
Grok Academy Limited

ABN 31 643 542 054

Financial Statements
For the Year Ended 30 June 2024

Grok Academy Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 30 June 2024

	Notes	2024	2023
		\$	\$
Revenue			
Revenue from contracts with customers	4	6,867,656	7,495,763
Other income	5	32,023	133,644
Total revenue		6,899,679	7,629,407
Expenses			
Administration and other operating costs		(7,936,853)	(4,482,377)
Depreciation		(483,535)	(304,562)
Employee benefits		(15,235,831)	(7,875,115)
Finance costs		(18,898)	(5,827)
Impairment of non-current assets		(1,416,136)	-
Net foreign exchange losses		(7,095)	(7,706)
Total expenses		(25,098,348)	(12,675,587)
Net deficit for the year		(18,198,669)	(5,046,180)
Income tax expense		-	-
Deficit after income tax		(18,198,669)	(5,046,180)
Other comprehensive income		-	-
Total comprehensive loss		(18,198,669)	(5,046,180)

The accompanying notes form part of these financial statements.

Grok Academy Limited
Statement of Financial Position
As at 30 June 2024

	Notes	2024	2023
		\$	\$
Assets			
Current			
Cash and cash equivalents	6	4,793,375	3,454,506
Trade and other receivables	7	-	452,722
Other assets	8	-	192,646
Assets classified as held for sale	17	251,783	-
Total current assets		5,045,158	4,099,874
Non-current			
Property, plant and equipment	9	-	386,562
Right-of-use assets	10	-	19,326
Intangible assets	11	-	662,401
Total non-current assets		-	1,068,289
Total assets		5,045,158	5,168,163
Liabilities			
Current			
Trade and other payables	12	-	855,500
Provisions	13	-	639,870
Lease liabilities	15	-	22,220
Contract liabilities	16	-	752,456
Liabilities directly associated with assets classified as held for sale	17	24,419,636	-
Total current liabilities		24,419,636	2,270,046
Non-current			
Provisions	13	-	71,566
Borrowings	14	-	4,000,000
Contract liabilities	16	-	2,360
Total non-current liabilities		-	4,073,926
Total liabilities		24,419,636	6,343,972
Net liabilities		(19,374,478)	(1,175,809)
Equity			
Accumulated losses		(19,374,478)	(1,175,809)
Total equity		(19,374,478)	(1,175,809)

The accompanying notes form part of these financial statements.

Grok Academy Limited
Statement of Changes in Equity
For the Financial Year Ended 30 June 2024

	Notes	Accumulated Funds/(Losses) \$	Total Equity \$
Balance at 1 July 2022		3,870,371	3,870,371
Deficit for the year		(5,046,180)	(5,046,180)
Other comprehensive income		-	-
Total comprehensive loss		(5,046,180)	(5,046,180)
Balance at 30 June 2023		(1,175,809)	(1,175,809)
Balance at 1 July 2023		(1,175,809)	(1,175,809)
Deficit for the year		(18,198,669)	(18,198,669)
Other comprehensive income		-	-
Total comprehensive loss		(18,198,669)	(18,198,669)
Balance at 30 June 2024		(19,374,478)	(19,374,478)

Grok Academy Limited
Statement of Cash Flows
For the Financial Year Ended 30 June 2024

	Notes	2024	2023
		\$	\$
Cash flows from operating activities			
Receipts from members and customers		7,134,057	10,603,917
Payments to suppliers and employees		(23,257,073)	(12,031,339)
Interest received		15,880	1,478
Net cash used in operating activities		(16,107,136)	(1,425,944)
Cash flows from investing activities			
Payments for property, plant and equipment		(278,092)	(352,967)
Net cash used in investing activities		(278,092)	(352,967)
Cash flows from financing activities			
Principal draw down of loan facility		18,000,000	4,000,000
Net payments on lease liabilities		(276,637)	-
Net cash provided by financing activities		17,723,363	4,000,000
Net change in cash and cash equivalents		1,338,135	2,221,089
Cash and cash equivalents at beginning of financial year		3,454,506	1,230,622
Effects of exchange rate changes on the balance of cash held in foreign currencies		734	2,795
Cash and cash equivalents at end of financial year	6	4,793,375	3,454,506

The accompanying notes form part of these financial statements.

Grok Academy Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

1. General information

The financial statements cover Grok Academy Limited as an individual entity. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards and a registered charity under the *Australian Charities and Not-for-profits Commission Act 2012*.

The principal activities of the company during the financial year were to develop and deliver computing education resources and programmes to teachers and students across Australia and internationally. Our programmes are developed to encompass primary, secondary, and tertiary learners through their studies of computing and related disciplines. Together with its volunteers, stakeholders, and employees Grok is committed to empowering all learners to develop and apply their skills.

Principal place of business is Level 1, 130-144 Cleveland Street, Chippendale, NSW, 2008.

The financial statements were authorised for issue by the Board of Directors on 19 December 2024.

2. Changes in accounting policies

New and revised standards that are effective for these financial statements

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 January 2023. Unless otherwise stated below, the adoption of these new and revised standards has not had a material impact on the entity.

Accounting Standards issued but not yet effective and have been adopted early by the entity

A number of new and revised standards have been issued but are not yet effective and have not been adopted early by the entity. The Board of Directors are currently assessing the impact such standard will have on the entity.

3. Summary of material accounting policy information

Financial reporting framework

The general purpose financial statements of the entity have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Statement of compliance

The general purpose financial statements of the entity have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and other authoritative pronouncements of the Australian Accounting Standards Board.

Basis of preparation

The financial statements are presented in Australian Dollars (\$AUD), which is also the functional currency of the company.

The material accounting policy information that has been adopted in the preparation of this report are as follows:

Grok Academy Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

Liquidation basis of accounting

The entity has prepared the financial statements on a liquidation basis, as there is a possibility that the entity will cease trading within the next 12 months.

An entity is a going concern when it is considered to be able to pay its debts as and when they are due and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations for at least the next 12 months. Given that the entity may cease trading within the next 12 months, the entity is not considered a going concern at the date of this financial report.

Net realisable values (NRV) have been adopted for the purposes of this report. Any write downs associated with restating assets to net realisable value have been processed through the statement of profit or loss and other comprehensive income.

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the entity expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Income tax

No provision for income tax has been raised as the entity is exempt from income tax as a registered charity under the *Australian Charities and Not-for-profits Commission Act 2012*.

Trade and other receivables

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

Property, plant and equipment

Depreciation

The depreciable amount of all fixed assets is depreciated over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Useful lives
Property, plant and equipment	2-12 years

Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to the 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.

Grok Academy Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the entity transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the entity performs under the contract (i.e. transfers control of the related goods or services to the customer).

Significant judgement in applying accounting policies

When preparing the financial statements, the Board of Directors and/or Management undertake a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided where applicable. Actual results may be substantially different.

Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An allowance for expected losses is included, where applicable, based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The allowance for expected losses is based on the best information at the reporting date.

Useful lives of depreciable assets

The Board of Directors and/or Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain depreciable assets.

Released under FOI Act 1982
Australian Charities and Not-for-profits Commission

Grok Academy Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

	2024	2023
	\$	\$
4. Revenue from contracts with customers		
<u>Revenue recognised over time</u>		
Sponsorships	6,535,722	7,019,458
Subscriptions	331,934	476,305
	6,867,656	7,495,763
How the entity recognises revenue		
<u>Subscriptions</u>		
Revenue relating to subscriptions is recognised over the period in which the service is provided.		
<u>Sponsorship</u>		
Revenue relating to sponsorship is recognised over the period in which the agreements relates.		
5. Other income		
Bad debt recovery	155	54,574
Rental income	-	68,620
Interest income	15,880	1,478
Other income	15,988	8,972
	32,023	133,644
6. Cash and cash equivalents		
Cash at bank	4,793,375	3,454,506
	4,793,375	3,454,506
7. Trade and other receivables		
Current		
Trade receivables	-	286,052
Allowance for expected losses	-	(3,212)
Bank guarantee - office lease	-	128,017
Net GST receivable	-	39,707
Other receivable	-	2,158
	-	452,722
8. Other assets		
Current		
Prepayments	-	192,646
	-	192,646

Grok Academy Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

	2024	2023
	\$	\$
9. Property, plant and equipment		
Property, plant and equipment at cost	-	474,374
Property, plant and equipment accumulated depreciation	-	(87,812)
	<u>386,562</u>	<u>386,562</u>

	Property, Plant and Equipment	Total
	\$	\$
Net carrying amount 1 July 2023	386,562	386,562
Additions	278,091	278,091
Disposals	-	-
Depreciation	(192,928)	(192,928)
Impairment	(471,725)	(471,725)
Net carrying amount 30 June 2024	<u>-</u>	<u>-</u>

	2024	2023
	\$	\$
10. Right-of-use assets		
Right-of-use assets at cost	-	257,891
Right-of-use assets accumulated depreciation	-	(238,565)
	<u>19,326</u>	<u>19,326</u>

	Right-of-Use Assets	Total
	\$	\$
Net carrying amount 1 July 2023	19,326	19,326
Additions	553,291	553,291
Disposals	-	-
Depreciation	(290,607)	(290,607)
Impairment	(282,010)	(282,010)
Net carrying amount 30 June 2024	<u>-</u>	<u>-</u>

Grok Academy Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

	2024	2023
	\$	\$
11. Intangible assets		
Goodwill at cost	-	29,401
Intellectual property	-	633,000
	<u>662,401</u>	<u>662,401</u>
Net carrying amount 1 July 2023		
Additions	-	-
Disposals	-	-
Impairment	-	-
Net carrying amount 30 June 2024	<u>(662,401)</u>	<u>(662,401)</u>
	<u>-</u>	<u>-</u>
12. Trade and other payables		
Current		
Trade payables	-	285,054
Accrued expenses	-	570,446
	<u>-</u>	<u>855,500</u>
13. Provisions		
Current		
Provision for employee benefits	-	639,870
	<u>-</u>	<u>639,870</u>
Non-current		
Provision for employee benefits	-	71,566
	<u>-</u>	<u>71,566</u>
14. Borrowings		
Non-current		
Interest-free loan	-	4,000,000
	<u>-</u>	<u>4,000,000</u>

Grok Academy Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

14. Borrowings (continued)

In November 2023, the entity entered into a variation for its existing funding agreement, which increased the facility to \$20,000,000. The facility remained interest-free, however, the repayment terms have been amended such that amounts only become repayable following the receipt of an amount being received by the entity from the lender or their associates in the form of a donation either directly or indirectly. Previously, a repayment could be triggered following the receipt of a donation from any party.

The entity entered into a second variation agreement to increase the principal sum to \$22,000,000 on 28 May 2024. On 28 June 2024, both parties to the existing funding agreement reached a mutual agreement that the principal sum be increased to \$24,000,000. As at 30 June 2024, \$22,000,000 of the entire \$24,000,000 of the facility had been drawn down and has now been classified as part of the assets and liabilities of disposal group classified as held for sale. See Note 17 for further details.

	2024	2023
	\$	\$
15. Lease liabilities		
Current		
Lease liabilities	-	22,220
	<hr/>	<hr/>
	-	22,220
	<hr/>	<hr/>

Future lease payments in relation to lease liabilities as at period end are as follows:

Within one year	-	28,047
Later than one year but not later than five years	-	-
Later than five years	-	-
	<hr/>	<hr/>
	-	28,047
	<hr/>	<hr/>

The entity has a lease for its premises at 130/144 Cleveland Street, Chippendale, NSW, 2088. The lease was renewed in August 2023 for a further 2 years.

16. Contract liabilities

Current

Contract liabilities - income in advance	-	752,456
	<hr/>	<hr/>
	752,456	752,456

Non-current

Contract liabilities - income in advance	-	2,360
	<hr/>	<hr/>
	2,360	2,360

Grok Academy Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

	2024	2023
	\$	\$
17. Assets and liabilities of disposal group classified as held for sale		
The following assets and liabilities were reclassified as held for sale as at 30 June 2024:		
<u>Assets classified as held for sale</u>		
Trade and other receivables	251,783	-
Total assets of disposal group held for sale	251,783	-
<hr/>		
<u>Liabilities directly associated with assets classified as held for sale</u>		
Trade and other payables	(1,260,114)	-
Provisions	(784,971)	-
Borrowings	(22,000,000)	-
Lease liabilities	(298,874)	-
Contract liabilities	(75,677)	-
Total liabilities of disposal group held for sale	(24,419,636)	-
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18. Related parties		
The entity's related parties include its key management personnel and related entities. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.		
<u>Key management personnel compensation</u>		
Total key management personnel compensation	244,200	243,100
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19. Remuneration of auditor		
<u>SDJA</u>		
Audit of financial report	35,000	-
Assistance with financial report preparation	2,500	-
	37,500	-
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<u>Benbow & Pike</u>		
Audit of financial report	-	14,000
	-	14,000
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20. Commitments		
The entity had no material unrecognised contractual commitments as at 30 June 2024.		
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21. Contingent liabilities		
There were no contingent liabilities as at 30 June 2024.		

Grok Academy Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

22. Subsequent events

The entity received a further \$2,000,000 in cash on 3 July 2024 as part of the terms of agreement of the current loan facility, taking the total loan facility drawn down to \$24,000,000.

The directors of the entity approved and paid out the redundancy for all remaining employees post 30 June 2024 amounting to \$3,462,238. As at the date of signing the financial report, all employee contracts are now terminated.

No other adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these accounts.

Released under FOI Act 1982
Australian Charities and Not-for-profits Commission

Grok Academy Limited
Responsible Persons' Declaration
For the Financial Year Ended 30 June 2024

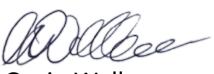
The Responsible Persons declares that in the Responsible Persons' opinion:

- a) the financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - i) giving a true and fair view of the registered entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
- b) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with the *Australian Charities and Not-for-profits Commission Regulations 2022*.



Bruce Fuda
Director
19 December 2024



Gavin Wallace
Director
19 December 2024

Released under FOI Act 1982
Australian Charities and Not-for-profits Commission

Grok Academy Limited

Auditor's Independence Declaration to the Directors of Grok Academy Limited
For the Financial Year Ended 30 June 2024

In accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Grok Academy Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.



SDJA



Sandeep Kumar

Partner

19 December 2024

Sydney, New South Wales

Grok Academy Limited
Independent Auditor's Report to the Members of Grok Academy Limited
For the Financial Year Ended 30 June 2024

Qualified Opinion

We have audited the financial report of Grok Academy Limited (the registered entity) which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policy information, and the responsible persons' declaration.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the financial report of Grok Academy Limited has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- (a) giving a true and fair view of the registered entity'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 the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Qualified Opinion

The registered entity had a net current asset deficiency of \$19,374,478 as at 30 June 2024. The directors have not stated how they will repay their debts and there is uncertainty as to how the registered entity will discharge their debts and other obligations upon liquidation of the registered entity. Our opinion is qualified in respect of this matter.

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 registered entity 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 qualified opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 3 to the financial report, which discloses that the financial report has not been prepared on a going concern basis due to the possibility that the registered entity may cease trading within the next 12 months. Our opinion is not modified further in respect of this matter.

Grok Academy Limited

Independent Auditor's Report to the Members of Grok Academy Limited

For the Financial Year Ended 30 June 2024

Responsibilities of the Responsible Persons for the Financial Report

The responsible persons of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible persons determine are 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, the responsible persons are responsible for assessing the registered entity'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 the responsible persons either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

The responsible persons are responsible for overseeing the registered entity'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 the financial report.

A further description of our responsibilities for audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auash.gov.au/>. This description forms part of our auditor's report.

SDJA

SDJA

S Kumar

Sandeep Kumar

Partner

19 December 2024

Sydney, New South Wales