

**PARKD Limited**  
**Appendix 4E**  
**Final report**

**1. Company details**

Name of entity:	PARKD Limited
ABN:	94 615 443 037
Reporting period:	For the year ended 30 June 2020
Previous period:	For the year ended 30 June 2019

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**2. Results for announcement to the market**

				\$
Revenues from ordinary activities	down	74% to		267,200
Loss from ordinary activities after tax attributable to the owners of PARKD Limited	down	17% to		1,303,898
Loss for the year attributable to the owners of PARKD Limited	down	17% to		1,303,898

*Dividends*

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 30 June 2020	0.0	0.0
Interim dividend for the year ended 30 June 2020	0.0	0.0

No dividend has been declared.

*Comments*

The loss for the Company amounted to \$1,303,898 (30 June 2019: \$1,572,509).

Losses after income tax decreased by 17% on the prior year. The Company completed a number of fee generating detailed and concept car park designs for a number of clients in the local government, commercial property and automotive industries. Operating expenses during the period were principally related to direct costs in completing the design works together with general employee expenses, corporate overheads and research and development expenditure.

The Company's cash and cash equivalents were \$1,103,741 at 30 June 2020 (30 June 2019: \$2,433,347) and net assets at 30 June 2020 were \$1,140,472 (30 June 2019: \$2,442,904).

The operating cash outflows for the year were reduced by 20% to \$1,274,636 (30 June 2019: outflows of \$1,666,348) largely as a result of cost savings initiatives. They also included a research and development tax rebate received during the year of \$437,359 (30 June 2019: rebate of \$469,245).

The Company confirms in the period from admission to the official list of the ASX to 30 June 2020, that it used its cash and assets in a form readily convertible to cash, in a manner consistent with its business objectives.

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

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**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.53</u>	<u>3.25</u>

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**4. Control gained over entities**

Not applicable

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**5. Loss of control over entities**

Not applicable.

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**6. Details of associates and joint venture entities**

Not applicable

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**7. Audit qualification or review**

The financial statements have been audited and an unqualified opinion has been issued.

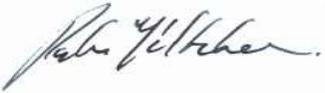
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**8. Attachments**

The Annual Report of PARKD Limited for the year ended 30 June 2020 is attached.

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**9. Signed**



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Peter McUtchen  
Director

Date: 24 August 2020

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For personal use only

**PARKD Limited**

**ABN 94 615 443 037**

**Annual Report – 30 June 2020**



# COMPANY DIRECTORY

Directors	Bronte Howson (Non-Executive Chairman) Peter McUtchen (Executive Director) Robert Freedman (Non-Executive Director) Robert Martin (Non-Executive Director)
Company secretaries	Len Troncone Kathrin Gerstmayr
Registered office	441 Stirling Hwy Claremont WA 6010  Phone: 08 9429 8863
Principal place of business	441 Stirling Hwy Claremont WA 6010  Phone: 08 9429 8863
Share register	Link Market Services Limited QV1 Building, Level 12 250 St Georges Terrace Perth WA 6000  Phone: 1300 554 474
Auditor	RSM Australia Partners Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
Solicitors	HWL Ebsworth Level 20, 240 St George's Terrace Perth WA 6000
Bankers	Australia & New Zealand Banking Group Limited 32 St Quentin's Avenue Claremont WA 6010
Stock exchange listing	PARKD Limited shares are listed on the Australian Securities Exchange (ASX code: PKD)
Website	<a href="http://www.parkdgroup.com">www.parkdgroup.com</a>
Corporate Governance Statement	<a href="http://www.parkdgroup.com/corporate-governance">www.parkdgroup.com/corporate-governance</a>

# CHAIRMAN'S REPORT TO SHAREHOLDERS

Dear Shareholder

On behalf of the Board I am pleased to present the 2020 Annual Report to shareholders.

Like most businesses in Australia, the 2019/20 financial year was a challenging one for PARKD – revenue generation proved difficult with most private businesses struggling with COVID-19 related matters and capital expenditure on private infrastructure projects virtually non-existent. Again, like most businesses in Australia, the Company took measures to reduce its overhead expenditure by introducing a number of cost-cutting initiatives including a 20% reduction in staff remuneration, suspension of directors' fees and the elimination of all non-essential expenditure. Welcomed initiatives included the Federal Government's Cash Boost and JobKeeper allowances in which the Company was eligible to participate.

Given the current and foreseeable economic environment, the Company made significant effort to position itself to participate in government led infrastructure projects in which commuter car parks are an important component. Tenders for these infrastructure projects are finally being let and, in some cases, awarded. The Company has identified a healthy pipeline of near to medium term prospects and remains well placed to offer a unique solution via its patented Modular Car Parking System.

I take the opportunity of thanking shareholders for their continued support in these challenging times. I remain a substantial shareholder of the Company and look forward to the next stage of the Company's development as it continues its efforts to commercialise its innovative Modular Car Parking System.

Yours faithfully



Mr Bronte Howson  
Non-Executive Chairman  
PARKD Limited

# DIRECTORS' REPORT

The directors present their report, together with the financial statements, on PARKD Limited (referred to hereafter as the 'Company') for the year ended 30 June 2020.

## Directors

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

Bronte Howson  
Peter McUtchen  
Robert Freedman  
Robert Martin  
Bryant Mclarty (resigned 20 April 2020)

## Principal activities

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

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

## Dividends

There were no dividends paid during the year.

## Review of operations

The loss for the Company amounted to \$1,303,898 (30 June 2019: \$1,572,509), a decrease of 17% in losses on the prior year.

The Company completed a number of fee generating detailed and concept car park designs for a number of clients in the local government, commercial property and automotive industries. Operating expenses during the period were principally related to direct expenses incurred in completing the design works together with general employee expenses and corporate overheads.

The Company's cash and cash equivalents were \$1,103,471 at 30 June 2020 (30 June 2019: \$2,433,347) and net assets at 30 June 2020 were \$1,140,472 (30 June 2019: \$2,442,904).

The operating cash outflows for the year were reduced by 20% to \$1,274,636 (30 June 2019: outflows of \$1,666,348) largely as a result of cost savings initiatives. They also included a research and development tax rebate received during the year of \$437,359 (30 June 2019: rebate of \$469,245).

The Company confirms in the period from admission to the official list of the ASX to 30 June 2020, that it used its cash and assets in a form readily convertible to cash, in a manner consistent with its business objectives.

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

## Significant changes in the state of affairs

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

# DIRECTORS' REPORT

## Likely developments and expected results of operations

Information on likely developments in the operations of the Company 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 Company.

## Environmental regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## Information on directors

Name:	Bronte Howson OAM
Title:	Non-Executive Chairman
Qualifications:	MAICD
Experience and expertise:	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. Mr Howson is President and a life member of the East Perth Football Club and was awarded honorary life membership of Rocky Bay for his support of the charity. He was awarded the Medal in the Order of Australia in the 2016 Queen's Birthday honours list for services to the automotive industry and to charities.
Length of service:	Director since 10 May 2017
Other current directorships:	None
Former directorships (last 3 years):	Automotive Holdings Group Limited (ASX: AHG)
Special responsibilities:	Member of Audit and Risk Committee and Chair of Remuneration and Nomination Committee
Interests in shares:	7,372,474
Interests in options:	3,000,000
Contractual rights to shares:	Nil

# DIRECTORS' REPORT

**Name:** Peter McUtchen  
**Title:** Executive Director, Chief Operating Officer  
**Qualifications:** B.Eng. (Civil Engineering)  
**Experience and expertise:** Mr McUtchen has 15 years' experience in the structural design and construction of specialist concrete buildings and structures. His experience in the construction industry was founded with the specialist subcontractor, Soletanche Freyssinet where he developed his expertise in the design and construction of post-tensioned structures and management of construction projects. Upon establishing the Freyssinet brand in the Western Australian market, he transitioned into the engineering consulting industry becoming the Practice Manager for ADG Engineers (a national structural and civil engineering consultancy).  
Mr McUtchen's experience with Freyssinet spanned 11 years in both Australia and the United Kingdom, where he specialised in the design of post-tensioned structures and management of the building and construction areas of the business. His work at ADG Engineers in Perth focused on providing complete structural designs and solutions for builders and developers whilst continuing to partner with specialist subcontractors in the design of post-tensioned structures.  
Mr McUtchen is the appointed President of the West Australian branch of the Concrete Institute of Australia where he represents corporate partners and individuals working in the concrete industry.

**Length of service:** Director since 20 October 2016  
**Other current directorships:** None  
**Former directorships (last 3 years):** None  
**Special responsibilities:** None  
**Interests in shares:** 10,170,000  
**Interests in options:** 3,000,000  
**Contractual rights to shares:** Nil

**Name:** Robert Freedman  
**Title:** Non-Executive Director  
**Qualifications:** Member of the Institution of Engineers Australia and holds a Post Graduate Diploma in Business Administration (W.A.I.T.)  
**Experience and expertise:** Mr Freedman is the former Chairman and a current Non-Executive Director of SRG Limited (ASX: SRG), a leading Australian specialist design and construction company with over 50 years' experience supporting the construction of high-profile global projects. He has been associated with SRG (then Structural Systems) since 1970 when he joined the business as founding Manager for Western Australia. He then held the role of Managing Director from 1985 until 2009 and has been a Director since 1985, serving as Chairman of the Board between 2009 and 2014.  
Over the past five decades at SRG, Mr Freedman has been involved in the design and construction of many iconic projects, including Centrepont Tower and Stadium Australia in Sydney, Eleanor Schonell Bridge in Brisbane, Colonial Stadium and Rod Laver Arena in Melbourne, and the Emirates Tower in Dubai. He was responsible for establishing SRG's overseas operations in Asia, the United Kingdom, the Middle East and South Africa. He brings many strong global relationships from the construction industry, as well as extensive corporate and ASX experience to PARKD.  
Mr Freedman is also the current Chairman of Highway Construction, a West Australian owned civil engineering contractor specialising in the delivery and management of road, bridge and pavement construction contracts across Australia.

**Length of service:** Director since 4 May 2018  
**Other current directorships:** SRG Limited (ASX: SRG)  
**Former directorships (last 3 years):** None  
**Special responsibilities:** Member of Audit and Risk Committee and Member of Remuneration and Nomination Committee  
**Interests in shares:** 750,000  
**Interests in options:** 1,250,000  
**Contractual rights to shares:** Nil

# DIRECTORS' REPORT

Name: Robert Martin  
Title: Non-Executive Director  
Experience and expertise: Mr Martin has over 20 years' experience across the mining services, supply chain and capital market sectors. Before joining the Company's board of directors, he operated a highly successful mining services company which became a leading provider of products and services to the mining industry and operated globally with offices across Australia and internationally. After 7 years of growth on growth revenue, profitability and expansion into multiple countries, Mr Martin's company was acquired by a prominent Perth business for an undisclosed multi-million dollar sum. Mr Martin now runs a family office in Western Australia with a focus on investing and supporting emerging private and public businesses.

Length of service: Director since 1 March 2019  
Other current directorships: JV Global Ltd (ASX: JVG)  
Former directorships (last 3 years): None  
Special responsibilities: Chair of Audit and Risk Committee and Member of Remuneration and Nomination Committee Nil  
Interests in shares: 1,429,681  
Interests in options: 1,250,000  
Contractual rights to shares: Nil

Name: Bryant Mclarty  
Title: Non-Executive Director  
Experience and expertise: Mr Mclarty is the Executive Chairman of Mac Equity Partners, a boutique Western Australian stockbroking and corporate advisory firm operating since 2009. Clients include ASX listed, public and private companies, wholesale high net worth investors and overseas funds who are provided with a range of services including capital raising, share trading, corporate advisory, marketing, presentation, consulting and strategic advice.  
Mr Mclarty was a Non-Executive Director of Hazer Group Limited (ASX: HZR) from prior to its ASX listing until February 2017.

Length of service: Appointed on 21 December 2016. Resigned on 20 April 2020.  
Other current directorships: None  
Former directorships (last 3 years): None  
Interests in shares: 4,239,291  
Interests in options: 3,500,000  
Contractual rights to shares: Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

## Company Secretaries

Len Troncone and Kathrin Gerstmayr have held the role of Joint Company Secretaries since 4 November 2019.

Len Troncone is the Company's Chief Executive Officer and Chief Financial Officer and has over 35 years' experience in senior finance executive roles including acting as Company Secretary for a number of publicly listed companies. He holds a Bachelor of Commerce degree from Curtin University of Technology.

Kathrin Gerstmayr commenced her career working for a chartered accounting and business advisory firm as tax manager, before moving into senior finance roles in a variety of industries. She holds a Bachelor of Commerce degree and is joint Company Secretary of a publicly listed mineral exploration company. She is a member of CPA Australia, a certified member of the Governance Institute of Australia and studying towards her Chartered Governance Professional qualification.

# DIRECTORS' REPORT

## Meetings of directors

The number of meetings of directors (including meetings of committees of directors) held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full board		Audit & Risk Committee	
	Attended	Held	Attended	Held
Bronte Howson	11	11	2	2
Peter McUtchen	11	11	-	-
Robert Freedman	11	11	2	2
Robert Martin	11	11	-	-
Bryant Mclarty <sup>1</sup>	6	9	2	2

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

<sup>1</sup> Mr Mclarty resigned on 20 April 2020.

## Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Company, 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 Company, 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 Company'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 Company 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

# DIRECTORS' REPORT

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
Bryant Mclarty	\$35,000 per annum (until his resignation on 20 April 2020)

Non-executive directors' fees were suspended on 1 April 2020 through to 30 June 2020.

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 Company. It also reduces the demand on the cash resources of the Company and assists in ensuring the continuity of service of directors who have extensive knowledge of the Company, its business activities, assets and the industry in which it operates. Details of share-based compensation is contained in this report.

## *Executive remuneration*

The Company 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 Company and comparable market remunerations.

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 Company 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 executives during the year ended 30 June 2020.

# DIRECTORS' REPORT

## Use of remuneration consultants

During the financial year ended 30 June 2020, the Company 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 45.77% of "for" votes on its Remuneration Report for the year ended 30 June 2019. The Company did not receive any specific feedback on the Remuneration Report at the AGM.

## Details of remuneration

### Amounts of remuneration

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

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

- Peter McUtchen – Executive Director
- Bronte Howson – Non-Executive Chairman
- Robert Freedman – Non- Executive Director
- Robert Martin - Non- Executive Director
- Bryant Mclarty - Non- Executive Director (resigned 20 April 2020)
- Len Troncone – Chief Executive Officer

2020	Short-term benefits		Non-monetary	Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Termination benefits		Super-annuation	Long service leave	Equity-settled	
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors<sup>3</sup>:</i>							
Bronte Howson	52,500	-	-	-	-	-	52,500
Robert Freedman	26,250	-	-	2,383	-	-	28,633
Robert Martin	27,081	-	-	1,663	-	1,466	30,210
Bryant Mclarty <sup>1,2</sup>	26,250	-	-	-	-	-	26,250
<i>Executive Directors:</i>							
Peter McUtchen	192,500	-	-	18,288	-	-	210,788
<i>Chief Executive Officer</i>							
Len Troncone	192,500	-	-	18,288	-	-	210,788
	517,081	-	-	40,622	-	1,466	559,169

<sup>1</sup> Represents remuneration from 1 July 2019 to 20 April 2020

<sup>2</sup> Payments above are only those made in capacity as Director. They do not include amounts for other services paid. Related party payments have been disclosed in Note 20.

<sup>3</sup> Remuneration of non-executive directors was suspended on 1 April 2020 through to 30 June 2020.

# DIRECTORS' REPORT

2019	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Termination benefits	Non-monetary	Super-annuation	Long service leave	Equity-settled	
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Bronte Howson	70,000	-	-	1,662	-	-	71,662
Robert Freedman	31,667	-	-	3,008	-	87,913	122,588
Robert Martin <sup>1</sup>	11,667	-	-	1,108	-	-	12,775
Bryant Mclarty <sup>2</sup>	28,333	-	-	-	-	-	28,333
<i>Executive Directors:</i>							
Peter McUtchen	185,000	-	-	17,575	-	-	202,575
<i>Chief Executive Officer</i>							
Len Troncone <sup>3</sup>	46,111	-	-	4,381	-	47,131	97,623
	<u>372,778</u>	<u>-</u>	<u>-</u>	<u>27,734</u>	<u>-</u>	<u>135,044</u>	<u>535,556</u>

<sup>1</sup> Represents remuneration from 1 March 2019 to 30 June 2019

<sup>2</sup> Payments above are only those made in capacity as Director. They do not include amounts for other services paid. Related party payments have been disclosed in Note 20.

<sup>3</sup> Represents remuneration from 8 April 2019 to 30 June 2019

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

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2020	2019	2020	2019	2020	2019
<i>Non-Executive Directors:</i>						
Bronte Howson	100%	100%	-	-	-	-
Robert Freedman	100%	28%	-	-	-	72%
Robert Martin	95%	100%	-	-	5%	-
Bryant Mclarty	100%	100%	-	-	-	-
<i>Executive Directors:</i>						
Peter McUtchen	100%	100%	-	-	-	-
<i>Chief Executive Officer</i>						
Len Troncone	100%	52%	-	-	-	48%

# DIRECTORS' REPORT

## **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: Executive Director  
Agreement commenced: 1 December 2017  
Term of agreement: Open  
Details: Base salary of \$170,000 (previous year: \$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.

Name: Len Troncone  
Title: Chief Executive Officer  
Agreement commenced: 5 June 2019  
Term of agreement: Open  
Details: Base salary of \$170,000 (previous year: \$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.

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# DIRECTORS' REPORT

## Share-based compensation

### Options

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

Option series	Number of options issued	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Series C	1,250,000	28 November 2019	28 November 2019	31 December 2020	\$0.30	\$0.001

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2020 are set out below:

Name	Number of options granted during the year 2020	Number of options granted during the year 2019	Number of options vested during the year 2020	Number of options vested during the year 2019
Bronte Howson	-	-	-	-
Bryant Mclarty	-	-	-	-
Robert Freedman	-	1,250,000	-	1,250,000
Robert Martin	1,250,000	-	1,250,000	-
Peter McUtchen	-	-	-	-
Len Tronccone	-	2,000,000	-	2,000,000
Total	1,250,000	3,250,000	1,250,000	3,250,000

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2020 are set out below:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
Bronte Howson	-	-	-	-
Bryant Mclarty	-	-	-	-
Robert Freedman	-	-	-	-
Robert Martin	1,466	-	-	5%
Peter McUtchen	-	-	-	-
Len Tronccone	-	-	-	-
Total	1,466	-	-	5%

# DIRECTORS' REPORT

## Additional information

The earnings of the Company for the five years to 30 June 2020 are summarised below:

	2020	2019	2018	2017	2016
	\$	\$	\$	\$	\$
Revenues from ordinary activities <sup>1</sup>	267,200	1,040,551	139,676	-	n/a
Loss after income tax <sup>1</sup>	1,303,898	1,572,509	2,328,668	741,381	n/a
Net assets <sup>1</sup>	1,140,472	2,442,904	3,695,291	265,955	n/a

<sup>1</sup> The Company was incorporated on 20 October 2016 hence N/A for periods before the year ended 30 June 2017.

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

	2020	2019	2018	2017	2016
Share price at financial year end (\$) <sup>1</sup>	0.02	0.09	0.25	n/a	n/a
Total dividends declared (cents per share)	0.00	0.00	0.00	0.00	n/a
Basic loss per share (cents per share)	1.74	2.09	3.82	5.74	n/a

<sup>1</sup> The Company was admitted to the official list of the ASX on 4 December 2017 hence N/A for periods before admission.

<sup>2</sup> The Company was incorporated on 20 October 2016 hence N/A for periods before the year ended 30 June 2017.

## 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:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ Other	Balance at the end of the year	Additions subsequent to year end
<i>Ordinary shares</i>						
Bronte Howson	6,372,474	-	1,000,000	-	7,372,474	-
Bryant McLarty	4,239,291	-	-	-	4,239,291 <sup>(i)</sup>	-
Robert Freedman	250,000	-	500,000	-	750,000	-
Robert Martin	745,156	-	684,525	-	1,429,681	-
Peter McUtchen	9,670,000	-	500,000	-	10,170,000	-
Len Tronccone	-	-	500,000	-	500,000	-
	21,276,921	-	3,184,525	-	24,451,446	-

(i) Balance on resignation date, 20 April 2020.

# DIRECTORS' REPORT

## 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:

	Balance at the start of the year	Granted	Exercised	Expired <sup>1</sup> / forfeited/ Other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Bronte Howson	4,393,750	-	-	(1,393,750)	3,000,000
Bryant Mclarty	4,442,636	-	-	(942,636)	3,500,000
Robert Freedman	1,250,000	-	-	-	1,250,000
Robert Martin	-	1,250,000	-	-	1,250,000
Peter McUtchen	5,417,500	-	-	(2,417,500)	3,000,000
Len Tronccone	2,000,000	-	-	-	2,000,000
	17,503,886	1,250,000	-	(4,753,886)	14,000,000

<sup>1</sup> Represents listed options (ASX: PKDO) acquired pursuant to an Entitlement Option Issue Prospectus dated 18 July 2018 that expired on 31 December 2019.

## 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:

- Mac Equity Partners (International) Pty Ltd, a company controlled by Bryant Mclarty, received \$25,000 in advisory fees; and
- Audi Centre Perth, of which Bronte Howson is Dealer Principal, paid \$110,000 to the Company as a fee for providing concept design services for a new showroom and car storage facility at the dealership.

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

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

## 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
Series A	4 November 2016	1 December 2020	\$0.30	9,000,000
Series A	18 July 2017	1 December 2020	\$0.30	5,500,000
Series A	1 December 2017	1 December 2020	\$0.30	2,500,000
Series A	17 July 2018	1 December 2020	\$0.30	250,000
Series A	28 November 2018	1 December 2020	\$0.30	1,250,000
Series A	20 December 2018	1 December 2020	\$0.30	150,000
Series B	5 June 2019	31 December 2021	\$0.30	2,000,000
Series C	28 November 2019	31 December 2020	\$0.30	1,250,000
<b>Total</b>				<b>21,900,000</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 2020 and up to the date of this report on the exercise of options granted.

# DIRECTORS' REPORT

## Indemnity and insurance of officers

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

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

## Indemnity and insurance of auditor

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

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

## Proceedings on behalf of the Company

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

## Non-audit services

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

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

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

## Auditor's independence declaration

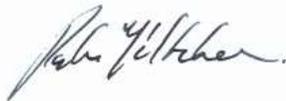
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included in this financial report.

## Auditor

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

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  
Executive Director

24 August 2020  
Perth

**RSM Australia Partners**

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2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

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[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of PARKD Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 24 August 2020

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## General information

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

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

### Registered office

441 Stirling Highway  
Claremont WA 6010

### Principal place of business

441 Stirling Highway  
Claremont WA 6010

A description of the nature of the Company'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 24 August 2020. The directors have the power to amend and reissue the financial statements.

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2020 \$	2019 \$
<b>Revenue</b>			
Sales from contracts with customers	5	267,200	1,040,551
Cost of sales		<u>(240,378)</u>	<u>(1,094,229)</u>
Gross profit		26,822	(53,678)
Interest income	5	3,544	10,377
Other income	5	532,146	475,309
<b>Expenses</b>			
Administration expenses		(834,639)	(939,566)
Employee benefits expense		(964,883)	(905,135)
Amortisation expense		(58,463)	-
Finance costs		(6,959)	(2,773)
Share based payments		<u>(1,466)</u>	<u>(157,043)</u>
<b>Loss before income tax expense</b>		(1,303,898)	(1,572,509)
Income tax expense	13	-	-
<b>Loss after income tax expense for the year</b>		(1,303,898)	(1,572,509)
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive loss for the year</b>		<u>(1,303,898)</u>	<u>(1,572,509)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	24	(1.74)	(2.09)
Diluted loss per share	24	(1.74)	(2.09)

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

# STATEMENT OF FINANCIAL POSITION

	Note	2020 \$	2019 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1,103,741	2,433,347
Trades and other receivables	7	41,245	129,500
Right to use asset	8	52,743	-
Other current assets	9	99,615	79,231
<b>Total current assets</b>		<u>1,297,344</u>	<u>2,642,078</u>
<b>Total assets</b>		<u>1,297,344</u>	<u>2,642,078</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	60,089	182,734
Lease liability	11	61,344	-
Provisions	12	35,439	16,440
<b>Total current liabilities</b>		<u>156,872</u>	<u>199,174</u>
<b>Total liabilities</b>		<u>156,872</u>	<u>199,174</u>
<b>Net assets</b>		<u>1,140,472</u>	<u>2,442,904</u>
<b>Equity</b>			
Issued capital	14	5,979,519	5,979,519
Reserves	15	1,107,409	1,105,943
Accumulated losses	16	(5,946,456)	(4,642,558)
<b>Total equity</b>		<u>1,140,472</u>	<u>2,442,904</u>

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

# STATEMENT OF CHANGES IN EQUITY

2019	Issued capital \$	Reserves \$	Accumulated Losses \$	Total equity \$
<b>Balance at 1 July 2018</b>	<b>5,979,519</b>	<b>785,821</b>	<b>(3,070,049)</b>	<b>3,695,291</b>
Loss after income tax expense for the year	-	-	(1,572,509)	(1,572,509)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(1,572,509)	(1,572,509)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 14)	-	163,079	-	163,079
Share-based payments (note 23)	-	157,043	-	157,043
<b>Balance at 30 June 2019</b>	<b>5,979,519</b>	<b>1,105,943</b>	<b>(4,642,558)</b>	<b>2,442,904</b>
	Issued capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
<b>2020</b>				
<b>Balance at 1 July 2019</b>	<b>5,979,519</b>	<b>1,105,943</b>	<b>(4,642,558)</b>	<b>2,442,904</b>
Loss after income tax expense for the year	-	-	(1,303,898)	(1,303,898)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(1,303,898)	(1,303,898)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 23)	-	1,466	-	1,466
<b>Balance at 30 June 2020</b>	<b>5,979,519</b>	<b>1,107,409</b>	<b>(5,946,456)</b>	<b>1,140,472</b>

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

# STATEMENT OF CASH FLOWS

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		382,176	1,007,106
Payments to suppliers and employees (inclusive of GST)		<u>(2,169,864)</u>	<u>(3,150,303)</u>
		(1,787,688)	(2,143,197)
Interest received		3,544	10,377
Interest and other finance costs paid		(1,851)	(2,773)
Research and development tax rebate received		437,359	469,245
Government stimulus measures received		<u>74,000</u>	<u>-</u>
<b>Net cash used in operating activities</b>	22	<u>(1,274,636)</u>	<u>(1,666,348)</u>
<b>Cash flows from financing activities</b>			
Payment of lease liabilities		(54,970)	-
Proceeds from issue of options		-	187,875
Option issue transaction costs		<u>-</u>	<u>(24,796)</u>
<b>Net cash (used in)/from financing activities</b>		<u>(54,970)</u>	<u>163,079</u>
Net decrease in cash and cash equivalents		(1,329,606)	(1,503,269)
Cash and cash equivalents at the beginning of the financial year		<u>2,433,347</u>	<u>3,936,616</u>
<b>Cash and cash equivalents at the end of the financial year</b>	6	<u><u>1,103,741</u></u>	<u><u>2,433,347</u></u>

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

# NOTES TO THE FINANCIAL STATEMENTS

## Note 1. Significant accounting policies

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

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

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

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

The following Accounting Standards and Interpretations are most relevant to the Company:

#### AASB 16 Leases

The Company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classification of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

#### Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such comparatives have not been restated.

The impact of adoption on opening accumulated losses as at 1 July 2019 was as follows:

	1 July 2019
Operating lease commitments as at 1 July 2019 (AASB 117)	117,279
Operating lease commitments discounted based on the weighted average incremental borrowing rate of 6% (AASB 16)	(6,073)
Right-of-use assets (AASB 16)	<u>111,206</u>
Lease liabilities – current (AASB 16)	(51,792)
Lease liabilities – non-current (AASB 16)	<u>(59,414)</u>
Impact on opening accumulated losses as at 1 July 2019	<u><u>-</u></u>

#### Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over the estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

# NOTES TO THE FINANCIAL STATEMENTS

## Note 1. Significant accounting policies (Cont'd)

### Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### 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 Company'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.

### Operating segments

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

### Foreign currency translation

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

### Foreign currency transactions

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

### Revenue recognition

The Company recognises revenue as follows:

#### Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company 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.

# NOTES TO THE FINANCIAL STATEMENTS

## Note 1. Significant accounting policies (Cont'd)

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 Company will receive the benefit.

### **Income tax**

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

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

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

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

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

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

### **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.

# NOTES TO THE FINANCIAL STATEMENTS

## Note 1. Significant accounting policies (Cont'd)

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

### Cash and cash equivalents

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

### Trade and other receivables

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

The Company 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.

### 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.

### Issued capital

Ordinary shares are classified as equity.

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

### Earnings per share

#### Basic earnings per share

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

#### Diluted earnings per share

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## Note 1. Significant accounting policies (Cont'd)

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.

### Share-based payments

The Company 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 Company 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 Company 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 Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company 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.

### 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 Company is able to use or sell the asset; the Company 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.

### Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS

## Note 1. Significant accounting policies (Cont'd)

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### Comparative information

Other current assets and trade and other payable balances for the financial year ended 30 June 2019 have been restated for comparability purposes.

### 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 Company for the annual reporting period ended 30 June 2020. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below

#### *Conceptual Framework for Financial Reporting (Conceptual Framework)*

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

## 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.

#### *Share-based payment transactions*

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

## Note 3. Operating segments

The Company 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 Company 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 Company 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.

# NOTES TO THE FINANCIAL STATEMENTS

## Note 4. Financial risk management objectives and policies

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

The Company 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 Company 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 Company had \$1,103,741 (2019: \$2,433,347) in cash and cash equivalents exposed to interest rate risk.

The Company'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)	
	2020	2019	2020	2019
	\$	\$	\$	\$
+1% (100 basis points)	11,037	24,333	11,037	24,333
-1% (100 basis points)	(11,037)	(24,333)	(11,037)	(24,333)

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 consolidated entity's current cash requirements.

### *Capital management*

The primary objective of the Company'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 Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company 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 2020 and 30 June 2019.

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

# NOTES TO THE FINANCIAL STATEMENTS

## Note 5. Revenue

	2020 \$	2019 \$
<i>Revenue from contracts with customers</i>		
Design work	267,200	315,158
Construction	-	725,393
	<u>267,200</u>	<u>1,040,551</u>
<i>Other revenue</i>		
Interest income	3,544	10,377
Research and development tax offset	437,359	469,245
Government assistance packages	74,000	-
Other income	20,787	6,064
	<u>535,690</u>	<u>485,686</u>
	<u>802,890</u>	<u>1,526,237</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 - design work	267,200	315,158
Good transferred at a point in time - construction	-	725,393
	<u>267,200</u>	<u>1,040,551</u>

## Note 6. Cash and cash equivalents

	2020 \$	2019 \$
Cash at bank	1,103,741	2,433,347
	<u>1,103,741</u>	<u>2,433,347</u>

## Note 7. Trade debtors and other receivables

	2020 \$	2019 \$
Trade debtors	41,245	129,500
	<u>41,245</u>	<u>129,500</u>

### *Allowance for expected credit losses*

The Company has not recognised any loss (2019: nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2020.

## Note 8. Right to use asset

	2020 \$	2019 \$
Leased office premises	52,743	-
	<u>52,743</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

## Note 9. Other current assets

	2020 \$	2019 \$
Prepayments	51,387	31,003
Other receivables	48,228	48,228
	<u>99,615</u>	<u>79,231</u>

## Note 10. Trade and other payables

	2020 \$	2019 \$
Trade payables and accruals	60,089	182,734
	<u>60,089</u>	<u>182,734</u>

## Note 11. Lease liability

	2020 \$	2019 \$
Office premises lease liability - current	61,344	-
	<u>61,344</u>	<u>-</u>

## Note 12. Provisions

	2020 \$	2019 \$
Employee benefits	35,439	16,440
	<u>35,439</u>	<u>16,440</u>

# NOTES TO THE FINANCIAL STATEMENTS

## Note 13. Income Tax

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

	2020 \$	2019 \$
Prima facie benefit on operating loss at 27.5% (2019: 27.5%)	358,572	432,440
Tax effect of non-deductible and non-assessable items	74,558	(208,113)
Tax effect of timing differences	1,758	(24,826)
Tax losses not brought to account	(434,888)	(199,501)
	<u>          -</u>	<u>          -</u>
Income tax benefit attributable to operating loss	<u>          -</u>	<u>          -</u>

A potential deferred tax asset, attributable to tax losses carried forward, amounts to approximately \$973,900 (2019: \$555,472) 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 Company 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 Company continues to comply with the conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss and research and development expenditure.

## Note 14. Equity - issued capital

	2020 Shares	2019 Shares	2020 \$	2019 \$
Ordinary shares	75,150,000	75,150,000	5,979,519	5,979,519

### Ordinary share capital

*Movements in ordinary share capital*

	No of shares	Issue price \$
<b>Opening balance 1 July 2018</b>	<u>75,150,000</u>	<u>5,979,519</u>
<b>Closing balance 30 June 2019</b>	<u>75,150,000</u>	<u>5,979,519</u>
	No of shares	Issue price \$
<b>Opening balance 1 July 2019</b>	<u>75,150,000</u>	<u>5,979,519</u>
<b>Closing balance 30 June 2020</b>	<u>75,150,000</u>	<u>5,979,519</u>

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 Company'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.

# NOTES TO THE FINANCIAL STATEMENTS

## Note 14. Equity - issued capital (Cont'd)

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

The Company 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 Company 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.

## Note 15. Equity - reserves

	2020 \$	2019 \$
Option reserve	944,330	942,864
Listed option reserve	163,079	163,079
	<u>1,107,409</u>	<u>1,105,943</u>

### Option reserve

The option reserve records items recognised as expenses on the valuation of share options.

### Listed Option reserve

The option reserve records the value of listed options issued but not yet exercised.

### Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

#### Option reserve

	No of Options	Value \$
<b>Balance at 1 July 2019</b>	20,650,000	942,864
<i>New options issued on 3 March 2020 (vested at issue date)</i>		
Exercise price \$0.30, expiry date 31 December 2020 (Note 23)	<u>1,250,000</u>	<u>1,466</u>
<b>Balance at 30 June 2020</b>	<u>21,900,000</u>	<u>944,330</u>

#### Listed Option reserve

	No of Options	Value \$
<b>Balance at 1 July 2019</b>	18,787,500	163,079
Options expired during the period	<u>(18,787,500)</u>	<u>-</u>
<b>Balance at 30 June 2020</b>	<u>-</u>	<u>163,079</u>

During the year ended 30 June 2020, \$1,466 was expensed to the statement of profit or loss and other comprehensive income.

	2020 \$	2019 \$
Option reserve	1,107,409	1,105,943
	<u>1,107,409</u>	<u>1,105,943</u>

### Option reserve

The option reserve records items recognised as expenses on the valuation of share options.

# NOTES TO THE FINANCIAL STATEMENTS

## Note 15. Equity – reserves (Cont'd)

### Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	No of Options	Value \$
<b>Balance at 1 July 2018</b>	17,000,000	785,821
<i>New options issued in the current financial year</i>	3,650,000	157,043
<b>Balance at 30 June 2019</b>	<u>20,650,000</u>	<u>942,864</u>
<b>Balance at 1 July 2019</b>	20,650,000	942,864
<i>New options issued in the current financial year</i>	1,250,000	1,466
<b>Balance at 30 June 2020</b>	<u>21,900,000</u>	<u>944,330</u>

## Note 16. Equity – accumulated losses

	2020 \$	2019 \$
Accumulated losses at the beginning of the financial year	4,642,558	3,070,049
Loss after income tax expense for the year	<u>1,303,898</u>	<u>1,572,509</u>
Accumulated losses at the end of the financial year	<u><u>5,946,456</u></u>	<u><u>4,642,558</u></u>

## Note 17. Key management personnel disclosures

### Compensation

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

	2020 \$	2019 \$
Short-term employee benefits	517,081	372,778
Post-employment benefits	40,622	27,734
Long-term benefits	-	-
Share-based payments	<u>1,466</u>	<u>135,044</u>
	<u><u>559,169</u></u>	<u><u>535,556</u></u>

## Note 18. Remuneration of auditors

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

	2020 \$	2019 \$
<i>Assurance services - RSM Australia Partners</i>		
Audit and review of financial statements	<u>36,000</u>	<u>45,000</u>
	<u><u>36,000</u></u>	<u><u>45,000</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

## Note 19. Contingent assets and liabilities

The Company does not have any other contingent assets or contingent liabilities at 30 June 2020 (30 June 2019: Nil).

## Note 20. Related party transactions

### Key management personnel

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

### Transactions with related parties

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

- Mac Equity Partners (International) Pty Ltd, a company controlled by Bryant Mclarty, received \$25,000 in advisory fees; and
- Audi Centre Perth, of which Bronte Howson is Dealer Principle, paid \$110,000 to the Company as a fee for providing concept design services for a new showroom and car storage facility at the dealership.

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

### Receivable from and payable to related parties

There were no amounts receivable or payable to related parties at 30 June 2020 and 30 June 2019.

## Note 21. Events after the reporting period

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

## Note 22. Reconciliation of profit after income tax to net cash from operating activities

	2020	2019
	\$	\$
Loss after income tax expense for the year	(1,303,898)	(1,572,509)
Adjustments for:		
Share-based payments	1,466	157,043
Amortisation expense	58,463	-
Non-cash interest expense	5,108	-
Change in operating assets and liabilities:		
- trade and other receivables	88,255	(129,500)
- other current assets	(20,384)	(17,269)
- employee entitlement provisions	18,999	13,499
- trade and other payables	(122,645)	(117,612)
Net cash used in operating activities	<u>(1,274,636)</u>	<u>(1,666,348)</u>

# NOTES TO THE FINANCIAL STATEMENTS

## Note 23. Share based payments

### For the year ended 30 June 2020:

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

#### 2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised/ Quoted as Listed options	Expired/ forfeited/ other	Balance at the end of the year
04/11/2016	01/12/2020	\$0.30	9,000,000	-	-	-	9,000,000
18/07/2017	01/12/2020	\$0.30	5,500,000	-	-	-	5,500,000
01/12/2017	01/12/2020	\$0.30	2,500,000	-	-	-	2,500,000
17/07/2018	01/12/2020	\$0.30	250,000	-	-	-	250,000
28/11/2018	01/12/2020	\$0.30	1,250,000	-	-	-	1,250,000
20/12/2018	01/12/2020	\$0.30	150,000	-	-	-	150,000
05/06/2019	31/12/2021	\$0.30	2,000,000	-	-	-	2,000,000
28/11/2019	31/12/2020	\$0.30	-	1,250,000	-	-	1,250,000
			20,650,000	1,250,000	-	-	21,900,000
Weighted average exercise price			\$0.30	\$0.30	-	-	\$0.30

### For the year ended 30 June 2019:

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

#### 2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised/ Quoted as Listed options	Expired/ forfeited/ other	Balance at the end of the year
04/11/2016	01/12/2020	\$0.30	9,000,000	-	-	-	9,000,000
18/07/2017	01/12/2020	\$0.30	5,500,000	-	-	-	5,500,000
01/12/2017	01/12/2020	\$0.30	2,500,000	-	-	-	2,500,000
17/07/2018	01/12/2020	\$0.30	-	250,000	-	-	250,000
28/11/2018	01/12/2020	\$0.30	-	1,250,000	-	-	1,250,000
20/12/2018	01/12/2020	\$0.30	-	150,000	-	-	150,000
05/06/2019	31/12/2021	\$0.30	-	2,000,000	-	-	2,000,000
			17,000,000	3,650,000	-	-	20,650,000
Weighted average exercise price			\$0.30	\$0.30	-	-	\$0.30

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

Option series	Grant date	Expiry date	2020 Number	2019 Number
Series A	04/11/2016	01/12/2020	9,000,000	9,000,000
Series A	18/07/2017	01/12/2020	5,500,000	5,500,000
Series A	01/12/2017	01/12/2020	2,500,000	2,500,000
Series A	17/07/2018	01/12/2020	250,000	250,000
Series A	28/11/2018	01/12/2020	1,250,000	1,250,000
Series A	20/12/2018	01/12/2020	150,000	150,000
Series B	05/06/2019	31/12/2021	2,000,000	2,000,000
Series C	28/11/2019	31/12/2020	1,250,000	-
			21,900,000	20,650,000

# NOTES TO THE FINANCIAL STATEMENTS

## Note 23. Share based payments (Cont'd)

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.52 years (2019: 1.52 years).

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
28-Nov-19	31-Dec-20	0.065	0.30	88.00%	0.00%	0.46%	0.001

### Expenses arising from share based payment transactions

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

	2020 \$	2019 \$
Options issued to KMP	1,466	135,044
Options issued to employees/consultants	-	21,999
Total	<u>1,466</u>	<u>157,043</u>

## Note 24. Earnings per share

	2020 \$	2019 \$
Loss after income tax	1,303,898	1,572,509
Non-controlling interest	-	-
Loss after income tax attributable to the owners of PARKD Limited	<u>1,303,898</u>	<u>1,572,509</u>

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>75,100,000</u>	<u>75,100,000</u>

	Cents	Cents
Basic loss per share	1.74	2.09
Diluted loss per share	1.74	2.09

# DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2020 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; and

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

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

On behalf of the directors



---

Peter McUtchen  
Executive Director

24 August 2020  
Perth

**RSM Australia Partners**

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

**Opinion**

We have audited the financial report of PARKD Limited (the Company) which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, 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 Company is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
<b>Revenue Recognition</b>	
<p>As disclosed in the statement of profit or loss and other comprehensive income, the Company has recognised revenue of \$267,200 from contracts with customers for the year ended 30 June 2020.</p> <p>We have determined this to be a key audit matter because revenue recognition may be complex and involves significant management judgements including identification of performance obligations and assessing whether performance obligations are satisfied at a point in time or over time based on the terms of contracts with customers.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Performing substantive testing on revenue on a sample basis to ensure that it has been recognised in accordance with Accounting Standards;</li> <li>• Reviewing revenue transactions before and after the reporting date to ensure that revenue is recognised in the correct financial period; and</li> <li>• Assessing appropriateness of the disclosures in the financial report.</li> </ul>

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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## 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 2020.

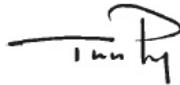
In our opinion, the Remuneration Report of PARKD Limited, for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads "Tutu Phong".

TUTU PHONG  
Partner

Perth, WA  
Dated: 24 August 2020

# SHAREHOLDER INFORMATION

## ASX Additional Information

The Company's ordinary shares are quoted as 'PKD' on ASX. The shareholder information set out below was applicable as at 14 August 2020

### Distribution of equitable securities (ordinary shares)

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

	Number of ordinary shares	Number of holders of ordinary shares
100,001 and over	65,595,939	97
10,001 to 100,000	9,159,723	188
5,001 to 10,000	295,530	33
1,001 to 5,000	97,224	30
1 to 1,000	1,584	7
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	75,150,000	356
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Holding less than a marketable parcel	969,276	103
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### Equity security holders (ordinary shares)

Twenty largest quoted equity security holders

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

	Ordinary shares Number held	% of total shares Issued
CAP MCUTCHEN PTY LTD	9,670,000	12.87
DHT INVESTMENTS (WA) PTY LTD	5,498,000	7.32
BRONTE HOWSON & COLLEEN HOWSON	5,000,000	6.65
THOMAS ZHAO PTY LTD	3,980,000	5.30
MR BRYANT JAMES MCLARTY	2,812,500	3.74
CRAYPOT NOMINEES PTY LTD	2,637,864	3.51
MR PAUL GABRIEL SHARBANEE	2,100,000	2.79
ELLISON (WA) PTY LTD	2,000,000	2.66
LD&R HOLDINGS PTY LTD	1,500,000	2.00
MR CARL GEOFFREY KIRK	1,051,208	1.40
MR ROBERT ANTHONY MARTIN	1,051,123	1.40
ALLSTYLE HOLDINGS PTY LTD	1,000,000	1.33
MRS COLLEEN CHRISTINE HOWSON	1,000,000	1.33
FILMSTAR HOLDINGS PTY LTD	1,000,000	1.33
DHT INVESTMENTS (WA) PTY LTD	972,000	1.29
STEV SAND HOLDINGS PTY LTD	950,000	1.26
MAC EQUITY PARTNERS (INTERNATIONAL) PTY LTD	937,500	1.25
MR JEREMY PRICE & MS SUET WAN CHEN	815,000	1.08
BRONTE MCGREGOR HOWSON & COLLEEN CHRISTINE HOWSON	797,474	1.06
MR ADAM GARNAUT	733,604	0.98
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	45,506,273	60.55
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# SHAREHOLDER INFORMATION

## *Unquoted equity securities*

	<b>Number on issue</b>	<b>Number of holders</b>
Options over ordinary shares – Series A	18,650,000	12
Options over ordinary shares – Series B	2,000,000	1
Options over ordinary shares – Series C	1,250,000	1

## **Substantial holders**

Substantial holders in the Company are set out below:

	<b>Ordinary shares</b>	
	<b>Number held<sup>1</sup></b>	<b>% of total shares issued</b>
David Thomas	10,450,000	13.91%
Peter McUtchen	10,170,000	13.53%
Bronte Howson	7,372,474	9.81%
Bryant Mclarty	4,239,291	5.64%

## **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.