PeopleKind Group Ltd

ABN 11 652 673 553

CONSOLIDATED ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2023

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 2023.

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
Ms Eileen Newby
Dr Edward Petch (resigned on 23/08/2023)
Ms Silvana Green
Ms Felicity Zempilas
Ms Bernadette Celliers
Mr Robert Lawrence (resigned on 01/05/2023)

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.

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 Group also newly commenced the provision of real estate services via Nesti Housing Realty and an external training organisation via Community Training Solutions.

Director's Report (continued)

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.

Operating result and review of operations

The operating result for the year was a surplus of $639,302 (2022: deficit of $3,255,986).

The Group operates as a not-for-profit organisation with deductable gift recipient status and the Group is exempt from income tax with the exception of the fully owned subsidiary Nesti Realty Pty Ltd which is expected to be converted into a charity in due course.

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.

In the prior year the Group commenced the process of undergoing a legal entity restructuring process to enable the Group to better align its operations to the strategic objectives. This restructure was successfully completed in this financial year ended 30 June 2023.

PeopleKind Group Ltd was incorporated on 9 August 2021 and through a group restructure became the parent entity of the Group from that date. Prior to this date, Nulsen Group Ltd was the parent entity of the Group. No change in the ultimate control of the Group occurred as a consequence of the restructure.

These consolidated financial statements comprise the consolidated statement of financial position as at 30 June 2023 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 2023 of PeopleKind Group Ltd (as the parent entity) and its controlled entities as set out in Note 21. Whilst the restructure noted above resulted in a new parent entity, as there was no change in control of the overall Group (previously reported as the Nusen Group), comparative period balances and disclosures comprise those presented by Nulsen Group Ltd in its 30 June 2022 financial report.

Information on Directors

Name	Evelyn Hogg
Title	Non-Executive Chairperson
Qualifications	FCA, MAICD
Experience and expertise	Evelyn is currently the CFO of a private company. She has extensive experience as a technical audit consultant, a University lecturer in accounting and auditing, and as a non-executive director, council chair and audit committee member.
Special responsibilities	Chairperson Member of Finance Committee

Name	Simon te Brinke
Title	Non-Executive Director
Qualifications	GAICD
Experience and expertise	Simon has over 30 years marketing communications and media experience and specialises in digital communications. He is the founder and digital director of an independent strategy consulting firm working with organisations challenged by disruptive technology trends in marketing and communications. Simon is currently a non-executive director of the Chamber of Commerce and Industry WA and is member of their Remuneration and Nominations sub-committee. 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	Chairperson Risk and Clinical Governance Committee

Director's Report (continued)

Name	Julianne Allan
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	Edward Petch (resigned on 23/08/2023)
Title	Non-Executive Director
Qualifications	MBBS, BSc, MSc, FRCPsych, DFP Dip Crim, FRANZCP, MBA, GAICD
Experience and expertise	Edward is a Consultant Forensic Physiatrist at Hakea Prison, Department of Justice and Clinical Associate professor UWA.
Special responsibilities	Co-chairperson Risk and Clinical Governance Committee

Name	Silvana Cappi
Title	Non-Executive Director
Experience and expertise	Silvana has 33 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.
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

Name	Robert Lawrence (resigned on 01/05/2023)
Title	Non-Executive Director
Experience and expertise	Robert was appointed a permanent Magistrate for WA in 1982, retiring in 2013 after which he was appointed a temporary Magistrate until 2020. Robert is a Life Member of the Association of Australian Magistrate and is currently a Board Member of the Prisoners Review Board for WA.
Special responsibilities	Member of Nominations and Board Governance Committee

Director's Report (continued)

Group secretary

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

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 2023, 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	13	13	9	9	-	-	-	-
Simon te Brinke	11	13	-	-	9	9	-	-
Julianne Allan	13	13	-	-	-	-	1	1
Eileen Newby	12	13	9	9	-	-	-	-
Dr Edward Petch	8	13	-	-	7	9	-	-
Silvana Green	12	13	-	-	6	6	1	1
Felicity Zempilas	10	13	-	-	6	9	-	-
Bernadette Celliers	13	13	6	7	3	3	-	-
Robert Lawrence	10	13	-	-	-	-	1	1

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 $90, based on 9 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
Chair
27th September 2023

RSM Australia Partners

Level 32 Exchange Towe, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of PeopleKind Group Ltd for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

MATTHEW BEEVERS
Partner

Perth, WA
Date: 27 September 2023

Contents

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	**Principal place of business**
32 Burton Street Cannington WA 6107	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 27th September 2023. 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 2023

	Notes	2023 $	2022 $
Revenue and other income			
Revenue from grants and contracts with customers	3(a)	89,656,702	72,752,922
Donations, fundraising and bequests income	3(b)	184,468	78,972
Other income	3(c)	2,902,292	1,215,714
Fair value gain on financial assets through profit or loss	3(d)	53,238	-
Total revenue and other income		92,796,700	74,047,608
Expenses			
Employee benefit expenses	4(a)	78,309,184	66,568,274
Administration costs		7,757,337	4,392,480
House expenses		2,909,650	2,830,550
Repairs and maintenance		1,309,135	1,112,660
Other operating costs		1,026,618	1,240,353
Fair value loss on financial assets through profit or loss	4(b)	-	348,816
Depreciation		845,474	810,461
Total expenses		92,157,398	77,303,594
Surplus / (Deficit) before income tax expense		639,302	(3,255,986)
Income tax expense		-	-
Surplus / (Deficit) after income tax expense for the year, representing total comprehensive income / (deficit) for the year		639,302	(3,255,986)

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 2023

	Notes	2023 $	2022 $
Current Assets			
Cash and cash equivalents (unrestricted)	5	15,551,201	13,647,720
Resident/ Landlord monies (restricted cash)	6	4,840,940	5,070,829
Trade and other receivables	7	3,677,571	3,489,716
Contract assets	8	1,419,146	668,459
Financial assets at amortised cost	10	-	2,000,000
Total Current Assets		25,488,858	24,876,724
Non-Current Assets			
Property, plant and equipment	9	9,387,716	8,999,704
Right-of-use assets	11	533,689	-
Financial assets at fair value through profit or loss	12	4,183,766	3,905,294
Investment in associates	19	49	-
Total Non-Current Assets		14,105,220	12,904,998
Total Assets		39,594,078	37,781,722
Current Liabilities			
Trade and other payables	13	4,261,161	3,194,951
Contract liabilities	14	2,535,624	3,734,542
Employee provisions	15	4,912,846	4,527,672
Resident/ Landlord liabilities	16	4,840,940	5,070,829
Lease liabilities	17	156,563	-
Total Current Liabilities		16,707,134	16,527,994
Non-Current Liabilities			
Employee provisions	15	3,544,122	3,092,795
Lease liabilities	17	367,431	-
Other liabilities		288,517	113,361
Total Non-Current Liabilities		4,200,070	3,206,156
Total Liabilities		20,907,204	19,734,150
Net Assets		18,686,874	18,047,572
Equity			
Accumulated surpluses		18,567,889	17,928,587
Reserves	18	118,985	118,985
Total Equity		18,686,874	18,047,572

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 2023

	Accumulated Surpluses $	Reserves for Disability $	Reserves for Justice and Reintegration $	Total $
Balance at 30 June 2021	21,184,573	36,798	82,187	21,303,558
Deficit for the period after income tax expense	(3,255,986)	-	-	(3,255,986)
Balance at 30 June 2022	17,928,587	36,798	82,187	18,047,572
Surplus for the period after income tax expense	639,302	-	-	639,302
Balance at 30 June 2023	18,567,889	36,798	82,187	18,686,874

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 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from:			
Grants received (inclusive of GST)		81,503,721	66,654,146
Receipts from customers (inclusive of GST)		6,203,376	5,154,622
Interest received		177,830	419,822
Donations, bequests and fundraising received		184,468	78,972
Other sundry income received		2,353,082	1,012,903
Payments to suppliers and employees		(89,418,896)	(78,286,607)
Net cash used in operating activities		1,003,581	(4,996,142)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		6,266	-
(Payments to acquire) / Proceeds from sale of financial assets		(225,235)	892,915
Return from / (Transfers to) term deposits		2,000,000	(2,000,000)
Investment in associate		(49)	-
Payments for property, plant and equipment		(934,142)	(110,992)
Net cash provided by / (used in) investing activities		846,840	(1,218,077)
Cash flows from financing activities			
Payments of lease liabilities		(156,909)	-
Cash payments for interest portion of lease liabilities		(19,920)	-
Net cash used in financing activities		(176,829)	-
Net increase / (decrease) in Cash and Cash Equivalents		1,673,592	(6,184,218)
Cash and Cash Equivalents at the beginning of the Financial Year *		18,718,549	24,902,768
Cash and Cash Equivalents at the end of the Financial Year *		**20,392,141**	**18,718,549**

*The cash balance includes Resident/Landlord monies $4,840,940 (2022: $5,070,829) as described in note 6.

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

1. Significant 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 2023 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 2023 of PeopleKind Group Ltd (as the parent entity) and its controlled entities as set out in Note 21. Whilst the restructure noted above resulted in a new parent entity, as there was no change in control of the overall Group (previously reported as the Nusen Group), comparative period balances and disclosures comprise those presented by Nulsen Group Ltd in its 30 June 2022 financial report.

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. Significant 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).

Current and non-current classification

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

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

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

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 and term deposits relating to the Nulsen Disability resident's trust account and landlord liabilities are included in the cash and cash equivalents of the Group. There is a corresponding liability of an equal amount as these funds are held on behalf of individual residents and third parties.

Cash amounts held as part of our investment portfolio Note 12 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. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

1. Significant accounting policies (continued)

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.

Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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	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.

1. Significant accounting policies (continued)

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.

Trade and other payables

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

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.

Employee benefits

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

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at 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 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 national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Investments in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method and are initially recognised at cost, which includes transaction costs. After initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and OCI of associates, until the date on which significant influence ceases.

1. Significant accounting policies (continued)

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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 Group determines its incremental borrowing rate by obtaining interest rates from external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Generally, the Group uses Commonwealth Bank’s advised borrowing rate at inception of the lease.

Lease payments included in the measurement of the lease liability comprise the following:
– fixed payments, including in-substance fixed payments;
– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– amounts expected to be payable under a residual value guarantee; and
– the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

For the current year ending the Group has not entered into any agreements where it is the lessor to a lease agreement.

Foreign currency transactions

Transactions in foreign currencies are translated into the Australian dollars as the functional currency of the Group at the exchange rates at the dates of the transactions or forex deal is entered into. All assets or liabilities denominated in the functional currency at the year-end as such no foreign currency differences is required to be recognised as a finance cost or as part of other comprehensive income.

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.

1. Significant accounting policies (continued)

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.

Goods and services tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables in the statement of financial position are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office is classified as operating cash.

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 22.

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.

3. Revenue and other income

	2023 $	2022 $
(a) Revenue from grants and contracts with customers		
Contracts with customers revenue - operating		
National Disability Insurance Scheme	59,552,243	48,976,696
Grant revenue - operating		
Department of Communities / Disability Services Commission	8,270,862	8,041,062
Department of Prime Minister & Cabinet	1,550,867	1,453,315
Mental Health Commission	1,343,927	1,029,389
Department of Social Services	344,738	247,141
Department of Training and Workforce Development	258,081	223,505
Department of Child Protection	10,174,564	6,388,227
St John of God Ministries Inc	340,461	220,800
Lotterywest	197,000	165,000
Others	1,420,583	853,165
	23,901,083	18,621,604
Non-grant revenue		
Fees from residents	6,003,094	5,069,234
Fees from justice and reintegration services	200,282	85,388
	6,203,376	5,154,622
	89,656,702	**72,752,922**

3. Revenue and other income (continued)

		2023 $	2022 $
(b)	**Donations, fundraising and bequests income**		
	Donations and fundraising	157,835	51,780
	Bequests	26,633	27,192
		184,468	**78,972**
(c)	**Other income**		
	Gain on disposal of fixed assets	138,477	653,329
	Interest income	177,830	3,525
	Dividend income	364,112	139,366
	Other sundry income	2,221,873	419,494
		2,902,292	**1,215,714**

Other sundry income includes the recognition of $1.58m which was received as a once off discretionary cash support from the National Disability Insurance Agency. This discretionary support was provided for covid 19 management requirements, quality and safeguarding requirements as well as the changes to the Social Community Housing and Disability Services Industry Award.

(d)	**Fair value gain on financial assets through profit or loss**		
	Unrealised gain on investments	**53,238**	**-**

4. Expenses

		2023 $	2022 $
(a)	**Employee benefit expenses**		
	Salary and wages	67,433,075	60,504,747
	Superannuation contributions	7,080,473	6,050,475
	Movement in employee benefits	836,500	(2,792,644)
	Workers compensation insurance	1,307,735	1,346,384
	Training costs	458,513	247,662
	Other staffing costs	1,192,888	1,211,650
		78,309,184	**66,568,274**
(b)	**Fair value loss on financial assets through profit or loss**		
	Unrealised loss on investments	**-**	**(348,816)**

5. Cash and cash equivalents (unrestricted)

	2023 $	2022 $
Short-term deposits	8,297,506	6,351,880
Cash management account	1,518,977	7,021,130
Online investment account	5,392,309	1,220
Housekeeping and float accounts	13,609	13,609
Online debit accounts	328,800	259,881
	15,551,201	**13,647,720**

6. Residents/Landlord monies (restricted cash)

	2023 $	2022 $
Nulsen Disability Residents trust funds (note 16)	4,838,890	5,070,829
Nesti Realty trust funds (note 16)	2,050	-
	4,840,940	**5,070,829**

Nulsen Disability Resident trust funds are held in trust on behalf of residents and used to cover board and lodging, chemist, medical and other activity expenses. The resident monies corresponds (and is held to extinguish) the amount disclosed in Note 16 as Resident liabilities of $4,838,890 (2022: $5,070,829).
Nesti Realty trust funds are held in trust on behalf of landlords for properties managed by Nesti Housing Realty. The Landlord Monies corresponds (and is held to extinguish) the amount disclosed in Note 16 as Landlord liabilities of $2,050 (2022: nil).

7. Trade and other receivables

	2023 $	2022 $
Trade receivables	3,448,835	3,440,230
Less: Provision for Doubtful Debts	(190,000)	-
Prepayments	148,432	28,938
Other receivables	270,304	20,548
	3,677,571	**3,489,716**

8. Contract assets

	2023 $	2022 $
NDIS accrued income	**1,419,146**	**668,459**

9. Property, plant and equipment

	Land $	Buildings $	Plant and Equipment $	Furniture and Fittings $	Motor Vehicles $	TOTAL $
Cost						
Balance at 30 June 2021	3,281,385	7,016,844	828,190	1,948,683	5,392,458	18,467,560
Additions	-	26,230	54,507	126,545	531,186	738,468
Disposals	(162,927)	(692,276)	(132,213)	-	(1,128,146)	(2,115,562)
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
Accumulated Depreciation						
Balance at 30 June 2021	-	(1,742,265)	(565,663)	(1,844,096)	(3,824,070)	(7,976,094)
Disposals	-	165,521	104,547	-	426,342	696,410
Depreciation expense	-	(183,004)	(145,158)	(65,774)	(417,142)	(811,078)
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)
Net Book Value						
As at 30 June 2022	3,118,458	4,591,050	144,210	165,358	980,628	8,999,704
As at 30 June 2023	**3,118,458**	**4,434,218**	**73,072**	**410,546**	**1,351,422**	**9,387,716**

10. Financial assets at amortised cost

	2023 $	2022 $
Term deposits	**-**	**2,000,000**

Term deposits represent cash and cash equivalents invested in term deposits with maturities greater than 90 days and are considered as part of the normal working capital management of the organisation. It does not form part of the organisation's Future Fund investment balance Note 12.

11. Right-of-use assets

	2023	2022
Net carrying amounts	$	$
Buildings	533,689	-
	533,689	**-**
Movements during the year		
Additions	700,823	-
Depreciation	(167,134)	-
	533,689	**-**

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 2023 is 4.25 years.

12. Financial assets at fair value through profit or loss

	2023	2022
Nulsen Disability Future Fund comprising:	$	$
Shares and managed funds	1,366,261	1,225,660
Bonds and cash	159,292	209,413
	1,525,553	1,435,073
Outcare Future Fund comprising:		
Shares and managed funds	2,405,298	1,932,183
Bonds and cash	252,915	538,038
	2,658,213	2,470,221
Total Financial assets at fair value through profit or loss	**4,183,766**	**3,905,294**
Movements in balance		
Opening balance	3,905,294	4,143,118
Interest and dividends income	146,585	140,936
Management fees paid	(30,437)	(33,795)
Unrealised movement during the year	162,324	(344,965)
Closing balance	**4,183,766**	**3,905,294**

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.

13. Trade and other payables

	2023	2022
	$	$
Trade payables	303,974	292,239
Other payables	33,542	37,164
Accruals	3,900,465	2,797,321
GST payable	23,180	68,227
	4,261,161	**3,194,951**

14. Contract liabilities

	2023 $	2022 $
Grants in advance – Nulsen Disability	280,756	510,560
Grants in advance – Outcare	1,931,597	2,613,281
Grants in advance – One off grants	120,082	215,512
Grants in advance – Lotterywest	139,945	336,945
Other grants income in advance	63,244	58,244
	2,535,624	**3,734,542**

15. Employee provisions

		2023 $	2022 $
(a)	**Current**		
	Long service leave	791,740	676,270
	Accrued days off	-	13,790
	Annual leave	4,120,036	3,836,542
	Nulsen Disability Residents fee waiver	1,070	1,070
		4,912,846	**4,527,672**
(b)	**Non-current**		
	Long service leave	**3,544,122**	**3,092,795**
(c)	**Movements in employee provisions**		
	Opening balance	7,620,467	10,411,121
	Charge for the year	6,234,086	4,193,915
	Utilised during the year	(5,397,585)	(6,984,569)
	Closing balance	**8,456,968**	**7,620,467**

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.

16. Resident/Landlord liabilities

	2023 $	2022 $
Resident liabilities (note 6)	4,838,890	5,070,829
Landlord liabilities (note 6)	2,050	-
Total Resident/Landlord liabilities	**4,840,940**	**5,070,829**

17. Lease liabilities

	2023 $	2022 $
Secured		
Current Lease liabilities	156,563	-
Non-Current Lease liabilities	367,431	-
Total	**523,994**	**-**

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.

17. Lease liabilities (continued)

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

	2023 $	2022 $
Not later than one year	156,563	
Later than one year and not later than five years	367,431	-
Later than five years	-	-
Total	**523,994**	**-**

18. Reserves

On occasions the Group receives funds that are restricted for a designated purpose. To facilitate observance of these requirements, the financial report lists separately those funds which are restricted. Restricted funds are those funds presently available for use, but expendable only for operating purposes specified by the donor or by statute.

	2023 $	2022 $
Reserves for Disability		
The Ethel & John Hodgson Scholarship	7,810	7,810
Kellie Bridger Safety Award	28,988	28,988
	36,798	36,798
Reserves for Justice and Reintegration		
Scott Scholarship	53,750	53,750
Benmark Foundation	28,437	28,437
	82,187	82,187
	118,985	**118,985**

19. Investment in Associates

In the current year the PeopleKind Group Ltd acquired 49% of the shares in Portle Pty Ltd. 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.

	2023 $	2022 $
Portle Pty Ltd	49	-
	49	**-**

20. Parent entity disclosures

As at, and throughout the financial year ended 30 June 2023 the Ultimate parent entity of the Group was PeopleKind Group Ltd.

Financial Performance	2023 $	2022* $
Loss for the year	(3,020,101)	-
Other comprehensive income	-	-
Total comprehensive income	**(3,020,101)**	**-**
Assets		
Current assets	17,373,081	-
Non-current assets	118,985	-
Total assets	**17,492,066**	**-**
Liabilities		
Current liabilities	16,707,134	-
Non-current liabilities	4,200,070	-
Total liabilities	**20,907,204**	**-**
Equity		
Accumulated surpluses	17,373,081	-
Reserves	118,985	
Total Equity	**17,492,066**	**-**

* 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 2022.

Guarantees entered into by the parent entity in relation to the debt of its controlled entities	2023 $	2022 $
Guarantees provided under the deed of cross guarantee	**150,000**	**-**

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 2023.

21. 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

22. 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.

22. Housing leases (continued)

There are two significant agreements with details as follows:

Crisis Accommodation Program

Counterparty	Department of Communities
Term	Expired 30 June 2022 and on month-on-month renewal basis till Tier 2 registration 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

Community Disability Housing Program

Counterparty	Department of Communities
Term	Expired 30 June 2022 and on month-on-month renewal basis till Tier 2 registration 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 are expected to occur in due course. The Group is responsible for the maintenance of these properties similar to that as a Landlord.

For the 2023 financial year the yearly rental cost was $60,370 (2022: $60,050).

23. 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.

The written down value of Lot 3, 28 Burton Street, Cannington as at 30 June 2023 was $1,012,180 (2022: $1,055,897).

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.

24. Contingent liabilities
The Group had no contingent liabilities as at 30 June 2023 or 30 June 2022.

25. Key management personnel disclosures
Compensation
The aggregate compensation made to the key management personnel of the Group is set out below:

	2023	2022
	$	$
Aggregate compensation	**1,644,646**	**1,283,606**

26. Remuneration of auditors
During the financial year the following fees were paid or payable for services provided by RSM Australia Pty Ltd, the auditor of the Group:

	2023	2022
	$	$
Audit of the financial statements	34,500	32,000
REBA compliance and trust audit – Nesti Realty Pty Ltd	2,500	-
Other Audit	3,400	-
	40,400	**32,000**

27. Events after the reporting date

53 Burswood Road

PeopleKind Group Ltd entered into a lease agreement for 6 years with an option to renew for a new commercial premise at 53 Burswood Road, Burswood WA 6100. This lease was entered to secure additional office space for the Group's growth. The Corporate function teams will move from 32 Burton Street, Cannington WA 6107 to the new location. The lease is effective 1st July 2023.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's 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 2023 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

27th September 2023
Perth

RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PEOPLEKIND GROUP LTD

Opinion

We have audited the consolidated financial report of PeopleKind Group Ltd and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Board of Directors.

In our opinion, the 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 2023 and of its financial performance and cash flows for the year ended on that date; and

(b) complying with Australian Accounting Standards – *Simplified Disclosures under AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

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

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

Other Information

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 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Management for the Financial Report

The Board of Directors are responsible for the preparation of the consolidated financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements as set out in AASB 1060 and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for such internal control as the Board determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board 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 intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM AUSTRALIA PARTNERS

MATTHEW BEEVERS
Partner

Perth, WA
Dated: 27 September 2023