

ASX Announcement

30 SEPTEMBER 2021

UNAUDITED FY21 ANNUAL ACCOUNTS AND RELIANCE ON ASIC RELIEF

Parkway Corporate Limited (“**Parkway**” or the “**Company**”) (ASX: PWN) advises that it is relying on the relief granted by each of:

- the Australian Securities and Investments Commission (“**ASIC**”) in *ASIC Corporations (Extended Reporting and Lodgement Deadlines – Listed Entities) Instrument 2020/451* dated 25 May 2020, as amended by *ASIC Corporations (Amendment) Instrument 2021/315* dated 27 April 2021 (“**ASIC Relief**”); and
- the Australian Securities Exchange (“**ASX**”) in *Class Waiver Decision – Extended Reporting and Lodgement Deadlines* dated 3 May 2021 (“**ASX Class Waiver**”),

to extend the date for lodgement of its audited annual accounts for its financial year ended 30 June 2021 (“**FY21 Accounts**”), as per section 319 of the *Corporations Act 2001* (Cth).

The Company has elected to rely on the ASIC Relief and ASX Class Waiver in relation to its FY21 Accounts at the request of the Company’s auditors, Ernst & Young, who have advised that due to unforeseen challenges presented by COVID-19 disruptions, certain audit processes and procedures are required to be finalised, before the Company’s audited FY21 Accounts will be ready for lodgment with ASIC and release to the ASX.

In accordance with paragraph 2 of the ASX Class Waiver, we note as follows:

- the Company’s unaudited FY21 Accounts are enclosed with this ASX announcement;
- the Company expects to be in a position to lodge its audited FY21 Accounts with ASIC, and release such audited FY21 Accounts to the ASX, on or around 16 October 2021; and
- if, between the date of this ASX Announcement and 16 October 2021, we expect that there will be a material difference between the Company’s unaudited FY21 Accounts and the Company’s audited FY21 Accounts, we will immediately make a further announcement to the market, outlining details of any such material difference.

The release of this announcement has been approved by Parkway’s Managing Director, Bahay Ozcakmak.

ADDITIONAL INFORMATION

For further information or investor enquiries, please contact:

Bahay Ozcakmak

Managing Director

solutions@pwnps.com

Alexander Cook

General Counsel

ir@pwnps.com

General Enquiries

1300 7275929

[1300 PARKWAY](https://www.parkway-corp.com)

ABOUT PARKWAY CORPORATE LIMITED

Parkway Corporate Limited is an Australian cleantech company focused on developing and implementing, industrial-scale innovative water treatment solutions. Parkway is listed on the Australian Securities Exchange (ASX: PWN) and is emerging as an innovative player in water related sustainability solutions. With significant inhouse technical expertise and established partnerships, Parkway is well-placed to deliver the next generation of wastewater treatment plants, incorporating the company's portfolio of world-class technologies.

Parkway operates through three (3) core business units, comprising:

- Parkway Process Solutions (PPS) – Parkway's primary operating division and an emerging provider of industrial water treatment products, services, solutions and associated technology to customers throughout Australia. PPS has recently established commercial relationships with key water industry participants, including globally recognised OEMs;
- Parkway Process Technologies (PPT) – Parkway's technology development, acquisition, and commercialisation division. PPT owns a portfolio of industrial wastewater treatment technologies, including the patented aMES[®] and iBC[®] process technologies. PPT has global aspirations and is supported by a network of strategic partners, including global engineering company Worley; and
- Parkway Ventures (PV) – holds a portfolio of project equity and royalty interests, including interests relating to Parkway's Karinga Lakes Potash Project in the Northern Territory of Australia.

Additional information regarding Parkway, including an overview of the corporate structure of Parkway and the companies in its corporate group, can be found at: www.pwnps.com/pages/about-us.

SOCIAL MEDIA & EMAIL ALERTS

Parkway is committed to communicating with the investment community through all available channels. Whilst the ASX announcements platform remains the most appropriate channel for market-sensitive news about Parkway, investors and other interested parties are also encouraged to:

- follow Parkway on LinkedIn, Twitter, Facebook and YouTube; and
- subscribe for our email alert service, Parkway News Alerts, on our website (www.pwnps.com).

For personal use only

Parkway Corporate Limited (Unaudited Financial Accounts)
Formerly Known as Parkway Minerals NL
A.C.N. 147 346 334

Contents of Unaudited Financial Accounts

	Page No.
Corporate Directory	2
Consolidated Statement of Comprehensive Income	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Changes in Equity	5
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8

For personal use only

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Corporate directory

Directors:

Adrian Griffin
Bahay Ozcakmak
Patrick Power
Richard Beresford

Company Secretary:

Amanda Wilton-Heald

Auditor:

Ernst & Young
Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000 AUSTRALIA
Telephone (+61 8) 9429 2222
Facsimile (+61 8) 9429 2436

Share Registry:

Advanced Share Registry
160 Stirling Highway
Nedlands WA 6009 AUSTRALIA
Telephone (+61 8) 9389 8033
Facsimile (+61 8) 9262 3723

Registered and Principal Office

Level 1
677 Murray Street
West Perth WA 6005
Telephone (+61 8) 9479 5386
Website www.pwnps.com
Email info@pwnps.com

Stock Exchange Listing

Parkway Corporate Limited shares are listed on the Australian Securities Exchange (ASX code: PWN).

Solicitors

HWL EBSWORTH Lawyers
Level 20, 240 St Georges Terrace
Perth WA 6000 AUSTRALIA
Telephone (+61 8) 6559 6500

Bankers

National Australia Bank
Ground Floor
100 St Georges Terrace
Perth WA 6000 AUSTRALIA
Telephone: (+61 8) 9441 9313

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

		For the year ended 30 June 2021	For the year ended 30 June 2020
	Note	\$	\$
INCOME FROM CONTINUING ACTIVITIES			
Revenue from contracts with customers	14	238,523	-
Other income		5,927	29,454
Interest		740	1,569
Government Grants	15	383,968	71,000
Movement in fair value of financial assets	11	1,887,292	-
TOTAL INCOME		2,516,450	102,023
EXPENSES			
Loss from the disposal of depreciated assets		2,842	-
Fair value movement of financial assets		-	171,338
Loss from the disposal of financial assets	11	-	134,508
General & Administration expenses		999,967	608,789
Depreciation		58,633	12,747
Share based payments	21	(215,619)	215,204
Exploration		51,081	559,473
Legal		53,972	30,175
Occupancy		36,016	26,946
Remuneration (excluding share based payments)		1,090,524	419,704
Superannuation expense		86,417	35,660
Share of net losses of associate		-	309,153
Interest Expense		9,053	-
PROFIT/(LOSS) BEFORE INCOME TAX		343,564	(2,421,674)
Income Tax Expense		-	-
NET PROFIT/(LOSS) FOR THE YEAR		343,564	(2,421,674)
OTHER COMPREHENSIVE INCOME			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Available for sale financial assets – current year gain/(losses)		(1,036,746)	-
Equity accounted investments - share of comprehensive income		-	(67,793)
TOTAL OTHER COMPREHENSIVE INCOME		(1,036,746)	(67,793)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(693,182)	(2,489,467)
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Basic and diluted loss per share (cents per share)	7	0.02	(0.15)

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

		As at 30 June 2021	As at 30 June 2020
	Note	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	8	7,452,866	2,001,380
Trade and other receivables	9	227,321	16,649
Other assets	9	56,106	
Inventory	10	671,732	18,617
Total Current Assets		8,411,025	2,036,646
NON CURRENT ASSETS			
Trade and other receivables	9	45,000	5,000
Financial assets	11	-	1,199,370
Plant and equipment	12	286,614	26,481
Intangible assets	16	3,749,586	3,283,299
Right of use assets	13	490,947	-
Total Non Current Assets		4,572,147	4,514,150
TOTAL ASSETS		12,983,172	6,550,796
CURRENT LIABILITIES			
Trade and other payables	17	509,586	382,056
Provisions	18	100,886	20,961
Total Current Liabilities		610,472	403,017
NON CURRENT LIABILITIES			
Provisions	18	28,761	-
Lease liability		494,988	-
Total Non Current Liabilities		523,749	-
TOTAL LIABILITIES		1,134,221	403,017
NET ASSETS		11,848,951	6,147,779
EQUITY			
Contributed Equity	19	35,352,074	28,867,382
Reserves	20	895,123	2,022,207
Accumulated losses		(24,398,246)	(24,741,810)
TOTAL EQUITY		11,848,951	6,147,779

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

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Contributed equity	Accumulated Losses	Share and Option Based Payment Reserve	Financial Asset Reserve	Foreign Currency translation Reserve	Partly Paid Shares Reserve	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	23,159,732	(22,320,136)	722,726	1,036,746	67,793	-	2,666,861
Loss for the year	-	(2,421,674)	-	-	-	-	(2,421,674)
Other comprehensive income (net of tax)							
Equity accounted investments - share of other comprehensive income	-	-	-	-	(67,793)	-	(67,793)
Total comprehensive loss for the year	-	(2,421,674)	-	-	(67,793)	-	(2,489,467)
Transactions with owners in their capacity as owners:							
Shares issued	5,765,912	-	-	-	-	-	5,765,912
Share issue transaction costs	(241,379)	-	107,348	-	-	-	(134,031)
Share and option based payments	183,117	-	32,087	-	-	-	215,204
Partly paid shares issued	-	-	-	-	-	123,300	123,300
Balance at 30 June 2020	28,867,382	(24,741,810)	862,161	1,036,746	-	123,300	6,147,779

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

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Contributed equity	Accumulated Losses	Share and Option Based Payment Reserve	Financial Asset Reserve	Partly Paid Shares Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	28,867,382	(24,741,810)	862,161	1,036,746	123,300	6,147,779
Loss for the year	-	343,564	-	-	-	343,564
Other comprehensive income (net of tax)						
Available for sale financial assets – Current year gain/(losses)	-	-	-	(1,036,746)	-	(1,036,746)
Total comprehensive loss for the year	-	343,564	-	(1,036,746)	-	(693,182)
Transactions with owners in their capacity as owners:						
Shares issued	7,046,280	-	-	-	-	7,046,280
Share issue transaction costs	(615,988)	-	125,281	-	-	(490,707)
Share and option based payments	54,400	-	(215,619)	-	-	(161,219)
Partly paid shares issued	-	-	-	-	-	-
Balance at 30 June 2021	35,352,074	(24,398,246)	771,823	-	123,300	11,848,951

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

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	For the year ended 30 June 2021 \$	For the year ended 30 June 2020 \$
OPERATING ACTIVITIES			
Payments from customers		143,788	-
Other Receipts		11,576	117,230
Payments to suppliers and employees		(2,334,549)	(1,705,912)
Purchase of inventory	10	(671,248)	-
Payments for acquisition of Multi-wet	16	(426,287)	-
Government grants		383,968	99,041
Interest received		741	1,535
NET CASH FLOWS USED IN OPERATING ACTIVITIES	25	(2,892,011)	(1,488,106)
INVESTING ACTIVITIES			
Purchase of plant and equipment		(283,192)	(17,766)
Proceeds from sale of financial assets		2,049,916	274,866
Proceeds from sale of plant and equipment		6,800	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		1,773,524	257,100
FINANCING ACTIVITIES			
Proceeds from issue of shares		7,046,280	3,233,000
Share issue costs		(476,307)	(121,595)
NET CASH FLOWS FROM FINANCING ACTIVITIES		6,569,973	3,111,405
NET INCREASE IN CASH AND CASH EQUIVALENTS		5,451,486	1,880,399
Cash and cash equivalents at the beginning of the year		2,001,380	120,981
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	7,452,866	2,001,380

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

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements

Note 1: Corporate information

The financial report of Parkway Corporate Limited (the "Company" or "Parkway") and its controlled entity (the "consolidated entity" or the "Group") for the year ended 30 June 2021.

Parkway Corporate Limited is a company limited by shares incorporated in Australia whose share are publicly traded on the Australian Securities Exchange (ASX).

The nature of operations and principal activities of the Consolidated Entity are described in the directors' report.

Note 2: Statement of significant accounting policies

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law. Parkway Corporate Limited is a for-profit entity for the purpose of preparing the financial statements.

The accounting policies detailed below have been consistently applied throughout the year presented unless otherwise stated.

The financial report has also been prepared on a historical cost basis with the exception of equity instrument at fair value through profit and loss. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The company is a listed public company, incorporated in Australia and operating in Australia. The entity's principal activity is developing brine processing technology and providing water treatment related products and services.

The consolidated financial statements provide comparative information in respect of the previous period.

(b) Adoption of new revised or amending accounting standards and interpretations

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are mandatory for the current annual reporting period. Adoption of these Standards and Interpretations did not have a material impact on the financial statements.

(c) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements

Note 2: Statement of significant accounting policies (continued)

(d) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the year in which the estimate is revised if it affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Share-based payment transactions

The Company measures the share-based payment transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 21.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only when management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next two years together with future tax planning strategies.

(e) Share-based payment transactions

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of comprehensive income expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in equity based payments expense (Note 21).

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting are conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements

Note 2: Statement of significant accounting policies (continued)

(e) Share-based payment transactions (continued)

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 7).

(f) Going concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The Consolidated entity has incurred a net profit after tax for the year ended 30 June 2021 of \$343,564 (2020: loss \$2,421,674) and experienced net cash outflows from operating activities of \$2,892,011 (2020: \$1,488,106). As at 30 June 2021 the consolidated entity had cash and cash equivalents of \$7,452,866 (2020: \$2,001,380).

The Directors have reviewed the Consolidated entity's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Consolidated entity will be successful in securing additional funds through equity issues.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Consolidated entity not be able to continue as a going concern.

(g) Plant & equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 2 to 15 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when impairment indicators exist under the accounting standards.

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

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

The recoverable amount of plant and equipment is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognised.

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(h) Income tax

Current tax assets and liabilities for the current year and prior periods are measured at amounts expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used for computations are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax Consolidation

Parkway Corporate Limited and its 100% owned subsidiaries have entered into tax consolidated group which takes effect from 1 July 2016. Parkway Corporate Limited is the head entity of the tax consolidated group.

(i) GST

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(i) GST (continued)

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

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

(j) Provisions and employee benefits

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

i. Wages and salaries, annual leave and sick leave

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

ii. Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(k) Cash and cash equivalents

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

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(l) Trade and other receivables

Trade receivables are initially recognised at their transaction price and other receivables at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The expected credit losses on these financial assets are estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

For all other receivables measured at amortised cost, the Group recognised lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If on the other hand the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to expected credit losses within the next 12 months.

(m) Inventory

Inventory is the amount of cost to be recognised as an asset and carried forward until the related revenues are recognised. The Group elected to use average cost method to value inventory. When the Company sells a product, the weighted average cost of all inventory produced or acquired in the accounting period is used to determine the cost of goods sold.

(n) Revenue recognition

Revenue

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer.

Other revenue

Interest Income

Income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Government grants

Government grants are recognised where there is reasonable assurance that the grants will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

When the Company receives non-monetary grants, the asset and the grants are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grants.

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(o) Contributed equity

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.

Own equity instruments (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(p) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(q) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Company adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the Company adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(r) Investments and other financial assets

Initial recognition and measurement:

Other financial assets are classified, at initial recognition, at amortised cost, financial assets at fair value through profit or loss, fair value through other comprehensive income as appropriate. Other financial assets, are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The Group has not recognised any financial assets at fair value through other comprehensive income.

Subsequent measurement:

The subsequent measurement of other financial assets depends on their classification as described below:

a) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented in the statement of comprehensive income.

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(r) Investments and other financial assets (continued)

b) Amortised cost

In order for a financial asset to qualify for measurement as amortised cost, it has to pass both the contractual cash flow characteristics test as well as the business model test. Under the contractual cash flow characteristics test, an entity has to assess, whether the cash flows resulting from the financial asset are solely payments for principal and interest on the outstanding principal amount. Under the business model test the objective is to hold the financial assets in order to collect contractual cash flows.

Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principle and interest are classified and subsequently measured at amortised cost using the effective interest rate method. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

(s) Impairment of financial assets

The Company assesses at each balance date whether a financial asset or group of financial assets is impaired, excluding financial assets at fair value through profit or loss (FVTPL).

The Group assesses on a forward looking basis the expected credit loss associated with other financial assets. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For other financial assets, the expected credit loss is based on the 12-month expected credit loss. The 12-month expected credit loss is the portion of lifetime expected credit losses that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(t) Leases

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term (where the entity does not have a purchase option at the end of the lease term). Right-of-use assets are subject to impairment.

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(t) Leases (continued)

(ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(u) Comparative Figures

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

(v) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(w) Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Intangible assets acquired separately are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the company. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

(x) Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Note 3: Segment information

The Group has based its operating segment on the internal reports that are reviewed and used by the executive management team ("Chief Operating Decision Makers") in assessing performance and in determining the allocation of resources.

The Group currently does not have production and is involved in exploration and developing exploration related technology (brine processing technology). As a consequence, activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of the manager and country of expenditure. Information is reviewed on a whole of entity basis. At 30 June 2021, all revenues and material assets are considered to be derived and held in one geographical area being Australia.

Based on these criteria the Group has two operating segments, developing exploration related technology and providing water treatment related services and products, and the segment operations and results are reported internally based on the accounting policies as described in Note 2 for the computation of the Group's results presented in this set of financial statements.

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 4: Income tax

	2021 \$	2020 \$
(a) Income tax (benefit)/expense		
Current tax	-	-
Deferred tax	-	-
Total tax (benefit)/expense	-	-
(b) Income tax recognised in equity		
Deferred tax liability recognised	-	-
Total income tax recognised in equity	-	-
(c) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) from continuing operations before income tax expense	343,564	(2,421,674)
Prima facie tax expense/(benefit) at the Australian tax rate of 27.5%	94,480	(665,960)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Share based payment	(59,295)	59,181
Non-deductible expenses	35,716	7,119
Non-assessable income	(105,591)	(14,979)
Gain on sale of shares	-	-
Deferred tax assets not brought to account	319,778	614,639
Income tax (benefit)/expense	285,088	-
(d) Deferred tax assets		
Accrued expenses	12,100	6,875
Business related deduction	104,622	106,328
Employee entitlement provisions	35,653	5,764
Capital losses	-	36,990
Revenue losses	1,302,264	1,625,283
	1,454,638	1,781,240
Deferred tax asset not recognised	(423,502)	(1,451,413)
	1,031,136	329,827
Offset against deferred tax liabilities	(1,031,136)	(329,827)
Total deferred tax assets	-	-
(e) Deferred tax liabilities		
Financial Assets	-	329,827
Intangible Assets	1,031,136	-
	1,031,136	329,827
Offset against deferred tax assets	(1,031,136)	(329,827)
Net deferred tax liabilities	-	-

For personal use only

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 4: Income tax (continued)

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. The taxation benefits of certain tax losses and temporary differences have not been brought to account since it is not probable whether future assessable income would be derived of a nature and of an amount sufficient to enable the benefits from the deductions to be realised.

Note 5: Key management personnel remuneration

	2021 \$	2020 \$
Short-term employee benefits	513,244	469,716
Post-employment benefits	35,229	37,641
Termination benefits	-	60,000
Share-based payments	-	210,329
Total compensation	548,473	777,686

Refer to Note 23 for other related parties transactions.

Note 6: Auditor's remuneration

The auditor of the Company is Ernst & Young Australia

Remuneration of the auditor of the Company for:

- Auditing the statutory financial report of the Parent company of the Group and auditing the statutory financial reports of any controlled entity
- Non-audit services:
 - research & development tax concession
 - tax compliance

	2021 \$	2020 \$
	47,570	45,189
	22,889	9,878
	31,930	24,630
	102,338	79,697

Note 7: Loss per share

	2021 \$	2020 \$
Basic earning/(loss) per share (cents per share)	0.02	(0.15)
Diluted earning/(loss) per share (cents per share)	0.02	(0.15)
Net profit/(loss)	343,564	(2,421,674)
Profit(loss) used in calculating basic and diluted earning/(loss) per share	343,564	(2,421,674)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted earning/(loss) per share	2,211,937,227	1,562,706,333

The options on issuance are not considered dilutive for the purpose of the calculation of diluted earnings/loss per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share. Consequently, diluted loss per share is the same as basic loss per share. As of 30 June 2021, a total of 728,045,086 potential ordinary shares had been issued, including 481,444,443 (2020: 358,292,644) options and 246,600,643 (2020: 246,600,643) partly paid shares respectively.

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 8: Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank and on hand	7,452,866	2,001,380
	<u>7,452,866</u>	<u>2,001,380</u>

Note 9: Trade & other receivables and other asset

Trade and other receivables

	2021	2020
	\$	\$
Current		
Trade debtors	214,187	184
GST Receivables	7,269	15,263
Other Receivables	5,865	1,202
	<u>227,321</u>	<u>16,649</u>
Non-Current		
Other receivables	45,000	5,000
	<u>45,000</u>	<u>5,000</u>

Other receivables – Non-Current relates to security bonds held with a reputable Australian bank.

Trade debtors are non-interest bearing and are generally on 30-90 days terms. The consolidated entity recognised expected credit loss provision on trade debtors.

Other asset

Current

Prepayments	59,106	18,617
	<u>59,106</u>	<u>18,617</u>

Note 10: Inventory

	2021	2020
	\$	\$
Inventory	671,732	-
	<u>671,732</u>	<u>-</u>

Note 11: Financial assets

	2020	2020
	\$	\$
Investment – fair value through P&L	-	1,199,370

Reconciliation of movement for the period:

Opening Balance	1,199,370	399,374
Sale	(3,086,662)	(399,374)
Investment in associate reclassified as financial assets	-	1,370,707
Movement in fair value	1,887,292	(171,337)

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

- 1,199,370

Notes to Financial Statements (continued)

Note 11: Financial assets (continued)

During the previous financial year, the Consolidated entity reclassified \$1,370,708 of investment in Davenport as financial assets at fair value through profit or loss (FVTPL) and further fair value decrease of \$171,337 was recorded for the period of 1 May 2020 to 30 June 2020.

The Consolidated entity disposed 34,267,700 shares & 7,142,850 options in Davenport Resources Limited and received \$2,049,916.

Fair value of the financial assets at 30 June 2020 has been determined by reference to quoted bid prices in active markets at the reporting date and are categorised within Level 1 of the fair value hierarchy.

Note 12: Plant and equipment

	2021 \$	2020 \$
Office equipment at cost	60,137	44,326
Less accumulated depreciation	(21,986)	(24,054)
	38,151	20,272
Plant and equipment at cost	117,248	74,775
Less accumulated depreciation	(76,255)	(68,566)
	40,993	6,209
Computers & software at cost	54,235	40,340
Less accumulated depreciation	(41,303)	(40,340)
	12,932	-
Furniture fixtures at cost	91,570	8,644
Less accumulated depreciation	(15,391)	(8,644)
	76,179	-
Motor vehicles at cost	121,287	-
Less accumulated depreciation	(9,133)	-
	112,154	-
Total plant, equipment & motor vehicles	280,409	26,481

	Office Equipment \$	Plant & Equipment \$	Computers & Software \$	Furniture Fixtures \$	Motor Vehicles	Total \$
Year ended 30 June 2020						
Opening net carrying value	14,930	2,210	-	4,772	-	21,912
Additions	12,366	4,950	-	-	-	17,316
Depreciation charge for the year	(7,024)	(951)	-	(4,772)	-	(12,747)
Closing net carrying value	20,272	6,209	-	-	-	26,481
Year ended 30 June 2021						
Opening net carrying value	20,272	6,209	-	-	-	26,481
Disposal	(9,131)	-	-	-	-	(9,131)
Additions	32,510	38,620	13,895	82,926	121,287	289,238
Depreciation charge for the year	(5,500)	(3,836)	(963)	(6,747)	(9,133)	(26,179)
Closing net carrying value	38,151	40,993	12,932	76,179	112,154	280,409

For personal use only

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 13: Leases

Location	Commencement Date	Term (Months)	Option (Months)	Expiry
Sunshine North, VIC	11/01/2021	60	36	11/01/2029

Right-of-use asset

	2021 \$	2020 \$
Building & land		
Cost	517,740	-
Less accumulated depreciation	(26,793)	-
Carrying amount	490,947	-
Amounts recognised in profit and loss		
	2021 \$	2020 \$
Building & land		
Depreciation expense	26,793	-
Interest expense	9,053	-
	35,846	-

Note 14: Revenue from contract with customers

Revenue	2021 \$	2020 \$
Net sales	327,299	-
Cost of sales	(88,776)	-
Revenue from contract with customers	238,523	-

Note 15: Government Grants

During this financial year, the Consolidated entity received government grants and tax credits:

	2020 \$	2020 \$
Cash flow boost payment	50,000	50,000
JobKeeper Payment	43,200	21,000
R&D incentives	290,768	-
Total	383,968	71,000

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 16: Intangible assets

	2021	2020
	\$	\$
Acquisition cost of Ames® technology	3,174,267	3,174,267
Acquisition cost of iBC® technology	109,032	109,032
Acquisition cost of IP Portfolio	40,000	-
Acquisition cost of Multi-wet (MW)	426,287	-
Total intangible assets	3,749,586	3,283,299

Acquisition of Multi-wet

The consolidated entity acquired a small but profitable water treatment business (Multi-wet) based in Western Australia. The cash consideration of this acquisition was \$446,407, including \$325,000 of goodwill, \$70,000 of plant & equipment and stock of \$50,000 and acquisition cost paid.

Intangible asset – Goodwill	\$ 328,787
Intangible asset –Customer list goodwill	97,500
	426,287

Acquisition of Consolidated Potash Corporation

During the previous financial year, the Group acquired 100% of the voting shares of Consolidated Potash Corporation Limited (CPC), an unlisted Australian public company. The acquisition of CPC provides the Group with direct ownership of the aMES® technology, suitable for brine processing and the production of potash and lithium, complementary to existing K-Max technology. In addition, the Group's strategic acquisition of CPC also provides it with an expanded platform of attractive growth opportunities, most immediately through the two brine projects – Karinga Lakes Potash Project in Northern Territory, Australia and New Mexico Lithium Potash Project in the United States.

The acquisition has been accounted for using the asset acquisition method. The fair value of the net assets acquired and the fair values of the consideration transferred as at the date of acquisition were:

	\$
Assets	
Cash	6,543
Intangible assets (3)	3,174,267
Other Receivable	3,255
Liabilities	
Loans with Lions Bay Inc. (1)	(556,882)
Other Creditors	(75,798)
Total identifiable net assets at fair value	2,551,385
Total Consideration (2)	2,551,385

(1) At acquisition, the CPC loan due to Lions Bay Inc of \$556,882 was assumed by the Group and concurrently paid off through the issuance of 10,965,600 fully paid PWN ordinary shares and transferred 10,000,000 fully paid DAV shares.

(2) On the acquisition date, the Company issued 479,616,940 fully paid PWN ordinary shares to acquire 100% CPC. The Company also issued 123,300,322 partly paid shares as part of this transaction. The partly paid shares has a deemed paid up to \$0.001 per share and an initial unpaid amount \$0.019 per share.

In addition, the Company also issued, 6,000,000 shares to Victoria University in lieu of VU exercising its right to acquire a 10% interest in Activated Water Technologies Pty Ltd.

There was no cash consideration. The total fair value of shares at the transaction completion date on 17 September 2019 was \$2,551,385.

(3) The intangible asset reflects the aMES® technology acquired as part of the acquisition.

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 16: Intangible assets (continued)

Acquisition of iBC[®] technology

As announced on the market on 15 May 2020, the Company acquired the integrated Brine Causticization (iBC[®]) technology. The Company issued 8,000,000 fully paid ordinary shares, deemed share price at \$0.006 and purchased agreed equipment. The additional consideration is to issue \$50,000 of PWN shares at the 12-month anniversary of acquisition. The additional consideration also accounted as part of the acquisition cost of iBC[®] technology.

Note 17: Trade and other payables

	2021 \$	2020 \$
Current		
<i>Unsecured liabilities</i>		
Trade payables	428,086	322,056
Shares payable (a)	81,500	50,000
	509,586	382,056

Due to short term nature of these payables, their carrying value is assumed to approximate their fair value.

(a) Tranche 2 shares payable as part of iBC[®] technology acquisition transaction and employee shares.

Note 18: Provisions

	2021 \$	2020 \$
Current		
Employee benefits	100,886	20,961
	100,886	20,961
Non Current		
Employee benefits	10,784	-
Allowance for doubtful debts	17,977	-
	28,761	-

Note 19: Contributed equity

		2021		2020	
	NOTE	No.	\$	No.	\$
Ordinary shares - fully paid	18B	2,196,309,541	35,352,074	1,720,700,652	28,867,382
Treasury shares	18A	-	-	(24,000,000)	-
		2,196,309,541	35,352,074	1,696,700,652	28,867,382

When managing capital (which is defined as the Company's total equity amounting to \$11,866,990 (2020: \$6,147,779), the Board's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available for future development activity. The Company is not subject to any externally imposed capital requirements.

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 19: Contributed equity (continued)

19A: Movements in treasury shares are as follows:

	2021 Number	2021 \$	2020 Number	2020 \$
At the beginning of reporting year	-	-	(24,000,000)	-
Issued during the year	-	-	-	-
At the end of the year	-	-	(24,000,000)	-

In January 2018, the Company entered into a Controlled Placement Agreement ("CPA") with Acuity Capital Investment Management Pty Ltd as trustee for the Acuity Capital Holdings Trust ("Acuity"). The CPA grants an option to Acuity to issue Parkway shares at the discretion of Parkway, and which Acuity has the discretion to either accept or decline. The exercise price of each option is the greater of a 90% volume weighted average price of Parkway shares traded during the relevant valuation period and a floor price that is set by Parkway. The maximum option size is \$3,000,000 and the option expires on 21 January 2021. As part of the CPA, the Company have issued a total of 24,000,000 Parkway ordinary shares to Acuity which Acuity holds in the favour of Parkway. These shares are therefore deemed to be treasury shares. The shares are held by Acuity as collateral over the CPA arrangement and at the expiry date the shares may either be bought back by Parkway for nil consideration, issued to Acuity for a price that is to be agreed or transferred to a third party nominated by Parkway with no consideration being due or payable by Acuity. The shares had a value of \$312,000 at the time of issue. During the financial year, 24million shares sold under the plan and the total amount of \$194,000 were received.

19B: Movements in fully paid ordinary shares on issue of the legal parent are:

	2021 Number	2020 Number	2021 \$	2020 \$
At the beginning of reporting year	1,720,700,652	633,932,540	28,867,382	23,389,958
Issue of 469,808,889 shares (2020: 367,833,333shares) via share placements *	469,808,889	367,833,333	6,852,280	2,117,000
Sale of 24,000,000 treasury shares (2020: nil shares)	-	-	194,000	-
Issue of shares (2020: 186,000,000 shares) via share purchase plan *	-	186,000,000	-	1,116,000
Issue of 5,800,000 shares (2020: 32,166,364 shares) as share-based payments	5,800,000	32,166,364	54,400	191,469
Issue of shares (2020: 496,582,539 shares) as part of CPC acquisition	-	496,582,539	-	2,482,913
Shares to be issued	-	7,335,876**	-	41,648
Equity Raising Costs	-	-	(615,988)	(241,380)
	2,196,309,541	1,723,850,652	35,352,074	29,097,608
Reserved shares	-	(3,150,000)**	-	(230,226)
At the end of the reporting year	2,196,309,541	1,720,700,652	35,352,074	28,867,382

*2021:Free attaching 145,777,779 options were issued to the shareholders who participated share placemet.

2020:Free attaching 194,666,665 options were issued to the shareholders who participated share placement and share purchase plan.

** As part of the April to June 2020 Employee's Salary Sacrifice Scheme, the Company issued a total of 7,335,876 shares to management. This includes the 3,150,000 reserve shares issued to the Managing Director as disclosed in note 20.

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 20: Reserves

	Note	2021 \$	2020 \$
Equity based payment reserve	20A	771,823	862,161
Financial Asset reserve	20B	-	1,036,746
Partly Paid Shares reserve	20C	123,300	123,300
		895,123	2,022,207

Reconciliation of total options on issue:

	Options issued as share-based payments	Other options issued	Reserved shares issued	Total options on issue
As at 30 June 2019	15,000,000	50,126,000	3,150,000	68,276,000
Issued during the year	108,499,999**	194,666,665	-	303,166,664
Expired during the year	(10,000,000)	-	-	(10,000,000)
As at 30 June 2020	113,499,999	244,792,665	3,150,000	361,442,664
Issued during the year	32,500,000*	145,777,779	-	178,277,779
Expired during the year	(5,000,000)	(50,126,000)	(3,150,000)	(58,276,000)
As at 30 June 2021	140,999,999	340,444,444	-	481,444,443

Note 20A: Options	2021	2021	2020	2020
	Number	WAEP	Number	WAEP
Outstanding at 1 July	358,292,664	\$0.0200	65,126,000	\$0.0215
Granted during the year	178,277,779	\$0.0300	303,166,664	\$0.0200
Expired during the year	(55,126,000)	\$0.0200	(10,000,000)	\$0.0300
Outstanding at 30 June	481,444,443	\$0.0300	358,292,664	\$0.0200
Exercisable at 30 June	481,444,443	\$0.0300	358,292,664	\$0.0200

* Total of 32,500,000 options were issued to consultants 30m options and employee 2.5m options as disclosed in note 19.1 and note 19.2

** Total of 108,499,999 options were issued to consultants 49,999,999 options and employees 58,500,000 options respectively, exercisable at \$0.02 expiring 16 December 2022 were issued. The total fair value of \$139,453 were recorded as part of option based payment in this financial statement.

The weighted average remaining contractual life of share options outstanding as at 30 June 2021 was 1.53 years (2020: 2.05 years).

The average exercise price of options granted during the year was \$0.03 (2020: \$0.02).

The range of exercise prices for options outstanding at the end of the year was \$0.02 to \$0.03 (2020: \$0.02).

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 20: Reserves (continued)

Reconciliation of value of equity-based payment reserve

	Note	2021 \$	2020 \$
At the beginning of reporting year		862,161	722,726
Amount expensed as capital raising costs for options issued to consultants. 30,000,000 options with exercise price of \$0.03.	20.1	125,281	107,348
Amount expensed for options issued to employees as part of employee incentive plan 2,500,000 options with exercise price of \$0.02.	20.2	14,607	32,087
Amount reversed for the reserve shares	20.3	(230,226)	-
At the end of the reporting year		771,823	862,161

- 20.1 The issue of 30,000,000 \$0.03 options exercisable on or before 03 February 2023 to consultants. Please refer to Note 20 for further explanation.
- 20.2 The issue of 2,500,000 \$0.02 options exercisable on or before 22 December 2022 to the employee. Please refer to Note 20 for further explanation.
- 20.3 3,150,000 reserve shares transferred to managing director as part of salary sacrificed shares, previously recorded as expense of \$230,226 reversed accordingly.

Note 20B: Financial Asset reserve

The Financial Asset reserve represents the gains and losses of financial assets at fair value through other comprehensive income (FVOCI).

Note 20C: Partly paid shares reserve

At 30 June 2019, the Group issued 123,300,321 partly paid shares. During the previous financial year, the Consolidated entity issued 123,300,322 partly paid contributing shares as part of CPC acquisition bringing the total partly shares to 246,600,643. Outstanding amount per partly paid contributing share at 30 June 2021 is \$0.019 (2020: \$0.019).

The partly paid contributing shares were issued with outstanding calls of 1.9 cents each and carry a right to a dividend on the same basis as holders of Ordinary Shares. Partly paid contributing shares carry the right to vote in proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). The company has the power to forfeit any shares where the call remains unpaid 14 days after the call was payable. The company must then offer the shares forfeited for public auction within six weeks of the call becoming payable.

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 21: Equity based payments

Expenses arising from share-based payment and option-based payment transactions

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

	Note	2021 \$	2020 \$
Shares issued under the director and senior management fee and remuneration sacrifice share plan.	21.1	-	183,117
Options issued to the employee recognised	21.2	14,607	32,087
Shares issued to Victoria University to acquire IP Portfolio	21.3	40,000	-
Total equity based payments expense		54,607	215,204
Options issued to consultants recognised for capital raising services as share issue costs in equity	21.4	125,281	11,083
Shares issued to consultants recognised for capital raising services as share issue costs in equity	21.5	14,400	-
Total equity based payments recorded in equity		139,681	11,083

21.1 During the previous financial year shares were issued to directors and senior management under the management fee and remuneration sacrifice share plan. The fair value of the services was considered to be equal to the fair value of the shares issued.

21.2 During the previous financial year, shares were issued to employee as part of remuneration after length of service reached.

21.3 Shares issued to Victoria university for the consideration of the portfolio of water and wastewater processing related intellectual property.

21.4 30m options issued to consultants for the Capital raising services provided.

21.5 1.8m shares issued to consultants for the Capital raising services provided.

The fair value of the options granted for the year ended 30 June 2021 and 30 June 2020 were estimated on the date of grant using the following assumptions and valuing using a black scholes model, the fair value of the services provided was consider to equal the fair value determined using the black scholes model:

	2021	2021	2020	2020
Number of options issued	175,777,779	2,500,000	58,500,000	49,499,999
Dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility* (%)	75	75	75	75
Risk-free interest rate (%)	1.5	1.5	1.5	1.5
Expected life (years)	2	1.87	3	3
Share price	\$0.017	\$0.017	\$0.004	\$0.007
Exercise price (\$)	\$0.03	\$0.02	\$0.02	\$0.02
Value per option	\$0.0042	\$0.0058	\$0.0005	\$0.002
Grant date	03 February 2021	03 February 2021	05 March 2020	16 December 2020

* Volatility was determined using considered judgement as to the volatility of the share price over the vesting period.

All shares issued as equity-based payments were issued for nil cash consideration and were valued at market fair value which was considered to approximate the fair value of the services provided.

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 22: Commitments

- (i) The Company has certain obligations with respect to Research Projects and the minimum expenditure requirements are as follows:

	2021	2020
	\$	\$
Within 1 year	250,000	644,535
1 to 2 years	250,000	644,535
Total	<u>500,000</u>	<u>1,289,070</u>

The commitments may vary depending upon additions or relinquishments of funding agreements. The above figures are based on the agreements as at 30 June 2021. The figures are adjusted on the anniversary date of each funding projects.

Note 23: Contingent liabilities

There are no contingent liabilities as at 30 June 2021 (2020: Nil).

Note 24: Related party transactions

	2021	2020
Fees were paid to Horn Resources Pty Ltd, a company of which Robert Van der Laan is a director and shareholder. Fees included investor relations, corporate advisory, office accommodation, accounting staffs, administrative staffs and exploration staff.	53,941	70,713
	<u>53,941</u>	<u>70,713</u>

Trade and other payables to related party as at 30 June 2021 amounted to nil (30 June 2020: \$8,068).

All related party transactions are considered to be on an arms' length basis.

Note 25: Cash flow information

Reconciliation of cash flow from operations with loss from ordinary activities after income tax

	2021	2020
	\$	\$
Loss from ordinary activities after income tax	343,564	(2,421,674)
Share of net losses of associate	-	309,153
Depreciation and amortisation	58,633	12,747
Expenses settled via equity issues	(215,619)	215,204
Fair value movement of financial assets	(1,887,292)	171,338
Changes in assets and liabilities		
(Increase)/decrease in receivables	(250,672)	94,996
(Increase)/decrease in other assets	(1,671,829)	39,300
Increase/(decrease) in payables	127,530	207,287
Increase/(decrease) in provisions	603,674	(116,457)
Cash flows used in operating activities	<u>(2,892,011)</u>	<u>(1,488,106)</u>

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 26: Financial risk management objectives and policies

The Company's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to finance the Company's operations. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk, credit risk and equity price risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table. Also included is the effect on profit and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant as a sensitivity analysis.

The Group has not entered into any hedging activities to manage interest rate risk. In regard to its interest rate risk, the Group continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate \$	Non Interest Bearing \$	Total \$	Interest Rate Risk Sensitivity			
						-10% Profit \$	Equity %	10% Profit \$	Equity \$
2021									
Financial Assets									
Cash	1.25	7,452,866	-	-	7,452,866	-7,826	-7,826	7,826	7,826
Receivables		-	45,000	227,321	272,321				
Total Financial Assets		7,452,866	45,000	227,321	7,725,187				
Financial Liabilities									
Trade creditors		-	-	203,198	203,198				
Total Financial Liabilities		-	-	203,198	203,198				

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate \$	Non Interest Bearing \$	Total \$	Interest Rate Risk Sensitivity			
						-10% Profit \$	Equity %	10% Profit \$	Equity \$
2020									
Financial Assets									
Cash	1.25	1,911,321	-	90,059	2,001,380	-2,101	-2,101	2,101	2,101
Other assets		-	-	18,617	18,617				
Receivables		-	5,000	16,649	21,649				
Total Financial Assets		1,911,321	5,000	125,325	2,041,646				
Financial Liabilities									
Trade creditors		-	-	382,056	382,056				
Total Financial Liabilities		-	-	382,056	382,056				

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 26: Financial risk management objectives and policies (continued)

A sensitivity of 10% (2020: 10%) has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A -10% sensitivity would move short term interest rates at 30 June 2021 from around 1.25% to 1.13% (2020: 1.25% to 1.13%) representing a 12.0 basis points (2020: 12.0 basis points), which is 8.5 basis points (2020: 8.5 basis points) net of tax.

(a) Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash reserves and marketable securities required to meet the current exploration and administration commitments, through the continuous monitoring of actual cash flows.

All payables are due within 30 days, which is consistent with the prior year.

(b) Fair Values

For financial assets and liabilities, the fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form except for financial assets fair value through profit or loss which are valued at market value as traded on the ASX and are considered to be level 1 in the fair value hierarchy. The consolidated entity disposed remaining of the financial assets during the current financial year.

(c) Credit Risk

Credit risk arises in the event that counterparty will not meet its obligations under a financial instrument leading to financial losses. The Consolidated entity is exposed to credit risk from its operating activities, financing activities including deposits with banks. The credit risk control procedures adopted by the Consolidated entity is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences.

The maximum exposure to credit risk on financial assets of the Consolidated entity which have been recognised on the statement of financial position is generally limited to the carrying amount. The Group's other receivables relate to a R&D claim from the ATO, which was subsequently collected in full and therefore carries insignificant expected credit loss. The Group recognised expected credit loss for the trade debtors for the financial year ended 30 June 2021.

Cash is maintained with National Australia Bank, an AA S&P rated bank and therefore carries insignificant expected credit loss.

(d) Equity price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through the Group's Board of Directors reviewing and approving all equity investment decisions. At the reporting date, the exposure to listed equity securities recognised as financial assets fair value through profit or loss was nil (2020:\$1,199,370).

Parkway Corporate Limited (Unaudited Financial Accounts)

A.C.N. 147 346 334

Notes to Financial Statements (continued)

Note 27: Controlled entities

Parkway Corporate Limited is the ultimate parent entity of the consolidated group.

The following are controlled entities at the reporting date and have been included in the consolidated financial statements. All shares held are ordinary shares.

Name	Country of Incorporation	Percentage Interest Held %	
		2021	2020
Parkway Ventures Pty Ltd	Australia	100%	100%
Parkway Process Technologies Pty Ltd	Australia	100%	100%
Parkway Process Solutions Pty Ltd	Australia	100%	100%
Consolidated Potash Corporation Ltd	Australia	100%	100%
Activated Water Technology Pty Ltd	Australia	100%	100%

As at 30 June 2021, there are no commitment or contingent liabilities in respect of the controlled entities.

Note 28: Parent entity disclosure

	Parent 2021	Parent 2020
Assets		
Current assets	7,454,863	2,036,646
Non current assets	5,549,792	3,805,696
Total Assets	<u>13,004,655</u>	<u>5,842,342</u>
Liabilities		
Current liabilities	251,059	396,720
Non current liabilities	1,549,001	-
Total Liabilities	<u>1,800,060</u>	<u>396,720</u>
Net Assets	<u>11,204,595</u>	<u>5,445,622</u>
Equity		
Contributed equity	35,352,074	28,867,382
Reserves	895,123	985,462
Accumulated losses	(25,042,602)	(24,407,222)
Total Equity	<u>11,204,595</u>	<u>5,445,622</u>
	Parent 2021	Parent 2020
Loss for the year	(635,380)	(1,433,972)
Other comprehensive income	-	-
Total comprehensive loss for the financial year	<u>(635,380)</u>	<u>(1,433,972)</u>

The commitments and contingencies of the parent entity are the same as those for the consolidated entity