinary shares is based on the PARKD Limited closing share price of \$0.025 on 29 September 2023.

### **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
BRONTE MCGREGOR HOWSON & COLLEEN CHRISTINE HOWSON <THE HOWSON SUPER FUND A/C>	10,717,795	10.53
CAP MCUTCHEN PTY LTD	10,270,000	10.09
DHT INVESTMENTS (WA) PTY LTD	5,498,000	5.40
MR STUART SPITERI & MRS PRANEETA MURTI	5,000,000	4.91
CROYSTONE NOMINEES PTY LTD	3,915,536	3.85
SOLSTRAALE NOMINEES PTY LTD <MUSGRAVE SUPER FUND A/C>	2,500,000	2.46
CRAYPOT NOMINEES PTY LTD	2,184,086	2.15
MRS COLLEEN HOWSON	2,100,001	2.06
BRONTE MCGREGOR HOWSON & COLLEEN CHRISTINE HOWSON <THE HOWSON SUPER FUND>	2,000,000	1.96
ELLISON (WA) PTY LTD	2,000,000	1.96
MR TERRY CUTTS	1,895,986	1.86
ANTECHINUS ACCUMULATED ASSETS PTY LTD <PRICE SUPER FUND A/C>	1,765,000	1.73
LD&R HOLDINGS PTY LTD	1,500,000	1.47
MR ADAM GARNAUT	1,500,000	1.47
RONAM NOMINEES PTY LTD	1,429,385	1.40
MR ROBERT ANTHONY MARTIN	1,401,498	1.38
STEV SAND HOLDINGS PTY LTD	1,387,904	1.36
ALLSTYLE HOLDINGS PTY LTD	1,333,334	1.31
MAC EQUITY PARTNERS (INTERNATIONAL) PTY LTD	1,250,000	1.23
JONELLEN PTY LTD	1,077,163	1.06
MR CARL GEOFFREY KIRK	1,051,208	1.03
THOMAS ZHAO PTY LTD	980,000	0.96
	<b>62,756,896</b>	<b>61.63</b>

## ASX ADDITIONAL INFORMATION

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### Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Bronte Howson	18,733,332	18.40
Peter McUtchen	10,270,000	10.09
David Thomas	7,450,000	7.32

### 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