



PeopleKind Group Ltd

ABN 11 652 673 553

CONSOLIDATED ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2024

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## PEOPLEKIND GROUP LTD

### **Directors' Report**

The Directors present their report, together with the consolidated financial statements of the Group comprising of PeopleKind Group Ltd and its subsidiaries for the year ended 30 June 2024.

### **Directors**

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

Ms Evelyn Hogg, Chairperson  
Mr Simon teBrinke  
Ms Julianne Allan (resigned on 31 March 2024)  
Ms Eileen Newby  
Ms Silvana Green (resigned on 31 March 2024)  
Ms Felicity Zempilas  
Ms Bernadette Celliers

### **Objectives**

The Group operates as a charitable, not for profit organisation.

The Group's purpose is "To empower people to live their best life".

The values that support the purpose are that we are:

- Compassionate
- Respectful
- Collaborative
- Resilient
- Courageous

### **Strategy for achieving the objectives**

Our long-term strategies include:

- Delivering services that make a positive and lasting difference in our community
- Maintaining financial sustainability
- Maintaining robust risk management and governance practices
- Taking up business development opportunities

The focus for the short term is:

- Strengthening foundations of our processes and systems for the growing business lines bespoke to those organisations' needs
- Growing the business in a financially sustainable way across all service streams
- Improve infrastructure and efficiency
- Quality, safeguarding and risk mitigation

### **Principal activities**

The Group's principal activities during the year were the provision of:

- long-term residential support for people with disabilities;
- allied health services, clinical and medical support;
- services to people with disability and their families; and
- support related to justice, child protection, mental health, social housing and accommodation and reintegration.

### **Performance measures**

The Group measures its performance through appropriate measures of the quantity and quality of services provided in all its major service streams: accommodation services provided to disability residents; therapy and allied health services; justice, child protection, mental health, social housing support and accommodation, and reintegration services.

## Director's Report (continued)

### Operating result and review of operations

The operating result for the year was a deficit of \$4,555,226 (2023: surplus of \$639,302).

The Group operates as a not-for-profit organisation with deductible gift recipient status and the Group is exempt from income tax.

During the financial year the Group continued its growth in the provision of supported independent living services via Nulsen, Allied health services via Superyou Therapy, delivery of services to people with disabilities and their families via Melior for Positive Behaviour Support, Support Coordination via Pillar, justice and reintegration support services via Outcare and its property operations via Nesti Housing the provision of real estate services via Nesti Housing Realty and an external training organisation via Liift.

The growth by the Group is reflected in the higher costs incurred in the current financial year pertaining to increased employee numbers to secure the workforce foundations for a strong core base of expertise to sustain the upcoming growth plan of the Group. Most of the subsidiaries also relocated and established their own offices through leased premises to better align in accordance to their strategic plans. IT related expenses were also increased to deliver on projects to better enhance efficiency of the underlying operations as well as reinforcing our cyber security as the Group diversified our operations.

### Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in this report.

### Information on Directors

|                          |  |
|--------------------------|--|
| Name                     | Evelyn Hogg  |
| Title                    | Non-Executive Chairperson  |
| Qualifications           | FCA, MAICD   |
| Experience and expertise | Evelyn has a strong and diverse background in both Board and Senior Executive Roles. Her expertise includes strategic risk management, financial management, corporate governance, tertiary education and training.  |
| Special responsibilities | Chairperson<br>Member of Finance Committee   |
| Name                     | Simon te Brinke  |
| Title                    | Non-Executive Director   |
| Qualifications           | GAICD  |
| Experience and expertise | Simon is a digital media and communications specialist with over 30 years of experience. As the founder and Digital Director of Gramercy Park Consulting, he provides strategic and creative guidance to organisations navigating disruptive technology trends in marketing and communications. Simon's extensive portfolio spans private, non-profit, and government sectors, with a strong focus on creativity, emerging technologies, and innovative thinking. He has also been involved in Indigenous cultural heritage projects for over a decade. He is also a non-executive director of Landgate and is a member of their Audit and Risk sub-committee. His previous directorships include RTRFM 92.1 and WAYJO (West Australian Youth Jazz Orchestra). |
| Special responsibilities | Deputy Chairperson Risk and Clinical Governance Committee  |

### Director's Report (continued)

Name Julianne Allan (resigned on 31 March 2024)  
Title Non-Executive Director  
Qualifications MPsych, BA (Hons)  
Experience and expertise Julianne is the Director of Corporate Services for the largest private hospital in WA, and has operational accountability for catering, supply, administration, WHS, maintenance, security and hospital services.  
Special responsibilities Chairperson Nominations and Board Governance Committee

Name Eileen Newby  
Title Non-Executive Director  
Qualifications CA, CPA, MAICD  
Experience and expertise Eileen works for a firm of commercial lawyers as an accountant and company secretary and has responsibility for the management of family investment companies. Eileen is the director of another two not-for-profit organisations, one that provides youth legal support and Scouts WA. She also sits on sub-committees for CPA and a local shire.  
Special responsibilities Chairperson of Finance Committee

Name Silvana Cappi (resigned on 31 March 2024)  
Title Non-Executive Director  
Experience and expertise Silvana has over 30 years experience as a professional social worker at both Zone and National levels within departments of the Commonwealth Government.  
Special responsibilities Member of Nominations and Board Governance Committee  
Co-Chair of Nulsen Disability Services Board

Name Felicity Zempilas  
Title Non-Executive Director  
Qualifications LLB, CF  
Experience and expertise Felicity was appointed as a Magistrate in August 2009 and from 2017 to 2021 was the dedicated Magistrate in the Start (Mental Health) Court and Intellectual Disability Diversion program Court. Felicity was appointed a Judge of the District Court of WA in September 2023.  
Special responsibilities Member of Risk and Clinical Governance Committee

Name Bernadette Celliers  
Title Non-Executive Director  
Qualifications BA (Hons), (Psych) MA, (Psych) Dip Ed MAPS AHPRA Registered Psychologist  
Experience and expertise Bernadette is an AHPRA registered psychologist and Member of the Australian Psychological Society with over 35 years' experience in the field.  
Special responsibilities Member of Risk and Clinical Governance Committee

### Group secretary

Gordon Trewern (Group Chief Executive Officer) and Geoffrey Ian Patching (Chief Financial Officer resigned 24 May 2024) hold the position of company secretary in the parent entity PeopleKind Group Ltd.

## Director's Report (continued)

### Meeting of Directors

The number of meetings of Nulsen's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

|                     | PeopleKind Group Ltd Board |      | Finance Committee |      | Risk and Clinical Governance Committee |      | Nominations and Board Governance Committee |      |
|---------------------|----------------------------|------|-------------------|------|--|------|--|------|
|                     | Attended                   | Held | Attended          | Held | Attended                               | Held | Attended                                   | Held |
| Evelyn Hogg         | 14                         | 14   | 7                 | 7    | -                                      | -    | 1  | 1    |
| Simon te Brinke     | 13                         | 14   | -                 | -    | 7                                      | 7    | 1  | 1    |
| Julianne Allan      | 10                         | 10   | -                 | -    | -                                      | -    | 2  | 2    |
| Eileen Newby        | 14                         | 14   | 7                 | 7    | -                                      | -    | -  | -    |
| Silvana Green       | 8                          | 10   | -                 | -    | -                                      | -    | 2  | 2    |
| Felicity Zempilas   | 11                         | 14   | -                 | -    | 6                                      | 7    | -  | -    |
| Bernadette Celliers | 13                         | 14   | -                 | -    | 7                                      | 7    | -  | -    |

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

### Contribution on winding up

In the event of PeopleKind Group Ltd being wound up, board members are required to contribute a maximum of \$10 each. The total amount that board members of PeopleKind Group Ltd are liable to contribute if the Group is wound up is \$50, based on 5 board members.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

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

On behalf of the Directors



Ms Evelyn Hogg  
Chairperson  
8th October 2024

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of PeopleKind Group Ltd for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Australian Charities and Not-for-profits Commissions Act 2012* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.



**Perth, Western Australia**  
**8 October 2024**

**D B Healy**  
**Partner**

**h**l**b.com.au**

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## General information

These consolidated financial statements of the Group comprise PeopleKind Group Limited (the Ultimate Parent Company) and its subsidiaries. The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

PeopleKind Group Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

### Registered office

32 Burton Street  
Cannington  
WA 6107

### Principal place of business

32 Burton Street  
Cannington  
WA 6107

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

The consolidated financial statements were authorised for issue, in accordance with a resolution of directors, on 4th October 2024. The directors have the power to amend and reissue the consolidated financial statements.

PEOPLEKIND GROUP LTD

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

|  | Notes | 2024<br>\$         | 2023<br>\$        |
|--|-------|--------------------|-------------------|
| <b>Revenue and other income</b>  |       |                    |                   |
| Revenue from grants and contracts with customers   | 3(a)  | 104,185,209        | 89,656,702        |
| Donations, fundraising and bequests income   | 3(b)  | 45,345             | 184,468           |
| Other income   | 3(c)  | 1,572,479          | 2,902,292         |
| Fair value gain on financial assets through profit or loss   | 3(d)  | 12,225             | 53,238            |
| <b>Total revenue and other income</b>  |       | <u>105,815,258</u> | <u>92,796,700</u> |
| <b>Expenses</b>  |       |                    |                   |
| Employee benefit expenses  | 4(a)  | 93,229,492         | 78,309,184        |
| Administration costs   |       | 9,310,906          | 7,757,337         |
| House expenses   |       | 3,541,551          | 2,909,650         |
| Repairs and maintenance  |       | 1,776,619          | 1,309,135         |
| Other operating costs  |       | 1,077,899          | 1,026,618         |
| Depreciation   |       | 1,434,017          | 845,474           |
| <b>Total expenses</b>  |       | <u>110,370,484</u> | <u>92,157,398</u> |
| <b>(Deficit) / Surplus before income tax expense</b>   |       | <u>(4,555,226)</u> | <u>639,302</u>    |
| Income tax expense   |       | -                  | -                 |
| <b>(Deficit) / Surplus after income tax expense for the year, representing total comprehensive (deficit) / income for the year</b> |       | <u>(4,555,226)</u> | <u>639,302</u>    |

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

PEOPLEKIND GROUP LTD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

|   | Notes | 2024<br>\$        | Restated <sup>1</sup><br>2023<br>\$ |
|---|-------|-------------------|-------------------------------------|
| <b>Current Assets</b>                                 |       |                   |                                     |
| Cash and cash equivalents                             | 5     | 11,281,333        | 15,551,201                          |
| Trade and other receivables                           | 6     | 2,447,308         | 3,677,571                           |
| Contract assets                                       | 7     | 1,303,855         | 1,419,146                           |
| <b>Total Current Assets</b>                           |       | <u>15,032,496</u> | <u>20,647,918</u>                   |
| <b>Non-Current Assets</b>                             |       |                   |                                     |
| Property, plant and equipment                         | 8     | 9,622,519         | 9,387,716                           |
| Right-of-use assets                                   | 9     | 3,108,663         | 533,689                             |
| Financial assets at fair value through profit or loss | 10    | 5,119,567         | 4,183,766                           |
| Investment in associates                              | 15    | -                 | 49                                  |
| <b>Total Non-Current Assets</b>                       |       | <u>17,850,749</u> | <u>14,105,220</u>                   |
| <b>Total Assets</b>                                   |       | <u>32,883,245</u> | <u>34,753,138</u>                   |
| <b>Current Liabilities</b>                            |       |                   |                                     |
| Trade and other payables                              | 11    | 5,149,375         | 4,261,161                           |
| Contract liabilities                                  | 12    | 2,291,617         | 2,535,624                           |
| Employee provisions                                   | 13    | 6,879,919         | 4,912,846                           |
| Lease liabilities                                     | 14    | 848,557           | 156,563                             |
| <b>Total Current Liabilities</b>                      |       | <u>15,169,468</u> | <u>11,866,194</u>                   |
| <b>Non-Current Liabilities</b>                        |       |                   |                                     |
| Employee provisions                                   | 13    | 1,073,635         | 3,544,122                           |
| Lease liabilities                                     | 14    | 2,301,923         | 367,431                             |
| Other liabilities                                     |       | 325,556           | 288,517                             |
| <b>Total Non-Current Liabilities</b>                  |       | <u>3,701,114</u>  | <u>4,200,070</u>                    |
| <b>Total Liabilities</b>                              |       | <u>18,870,582</u> | <u>16,066,264</u>                   |
| <b>Net Assets</b>                                     |       | <u>14,012,663</u> | <u>18,686,874</u>                   |
| <b>Equity</b>   |       |                   |                                     |
| Accumulated surpluses                                 |       | 14,012,663        | 18,567,889                          |
| Reserves  |       | -                 | 118,985                             |
| <b>Total Equity</b>                                   |       | <u>14,012,663</u> | <u>18,686,874</u>                   |

1 Refer to Note 5 for details of restated balances.

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

PEOPLEKIND GROUP LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

|   | Accumulated<br>Surpluses<br>\$ | Reserves for<br>Disability<br>\$ | Reserves for<br>Justice and<br>Reintegration<br>\$ | Total<br>\$ |
|---|--------------------------------|----------------------------------|--|-------------|
| Balance at 30 June 2022                       | 17,928,587                     | 36,798                           | 82,187   | 18,047,572  |
| Surplus for the year after income tax expense | 639,302                        | -                                | -  | 639,302     |
| Balance at 30 June 2023                       | 18,567,889                     | 36,798                           | 82,187   | 18,686,874  |
| Deficit for the year after income tax expense | (4,555,226)                    | -                                | -  | (4,555,226) |
| Transfer from reserves                        | -                              | (36,798)                         | (82,187)   | (118,985)   |
| Balance at 30 June 2024                       | 14,012,663                     | -                                | -  | 14,012,663  |

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

PEOPLEKIND GROUP LTD  
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

|   | Note     | 2024<br>\$               | Restated <sup>1</sup><br>2023<br>\$ |
|---|----------|--------------------------|-------------------------------------|
| <b>Cash flows from operating activities</b>                               |          |                          |                                     |
| Receipts from:  |          |                          |                                     |
| Grants received (inclusive of GST)  |          | 97,593,755               | 81,503,721                          |
| Receipts from customers (inclusive of GST)                                |          | 6,343,753                | 6,203,376                           |
| Interest received   |          | 503,421                  | 177,830                             |
| Donations, bequests and fundraising received                              |          | 45,345                   | 184,468                             |
| Other sundry income received  |          | 2,113,345                | 2,353,082                           |
| Payments to suppliers and employees*                                      |          | (108,370,765)            | (89,189,007)                        |
| Net cash (used in) / provided by operating activities                     |          | <u>(1,771,146)</u>       | <u>1,233,470</u>                    |
| <b>Cash flows from investing activities</b>                               |          |                          |                                     |
| Proceeds from sale of property, plant and equipment                       |          | 109,845                  | 6,266                               |
| Payments to acquire financial assets                                      |          | (923,579)                | (225,235)                           |
| Return from term deposits   |          | -                        | 2,000,000                           |
| Acquisition of / investment in associate                                  |          | (51)                     | (49)                                |
| Payments for property, plant and equipment                                |          | (935,622)                | (934,142)                           |
| Net cash (used in) / provided by investing activities                     |          | <u>(1,749,407)</u>       | <u>846,840</u>                      |
| <b>Cash flows from financing activities</b>                               |          |                          |                                     |
| Payments of lease liabilities   |          | (577,693)                | (156,909)                           |
| Cash payments for interest portion of lease liabilities                   |          | (171,622)                | (19,920)                            |
| Net cash used in financing activities                                     |          | <u>(749,315)</u>         | <u>(176,829)</u>                    |
| <b>Net (decrease) / increase in Cash and Cash Equivalents</b>             |          | <b>(4,269,868)</b>       | <b>1,903,481</b>                    |
| <b>Cash and Cash Equivalents at the beginning of the Financial Year *</b> |          | <b>15,551,201</b>        | <b>13,647,720</b>                   |
| <b>Cash and Cash Equivalents at the end of the Financial Year</b>         | <b>5</b> | <b><u>11,281,333</u></b> | <b><u>15,551,201</u></b>            |

1 Refer to Note 5 for details of restated balances.

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

## 1. **Material accounting policies**

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

### **Basis of preparation**

These consolidated financial statements are general purpose financial statements and have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and the Corporations Act 2001, as appropriate for not-for profit oriented entities with the exception of the below noted minor deviation from AASB 10 Consolidated Financial statements.

These consolidated financial statements comprise the consolidated statement of financial position as at 30 June 2024 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes thereto for the year ended 30 June 2024 of PeopleKind Group Ltd (as the parent entity) and its controlled entities as set out in Note 17.

These consolidated financial statements, except for the consolidated cash flow information, have been prepared on an accrual basis and are based on historical cost, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

These consolidated financial statements are presented in Australian dollars. Material accounting policies adopted in the preparation of these consolidated financial statements are presented below and have been consistently applied unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

### **Revenue recognition**

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and 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.

### **Donations**

Donations are recognised when received.

### **Revenue from government funding**

The Group's accommodation, recreation and community support and therapy support programs are supported by grants received from the Department of Communities (DOC) and National Disability Insurance Agency (NDIA).

Grant revenue is recognised in profit or loss when the Group satisfies the performance obligations stated within the funding agreements.

If there are conditions attached to the grant which must be satisfied before the Group is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

## 1. **Material accounting policies (continued)**

### **Revenue recognition (continued)**

#### **Fees from residents**

Residents' fees are recognised when the Group satisfies the performance obligations of the services being provided.

#### **In-kind donations**

Goods donated to the Group are included at the fair value to the Group where this can be quantified. No amounts are included in the financial statements for services donated by volunteers.

All revenue is stated net of the amount of Goods and Services Tax (GST).

#### **Cash and cash equivalents**

Cash and cash equivalents includes 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.

Cash amounts held as part of our investment portfolio Note 10 are excluded from this financial caption.

#### **Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership or when there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### **Financial assets at fair value through profit or loss**

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### **Impairment of financial assets**

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical 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 the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if 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 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

## 1. Material accounting policies (continued)

### Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

### Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Only items of greater than \$5,000 in cost or value, if an in-kind donation, are capitalised in the statement of financial position.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

|                        |             |
|------------------------|-------------|
| Plant and Equipment    | 20% - 33%   |
| Furniture and Fittings | 20%         |
| Motor Vehicles         | 12.5% - 20% |
| Buildings              | 2.5%        |

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

### Impairment of non-financial assets

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 as the amount by which the asset's carrying amount exceeds its recoverable amount.

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.

### Contract liabilities

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

### Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method.

## 1. Material accounting policies (continued)

### Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their best economic interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### Income tax

The Group is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

### Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

## 2. Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

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

### (i) Head Lease Agreements

The Group has entered into leases of houses with the Department of Communities as disclosed in Note 18.

The Group applies AASB Interpretation 12 Service Concession Arrangements in relation to this arrangement as the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them and at what price, specifically the Group (the operator) currently leases are from the Department of Housing (the grantor). The Group is restricted by the Department of Housing to provide services for specific purposes, e.g., to the disabled, hence the Group is not able to utilise the leased properties for other purposes. Additionally, per the contract between the Department of Housing and the Group, a rental amount is stipulated to be collected by the Group on behalf of the Department of Housing.

The grantor controls- through ownership, beneficial entitlement or otherwise- any significant residual interest in the infrastructure at the end of the term of the arrangement. Specifically the contract requires that at the end of the lease term, the Group will return the leased properties to the Department of Housing who controls through ownership, any significant residual interest on the properties.

All of the risks and rewards of ownership of these houses remains with the lessor and as such these leases are service concession arrangements.

## 2. Significant accounting judgements, estimates and assumptions (continued)

### (ii) Grant income received

The interaction between AASB 15 and AASB 1058 require management to assess whether the government grants and other funding received need to be accounted for under AASB 15 or AASB 1058. Key to this assessment is whether the government grants and other funding agreements contain:

- a contract with a customer that creates 'enforceable' rights and obligations, and
- the contract includes 'sufficiently specific' performance obligations.

Critical judgement was applied by management in assessing whether a promise is 'sufficiently specific', taking into account all facts and circumstances and any conditions specified in the arrangement (whether explicit or implicit) regarding the promised goods or services, including conditions regarding:

- the nature or type of the goods or services
- the cost or value of the goods or services
- the quantity of the goods or services
- the period over which the goods or services must be transferred.

### (iii) Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

### (iv) Estimation of useful lives of assets

The estimated useful lives and related depreciation charge for items of property, plant and equipment is affected by factors such as technological innovation, physical wear and tear and expected usage.

### (v) Residents monies (restricted cash)/Resident/Landlord liabilities

The Residents/Landlord monies (restricted cash) and their respective corresponding liabilities balances are offset to nil as the Residents/Landlord monies held in trust are not assets of the Group and are only held temporarily as part of operational transactions with the residents/landlords.

## 3. Revenue and other income

|   | 2024<br>\$         | 2023<br>\$        |
|---|--------------------|-------------------|
| <b>(a) Revenue from grants and contracts with customers</b> |                    |                   |
| <u>Contracts with customers revenue - operating</u>         |                    |                   |
| National Disability Insurance Scheme                        | <b>70,730,684</b>  | <b>59,552,243</b> |
| <u>Grant revenue - operating</u>                            |                    |                   |
| Department of Communities / Disability Services Commission  | 3,514,555          | 8,270,862         |
| Department of Prime Minister & Cabinet                      | 1,354,802          | 1,550,867         |
| Mental Health Commission                                    | 1,573,285          | 1,343,927         |
| Department of Social Services                               | 289,630            | 344,738           |
| Department of Training and Workforce Development            | 336,965            | 258,081           |
| Department of Child Protection                              | 18,602,650         | 10,174,564        |
| St John of God Ministries Inc                               | 487,689            | 340,461           |
| Lotterywest   | -                  | 197,000           |
| Others  | 951,196            | 1,420,583         |
|   | <b>27,110,772</b>  | <b>23,901,083</b> |
| <u>Non-grant revenue</u>                                    |                    |                   |
| Fees from residents   | 6,039,012          | 6,003,094         |
| Fees from justice and reintegration services                | 304,741            | 200,282           |
|   | <b>6,343,753</b>   | <b>6,203,376</b>  |
|   | <b>104,185,209</b> | <b>89,656,702</b> |

**3. Revenue and other income (continued)**

|   | 2024             | 2023             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>(b) Donations, fundraising and bequests income</b>                 |                  |                  |
| Donations and fundraising   | 36,696           | 157,835          |
| Bequests  | 8,649            | 26,633           |
|   | <b>45,345</b>    | <b>184,468</b>   |
| <b>(c) Other income</b>   |                  |                  |
| Gain on disposal of fixed assets                                      | 66,952           | 138,477          |
| Interest income   | 503,421          | 177,830          |
| Dividend income   | 183,019          | 364,112          |
| Other sundry income   | 819,087          | 2,221,873        |
|   | <b>1,572,479</b> | <b>2,902,292</b> |
| <b>(d) Fair value gain on financial assets through profit or loss</b> |                  |                  |
| Unrealised gain on investments  | <b>12,225</b>    | <b>53,238</b>    |

**4. Expenses**

|                                      | 2024              | 2023              |
|--------------------------------------|-------------------|-------------------|
|                                      | \$                | \$                |
| <b>(a) Employee benefit expenses</b> |                   |                   |
| Salary and wages                     | 81,958,149        | 67,433,075        |
| Superannuation contributions         | 8,605,606         | 7,080,473         |
| Movement in employee benefits        | (503,414)         | 836,500           |
| Workers compensation insurance       | 1,497,630         | 1,307,735         |
| Training costs                       | 531,204           | 458,513           |
| Other staffing costs                 | 1,140,317         | 1,192,888         |
|                                      | <b>93,229,492</b> | <b>78,309,184</b> |

**5. Cash and cash equivalents**

|                                 | 2024              | 2023              |
|---------------------------------|-------------------|-------------------|
|                                 | \$                | \$                |
| Short-term deposits             | 496,355           | 8,297,506         |
| Cash management account         | 229,368           | 1,518,977         |
| Online investment account       | 10,046,297        | 5,392,309         |
| Housekeeping and float accounts | -                 | 13,609            |
| Online debit accounts           | 509,313           | 328,800           |
|                                 | <b>11,281,333</b> | <b>15,551,201</b> |

Nulsen Disability Resident trust funds are held in trust on behalf of residents and used to cover board and lodging, chemist, medical and other activities expenses. The resident monies are held to extinguish the amount of the Resident liabilities.

Nesti Realty trust funds are held in trust on behalf of landlords for properties managed by Nesti Housing Realty. The landlord monies are held to extinguish the amount of the Landlord liabilities.

These balances are offset as the Resident/Landlord monies held in trust are not assets of the Group and are only held temporarily as part of operational transactions with the residents/landlords.

|  | 2024        | 2023        |
|--|-------------|-------------|
|  | \$          | \$          |
| Nulsen Disability Residents trust fund | 4,774,922   | 4,838,890   |
| Resident liabilities                   | (4,774,922) | (4,838,890) |
|  | -           | -           |
| Nesti Realty trust fund                | 51,891      | 2,050       |
| Landlord liabilities                   | (51,891)    | (2,050)     |
|  | -           | -           |

## 5. Cash and cash equivalents (Continued)

During the year, the Group changed its accounting policy in relation to the presentation of these balances to offset these balances to better reflect the nature of the balances as the Resident/landlord monies held in trust are not assets of the Group and are only held temporarily part of operational transactions with the residents/landlords.

The following balances were restated:

|   | Previously<br>reported<br>2023<br>\$ | Adjustment<br>2023<br>\$ | Restated<br>2023<br>\$ |
|---|--------------------------------------|--------------------------|------------------------|
| Residents/Landlord monies (restricted cash) | 4,840,940                            | (4,840,940)              | -                      |
| Resident/Landlord liabilities               | (4,840,940)                          | 4,840,940                | -                      |

The statement of cashflows has been restated to reflect the change in the accounting policy as follows:

|  | 2023<br>\$   | Adjustment<br>\$ | Restated<br>2023<br>\$ |
|--|--------------|------------------|------------------------|
| Payments to suppliers and employees                              | (89,418,896) | (229,889)        | (89,189,007)           |
| Cash and Cash Equivalents at the beginning of the Financial Year | 18,718,549   | 5,070,829        | 13,647,720             |
| Cash and Cash Equivalents at the end of the Financial Year       | 20,392,141   | (4,840,940)      | 15,551,201             |

## 6. Trade and other receivables

|                                    | 2024<br>\$       | 2023<br>\$       |
|------------------------------------|------------------|------------------|
| Trade receivables                  | 2,608,307        | 3,448,835        |
| Less: Provision for Doubtful Debts | (505,855)        | (190,000)        |
| Prepayments                        | 172,873          | 148,432          |
| Other receivables                  | 171,983          | 270,304          |
|                                    | <b>2,447,308</b> | <b>3,677,571</b> |

## 7. Contract assets

|                     | 2024<br>\$       | 2023<br>\$       |
|---------------------|------------------|------------------|
| NDIS accrued income | <b>1,303,855</b> | <b>1,419,146</b> |

## 8. Property, plant and equipment

|                                 | Land<br>\$       | Buildings<br>\$  | Plant and<br>Equipment<br>\$ | Furniture and<br>Fittings<br>\$ | Motor<br>Vehicles<br>\$ | TOTAL<br>\$      |
|---------------------------------|------------------|------------------|------------------------------|---------------------------------|-------------------------|------------------|
| <b>Cost</b>                     |                  |                  |                              |                                 |                         |                  |
| Balance at 30 June 2022         | 3,118,458        | 6,350,798        | 750,484                      | 2,075,228                       | 4,795,498               | 17,090,466       |
| Additions                       | -                | -                | 10,783                       | 330,895                         | 1,065,801               | 1,407,479        |
| Disposals                       | -                | -                | (28,074)                     | -                               | (688,205)               | (716,279)        |
| Balance at 30 June 2023         | 3,118,458        | 6,350,798        | 733,193                      | 2,406,123                       | 5,173,094               | 17,781,666       |
| Additions                       | -                | -                | 199,897                      | 239,539                         | 986,532                 | 1,425,968        |
| Disposals                       | -                | (112,048)        | (60,470)                     | (21,372)                        | (1,181,965)             | (1,375,855)      |
| Balance at 30 June 2024         | 3,118,458        | 6,238,750        | 872,620                      | 2,624,290                       | 4,977,661               | 17,831,779       |
| <b>Accumulated Depreciation</b> |                  |                  |                              |                                 |                         |                  |
| Balance at 30 June 2022         | -                | (1,759,748)      | (606,274)                    | (1,909,870)                     | (3,814,870)             | (8,090,762)      |
| Disposals                       | -                | -                | 26,904                       | -                               | 348,248                 | 375,152          |
| Depreciation expense            | -                | (156,832)        | (80,751)                     | (85,707)                        | (355,050)               | (678,340)        |
| Balance at 30 June 2023         | -                | (1,916,580)      | (660,121)                    | (1,995,577)                     | (3,821,672)             | (8,393,950)      |
| Disposals                       | -                | 40,849           | 57,913                       | 14,934                          | 838,765                 | 952,461          |
| Depreciation expense            | -                | (122,180)        | (59,892)                     | (131,202)                       | (454,497)               | (767,771)        |
| Balance at 30 June 2024         | -                | (1,997,911)      | (662,100)                    | (2,111,845)                     | (3,437,404)             | (8,209,260)      |
| <b>Net Book Value</b>           |                  |                  |                              |                                 |                         |                  |
| As at 30 June 2023              | <b>3,118,458</b> | <b>4,434,218</b> | <b>73,072</b>                | <b>410,546</b>                  | <b>1,351,422</b>        | <b>9,387,716</b> |
| As at 30 June 2024              | <b>3,118,458</b> | <b>4,240,839</b> | <b>210,520</b>               | <b>512,445</b>                  | <b>1,540,257</b>        | <b>9,622,519</b> |

## 9. Right-of-use assets

|                             | 2024<br>\$       | 2023<br>\$     |
|-----------------------------|------------------|----------------|
| <b>Net carrying amounts</b> |                  |                |
| Buildings                   | 3,108,663        | 533,689        |
|                             | <b>3,108,663</b> | <b>533,689</b> |
| <b>Movements in balance</b> |                  |                |
| Opening balance             | 533,689          | -              |
| Additions                   | 3,241,220        | 700,823        |
| Depreciation                | (666,246)        | (167,134)      |
| Closing balance             | <b>3,108,663</b> | <b>533,689</b> |

Depreciation of the right-of-use assets is recognised on a straight-line basis in accordance with the accounting policy note 1. The average useful life of the right-of-use assets as at 30 June 2024 is 2.68 years (2023: 4.25 years).

## 10. Financial assets at fair value through profit or loss

|  | 2024<br>\$       | 2023<br>\$       |
|--|------------------|------------------|
| Shares and managed funds   | 4,884,237        | 3,771,559        |
| Bonds and cash   | 235,330          | 412,207          |
| <b>Total Financial assets at fair value through profit or loss</b> | <b>5,119,567</b> | <b>4,183,766</b> |
| <b>Movements in balance</b>  |                  |                  |
| Opening balance  | 4,183,766        | 3,905,294        |
| Interest and dividends income                                      | 225,943          | 146,585          |
| Management fees paid   | (9,661)          | (30,438)         |
| Unrealised movement during the year                                | 719,519          | 162,324          |
| <b>Closing balance</b>   | <b>5,119,567</b> | <b>4,183,766</b> |

## 10. Financial assets at fair value through profit or loss (Continued)

Financial assets at fair value through profit or loss include a portfolio of securities listed on the Australian Securities Exchange, managed funds, bonds and cash. The portfolio valuation is managed by a professional investment adviser. These investments are spread across a range of various industrial and geographical sectors in accordance with the Group's investment policy to manage exposure to risk.

## 11. Trade and other payables

|                | 2024             | 2023             |
|----------------|------------------|------------------|
|                | \$               | \$               |
| Trade payables | 436,963          | 303,974          |
| Other payables | 33,562           | 33,542           |
| Accruals       | 4,677,075        | 3,900,465        |
| GST payable    | 1,775            | 23,180           |
|                | <b>5,149,375</b> | <b>4,261,161</b> |

## 12. Contract liabilities

|                                       | 2024             | 2023             |
|---------------------------------------|------------------|------------------|
|                                       | \$               | \$               |
| Grants in advance – Nulsen Disability | 375,650          | 280,756          |
| Grants in advance – Outcare           | 998,524          | 1,931,597        |
| Grants in advance – One off grants    | 677,417          | 120,082          |
| Grants in advance – Lotterywest       | -                | 139,945          |
| Other grants income in advance        | 121,041          | 63,244           |
| Donations with a designated purpose   | 118,985          | -                |
|                                       | <b>2,291,617</b> | <b>2,535,624</b> |

Donations with a designated purpose are expendable only for operating purposes specified by the donor or by statute and is comprised of The Ethel & John Hodgson Scholarship \$7,810, Kellie Bridger Safety Award \$28,988, Scott Scholarship \$53,750 and Benmark Foundation \$28,437.

## 13. Employee provisions

|   | 2024             | 2023             |
|---|------------------|------------------|
|   | \$               | \$               |
| (a) <b>Current</b>                          |                  |                  |
| Long service leave                          | 2,356,718        | 791,740          |
| Annual leave                                | 4,522,131        | 4,120,036        |
| Nulsen Disability Residents fee waiver      | 1,070            | 1,070            |
|   | <b>6,879,919</b> | <b>4,912,846</b> |
| (b) <b>Non-current</b>                      |                  |                  |
| Long service leave                          | <b>1,073,635</b> | <b>3,544,122</b> |
| (c) <b>Movements in employee provisions</b> |                  |                  |
| Opening balance                             | 8,456,968        | 7,620,467        |
| Charge for the year                         | 5,832,434        | 6,234,086        |
| Utilised during the year                    | (6,335,848)      | (5,397,585)      |
| <b>Closing balance</b>                      | <b>7,953,554</b> | <b>8,456,968</b> |

The current portion of provisions includes the total amount accrued for annual leave entitlements and the amounts accrued for long service entitlements that have vested due to employees having completed the required period of service. Based on the past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion of provisions include amounts for long-service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

#### 14. Lease liabilities

|                               | 2024             | 2023           |
|-------------------------------|------------------|----------------|
|                               | \$               | \$             |
| <b>Secured</b>                |                  |                |
| Current Lease liabilities     | 848,557          | 156,563        |
| Non-Current Lease liabilities | 2,301,923        | 367,431        |
| <b>Total</b>                  | <b>3,150,480</b> | <b>523,994</b> |

Lease liabilities are secured by the assets leased and represent the discounted future rentals payable by the Group for its office properties. These leases are typically fixed for a few years with a year-on-year fixed increment and an option to extend at the then prevailing market rate.

The future minimum lease payments arising under the Group's lease contracts at the end of the reporting year are as follows:

|   | 2024             | 2023           |
|---|------------------|----------------|
|   | \$               | \$             |
| Not later than one year                           | 848,557          | 156,563        |
| Later than one year and not later than five years | 2,301,923        | 367,431        |
| Later than five years                             | -                | -              |
| <b>Total</b>                                      | <b>3,150,480</b> | <b>523,994</b> |

#### 15. Investment in Associates

In the current year, PeopleKind Group Ltd acquired the remaining 51% of the shares in Portle Pty Ltd converting this entity into a subsidiary of the Group Note 17. Portle Pty Ltd has no historical transactions and the investment purpose into this entity was to create a customised Customer Relationship Management (CRM) tool to better serve our customer needs. Upon completion this usage licenses for this CRM is intended to be sold to other similar service providers.

|                | 2024     | 2023      |
|----------------|----------|-----------|
|                | \$       | \$        |
| Portle Pty Ltd | -        | 49        |
|                | <b>-</b> | <b>49</b> |

#### 16. Parent entity disclosures

As at, and throughout the financial year ended 30 June 2024 the Ultimate parent entity of the Group was PeopleKind Group Ltd.

| <b>Financial Performance</b>      | 2024              | 2023 <sup>1*</sup> |
|-----------------------------------|-------------------|--------------------|
|                                   | \$                | \$                 |
| Gain/ (Loss) for the year         | 10,320,269        | (3,020,101)        |
| Other comprehensive income        | -                 | -                  |
| <b>Total comprehensive income</b> | <b>10,320,269</b> | <b>(3,020,101)</b> |
| <b>Assets</b>                     |                   |                    |
| Current assets                    | 28,139,309        | 17,373,081         |
| Non-current assets                | 17,850,751        | 118,985            |
| <b>Total assets</b>               | <b>45,990,060</b> | <b>17,492,066</b>  |
| <b>Liabilities</b>                |                   |                    |
| Current liabilities               | 14,595,595        | 16,707,134         |
| Non-current liabilities           | 3,701,115         | 4,200,070          |
| <b>Total liabilities</b>          | <b>18,296,710</b> | <b>20,907,204</b>  |
| <b>Equity</b>                     |                   |                    |
| Accumulated surpluses             | 27,693,350        | 17,373,081         |
| Reserves                          | -                 | 118,985            |
| <b>Total Equity</b>               | <b>27,693,350</b> | <b>17,492,066</b>  |

## 16. Parent entity disclosures (Continued)

\* PeopleKind Group Ltd was registered on the 9 August 2021. All assets and liabilities were subsequently transferred to PeopleKind Group Ltd as of the 1 July 2023.

1 During the year, the Group changed its accounting policy in relation to the presentation of these balances to offset these balances to better reflect the nature of the balances as the Resident/landlord monies held in trust are not assets of the Group and are only held temporarily part of operational transactions with the residents/landlords. Refer below for details of restated balances.

|                          | 2023              | Adjustment<br>2023 | Restated<br>2023  |
|--------------------------|-------------------|--------------------|-------------------|
| (Loss)/ gain for year    | (3,020,101)       |                    | (3,020,101)       |
| Current assets           | 24,294,050        | (4,840,940)        | 19,453,110        |
| Non-current assets       | 14,105,220        |                    | 14,105,220        |
| <b>Total assets</b>      | <b>38,399,270</b> |                    | <b>33,558,330</b> |
| Current liabilities      | 16,707,134        | (4,840,940)        | 11,866,194        |
| Non-current liabilities  | 4,200,070         |                    | 4,200,070         |
| <b>Total liabilities</b> | <b>20,907,204</b> |                    | <b>16,066,264</b> |
| Accumulated surpluses    | 17,373,081        |                    | 17,373,081        |
| Reserves                 | 118,985           |                    | 118,985           |
| <b>Total Equity</b>      | <b>17,492,066</b> |                    | <b>17,492,066</b> |

| <b>Guarantees entered into by the parent entity in relation to the debt of its controlled entities</b> | 2024 | 2023           |
|--|------|----------------|
|  | \$   | \$             |
| Guarantees provided under the deed of cross guarantee  | -    | <b>150,000</b> |

PeopleKind Group Ltd has entered into a deed of cross guarantee with its wholly-owned subsidiary Nesti Realty Pty Ltd to enable their start up. This guarantee was established for payments owed to Nesti Realty Pty Ltd creditors.

There are no contingent liabilities of the parent entity as at 30 June 2024.

## 17. List of subsidiaries

Set out below is a list of material subsidiaries of the Group.

|                              |                                    |
|------------------------------|------------------------------------|
| Nulsen Group Ltd             | 100% ownership/controlled interest |
| Nesti Community Housing Ltd  | 100% ownership/controlled interest |
| Nesti Housing Realty Pty Ltd | 100% ownership/controlled interest |
| Lady Lawley Foundation Ltd   | 100% ownership/controlled interest |
| Portle Pty Ltd               | 100% ownership/controlled interest |
| Liift Ltd                    | 100% ownership/controlled interest |

## 18. Housing leases

The Group has an economic dependency on the on-going lease agreement with the Department of Communities for the rental of residential houses for its accommodations program.

There are two significant agreements with details as follows:

### Crisis Accommodation Program

|                    |  |
|--------------------|--|
| Counterparty       | Department of Communities  |
| Term               | Expired 30 June 2023 and on month-on-month renewal basis till lease transfer to Nesti Community Housing Ltd is completed               |
| Restriction of use | Subletting premises for community housing and ancillary purposes specifically related to Crisis Accommodation and Transitional Housing |
| Underlying assets  | 23 properties  |
| Lease fee          | \$5.00 per week for each recipient of housing  |

## 18. Housing leases (Continued)

|                                      |  |
|--------------------------------------|--|
| Community Disability Housing Program |  |
| Counterparty                         | Department of Communities  |
| Term                                 | Expired 30 June 2023 and on month-on-month renewal basis till lease transfer to Nesti Community Housing Ltd is completed |
| Restriction of use                   | Subletting premises for community housing and ancillary purposes specifically related to Community Disability Housing    |
| Underlying assets                    | 77 properties  |
| Lease fee                            | \$5.00 per week for each recipient of housing  |

There are an additional 7 individual leases for properties with the Housing Authority for residential purposes (LPRP).

The Group's lease agreement with the Department of Communities is expected to be renewed for three years under similar terms as conditions as the prior contract agreement. The leases are in the process of being transferred as part of the registration of Nesti Community Ltd as a community housing provider meaning current leases have converted to a month-by-month lease following the expiry of the lease term. These properties are still being used by the Group and the new extension of the leases is expected to occur in due course. The Group is responsible for the maintenance of these properties similar to that as a Landlord.

For the 2024 financial year the yearly rental cost was \$68,320 (2023: \$60,370).

## 19. Encumbrances on real property

### 28 Burton Street, Cannington

Lot 1, 28 Burton Street, Cannington was acquired during the financial year ended 30 June 1997. The Group is the registered owner of the property however the Disability Services Commission holds a caveat which ensures that the site is only used for appropriate purposes.

Lot 3, 28 Burton Street, Cannington was acquired in June 2006 using internal resources. With funding contributed by the Lotteries Commission, the Group undertook renovations to the property and a Deed of Trust ("the Deed") with the following terms was executed in relation to this work.

- (i) The Group, as trustee, holds Lot 3, 28 Burton Street, Cannington for itself and Lotterywest Commission as tenants in common in respect to the undivided shares held by each as specified in the Deed schedule.
- (ii) The undivided share to the Lotterywest Commission is 920,000/2,000,000.
- (iii) The term of the Deed is 20 years. At the end of the term in 2026 the Lotteries Commission's beneficial interest in the property will revert to the Group.

### 32 Burton Street, Cannington

32 Burton Street, Cannington was acquired during the financial year ended 30 June 2016. The purchase and a major refurbishment project which was completed during the financial year ended 30 June 2017 were undertaken with funding support from Lotteries Commission. The Group is the registered owner of the property however the Lotteries Commission holds a caveat over the property that expires in 2026.

## 20. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2024 or 30 June 2023.

## 21. Key management personnel disclosures

### Compensation

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

|                        | 2024             | 2023             |
|------------------------|------------------|------------------|
|                        | \$               | \$               |
| Aggregate compensation | <u>1,901,446</u> | <u>1,644,646</u> |

## 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by HLB Mann Judd (2024) and RSM Australia Pty Ltd (2023), the auditor of the Group:

|  | 2024          | 2023          |
|--|---------------|---------------|
|  | \$            | \$            |
| Audit of the financial statements                      | 45,000        | 34,500        |
| REBA compliance and trust audit – Nesti Realty Pty Ltd | 3,000         | 2,500         |
| Other Audit  | 5,643         | 3,400         |
|  | <b>53,643</b> | <b>40,400</b> |

## 23. Events after the reporting date

### Acquisition of Cahoots

Post 30 June 2024, PeopleKind Group acquired Kids Camp Incorporated through common control at nil cost. The purpose of this acquisition was a strategic move to increase our services provided by the Group as well as tapping into potential synergies that Kids Camp Incorporated could bring into the Group. The net assets that will be acquired through this acquisition are estimated to be \$191.5k comprising of \$2,039k of assets and \$1,848k of liabilities.

Cahoots is in the process of being converted from an association to a company limited by guarantee. A term sheet is being signed and the merger will be completed upon this condition precedent.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's situation in future financial years.

**DIRECTORS DECLARATION**

In the Directors' opinion:

- the attached consolidated financial statements and notes comply with Australian Accounting Standards - Simplified Disclosures Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and Charitable Collections Act (1946) (WA), the Charitable Collections Regulations (1947) (WA), the *Corporation Act 2001* and other mandatory professional reporting requirements;
- the attached consolidated financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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



Ms Eileen Newby  
Director and Chair, Finance Committee

8th October 2024  
Perth

## Independent Auditor's Report to the Members of PeopleKind Group Ltd

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### Opinion

We have audited the financial report of PeopleKind Group Ltd ("the Entity") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the declaration by the Board of Directors.

In our opinion, the accompanying financial report of the Group has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

#### 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 Entity and the Group in accordance with the auditor independence 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information Other than the Financial Report and Auditor's Report Thereon

Those charged with governance are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our 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.

[hlb.com.au](http://hlb.com.au)

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HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

## **Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**8 October 2024**



**D B Healy**  
**Partner**