

1. Company details

Name of entity:	Think Childcare Limited
ABN:	81 600 793 388
Reporting period:	For the half-year ended 30 June 2017
Previous period:	For the half-year ended 30 June 2016

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	21.9% to	29,752
Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA')	up	71.8% to	4,547
Profit from ordinary activities after tax attributable to the owners of Think Childcare Limited	up	67.9% to	2,700
Profit for the half-year attributable to the owners of Think Childcare Limited	up	67.9% to	2,700

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 31 December 2016 paid on 24 March 2017	5.000	5.000
Final dividend for the year ended 31 December 2015 paid on 31 March 2016	7.200	0.330

On 14 August 2017, an interim dividend for the half-year ended 30 June 2017 of 4 cents per ordinary share, fully franked, was declared, with a record date of 12 September 2017. The dividend will be paid on 20 September 2017 and is estimated to be \$1,685,612.

Comments

The profit for the consolidated entity after providing for income tax amounted to \$2,700,000 (30 June 2016: \$1,608,000).

Underlying earnings before interest, taxation, depreciation and amortisation ('Underlying EBITDA') was a profit of \$3,225,000 (2016: \$2,730,000). This is calculated as follows:

	Consolidated 30/06/2017 \$'000	30/06/2016 \$'000
Revenue	29,752	24,410
Profit after income tax	2,700	1,608
Add: Income tax expense	1,100	640
Add: Depreciation and amortisation	456	264
Add: Finance cost	291	137
Less: Interest income	-	(2)
EBITDA	4,547	2,647
Non-operating items:		
Less: Earn-out consideration not payable	(1,382)	-
Add: Acquisition and integration expenses	60	83
Underlying EBITDA	<u>3,225</u>	<u>2,730</u>

EBITDA and underlying EBITDA are financial measures which are not prescribed by Australian Accounting Standards ('AAS') and represent the profit/(loss) under AAS adjusted for non-cash and other items. The directors consider underlying EBITDA to reflect the core earnings of the consolidated entity consistent with internal reporting.

For further details on the results refer to commentary in the attached Chairman's letter and ASX announcement accompanying this report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(19.63)</u>	<u>(24.37)</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividend reinvestment plans

The following dividend or distribution plans are in operation:

The company has a Dividend Reinvestment Plan ('DRP'), pursuant to which shareholder participation is optional. Under the DRP, the Board has determined that new shares may be issued at a discount of 5% of the volume weighted average market price for the preceding 15 business days.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

10. Attachments

Details of attachments (if any):

The Interim Report of Think Childcare Limited for the half-year ended 30 June 2017 is attached.

11. Signed



Signed _____

Date: 14 August 2017

Mark Kerr
Chairman
Melbourne

Think Childcare Limited

ABN 81 600 793 388

Interim Report - 30 June 2017

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Think Childcare Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2017.

Directors

The following persons were directors of Think Childcare Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mark Kerr - Chairman
 Mathew Edwards
 Paul Gwilym
 Andrew Hanson

Principal activities

The principal activity of the consolidated entity during the financial half-year continued to consist of operating childcare centres.

Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	30/06/2017	30/06/2016
	\$'000	\$'000
Final dividend for the year ended 31 December 2016 (2015: 31 December 2015) of 5 cents (2015: 7.2 cents) per ordinary share	2,082	2,851

On 14 August 2017, an interim dividend for the half-year ended 30 June 2017 of 4 cents per ordinary share, fully franked, was declared, with a record date of 12 September 2017. The dividend will be paid on 20 September 2017 and is estimated to be \$1,685,612.

The following table shows the dividend paid and declared up to the reporting period.

Year	Financial year	Franked %	Payment date	Dividend per share (cents)	Gross dividends \$'000
2015	Final dividend for the year ended 31 Dec 2015	33.33%	31/03/2016	7.2	2,851
	Total dividends for 2015				2,851
2016	Interim dividend for the year ended 31 Dec 2016	100%	13/09/2016	4.0	1,647
2016	Final dividend for the year ended 31 Dec 2016	100%	24/03/2016	5.0	2,082
	Total dividends for 2016				3,729
2017	Interim dividend declared for the year ending 31 Dec 2017	100%	20/09/2017	4.0	1,686
	Interim dividends for 2017				1,686
	Cumulative dividends paid/declared				8,266

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$2,700,000 (30 June 2016: \$1,608,000).

For further details on the results, refer to the commentary in the attached Chairman's letter and ASX announcement accompanying this report.

Underlying earnings before interest, taxation, depreciation and amortisation ('Underlying EBITDA') was a profit of \$3,225,000 (2016: \$2,730,000). This is calculated as follows:

	Consolidated	
	30/06/2017	30/06/2016
	\$'000	\$'000
Revenue	29,752	24,410
Profit after income tax	2,700	1,608
Add: Income tax expense	1,100	640
Add: Depreciation and amortisation	456	264
Add: Finance cost	291	137
Less: Interest income	-	(2)
EBITDA	<u>4,547</u>	<u>2,647</u>
Non-operating items:		
Less: Earn-out consideration not payable	(1,382)	-
Add: Acquisition and integration expenses	<u>60</u>	<u>83</u>
Underlying EBITDA	<u><u>3,225</u></u>	<u><u>2,730</u></u>

EBITDA and underlying EBITDA are financial measures which are not prescribed by Australian Accounting Standards ('AAS') and represent the profit/(loss) under AAS adjusted for non-cash and other items. The directors consider underlying EBITDA to reflect the core earnings of the consolidated entity consistent with internal reporting.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 follows this Directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Mark Kerr
 Chairman

14 August 2017
 Melbourne

Think Childcare Limited

ABN 81 600 793 388

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Think Childcare Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



Robert Evett
Director
Sydney



BENTLEYS NSW AUDIT PTY LTD
Chartered Accountants

Date: 14 August 2017

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General information

The financial statements cover Think Childcare Limited as a consolidated entity consisting of Think Childcare Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Think Childcare Limited's functional and presentation currency.

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

Suite 3, 1 Park Avenue
Drummoyne NSW 2047

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 August 2017.

Think Childcare Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2017



		Consolidated	
	Note	30/06/2017 \$'000	30/06/2016 \$'000
Revenue	3	29,752	24,410
Other income	7	1,382	-
Expenses			
Employee expenses		(19,306)	(16,079)
Occupancy expenses		(4,152)	(3,010)
Direct expenses of providing services		(1,124)	(973)
Marketing expenses		(534)	(427)
Corporate expenses		(268)	(273)
Information and communication expenses		(276)	(229)
Share-based payment expense		(92)	(140)
Acquisition and integration expenses		(60)	(83)
Other expenses		(775)	(547)
Depreciation and amortisation expense		(456)	(264)
Finance costs		(291)	(137)
Profit before income tax expense		3,800	2,248
Income tax expense		(1,100)	(640)
Profit after income tax expense for the half-year attributable to the owners of Think Childcare Limited		2,700	1,608
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Think Childcare Limited		2,700	1,608
		Cents	Cents
Basic earnings per share	14	6.44	3.98
Diluted earnings per share	14	6.39	3.95

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

		Consolidated	
	Note	30/06/2017 \$'000	31/12/2016 \$'000
Assets			
Current assets			
Cash and cash equivalents		2,047	1,795
Trade and other receivables		1,235	1,937
Other		1,722	1,179
Total current assets		5,004	4,911
Non-current assets			
Property, plant and equipment	4	3,904	3,323
Intangibles	5	31,338	31,353
Deferred tax		1,450	1,538
Security deposits		2,609	2,294
Total non-current assets		39,301	38,508
Total assets		44,305	43,419
Liabilities			
Current liabilities			
Trade and other payables	6	4,229	4,574
Borrowings		54	56
Income tax payable		994	546
Employee benefits		1,813	1,803
Other	7	1,382	2,509
Total current liabilities		8,472	9,488
Non-current liabilities			
Borrowings	8	12,171	10,281
Employee benefits		597	545
Other	9	-	1,899
Total non-current liabilities		12,768	12,725
Total liabilities		21,240	22,213
Net assets		23,065	21,206
Equity			
Issued capital	10	41,553	40,404
Reserves	11	(18,743)	(18,835)
Retained earnings/(accumulated losses)		255	(363)
Total equity		23,065	21,206

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

Think Childcare Limited
Statement of changes in equity
For the half-year ended 30 June 2017



Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2016	37,664	(19,052)	(1,232)	17,380
Profit after income tax expense for the half-year	-	-	1,608	1,608
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	1,608	1,608
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	1,805	-	-	1,805
Share-based payments	-	140	-	140
Dividends paid (note 12)	-	-	(2,851)	(2,851)
Balance at 30 June 2016	<u>39,469</u>	<u>(18,912)</u>	<u>(2,475)</u>	<u>18,082</u>

Consolidated	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2017	40,404	(18,835)	(363)	21,206
Profit after income tax expense for the half-year	-	-	2,700	2,700
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	2,700	2,700
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 10)	1,149	-	-	1,149
Share-based payments	-	92	-	92
Dividends paid (note 12)	-	-	(2,082)	(2,082)
Balance at 30 June 2017	<u>41,553</u>	<u>(18,743)</u>	<u>255</u>	<u>23,065</u>

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

		Consolidated	
	Note	30/06/2017	30/06/2016
		\$'000	\$'000
Cash flows from operating activities			
Cash receipts from parents and government funding		29,666	23,688
Payments to suppliers and employees		<u>(27,366)</u>	<u>(21,301)</u>
		2,300	2,387
Government grants received		839	890
Interest received		-	2
Interest and other finance costs paid		(291)	(137)
Income taxes paid		<u>(564)</u>	<u>(584)</u>
Net cash from operating activities		<u>2,284</u>	<u>2,558</u>
Cash flows from investing activities			
Payments for property, plant and equipment	4	(1,018)	(970)
Payments for intangibles	5	(7)	(133)
Payments for security deposits		(315)	-
Payments for contingent consideration	7	(1,650)	-
Proceeds from disposal of property, plant and equipment		<u>3</u>	<u>5</u>
Net cash used in investing activities		<u>(2,987)</u>	<u>(1,098)</u>
Cash flows from financing activities			
Proceeds from issue of shares	10	1,149	1,805
Proceeds from borrowings		1,909	-
Dividends paid	12	(2,082)	(2,851)
Finance lease payments		<u>(21)</u>	<u>(10)</u>
Net cash from/(used in) financing activities		<u>955</u>	<u>(1,056)</u>
Net increase in cash and cash equivalents		252	404
Cash and cash equivalents at the beginning of the financial half-year		<u>1,795</u>	<u>2,359</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>2,047</u></u>	<u><u>2,763</u></u>

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2016 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity during the financial half-year ended 30 June 2017 and are not expected to have any significant impact for the full financial year ending 31 December 2017.

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

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity operates in one segment being a childcare services provider. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources.

The consolidated entity operates in one geographical region being Australia.

The operating segment information is the same information as provided throughout these financial statements and therefore not duplicated.

Note 3. Revenue

	Consolidated	
	30/06/2017	30/06/2016
	\$'000	\$'000
<i>Sales revenue</i>		
Provision of childcare services	28,403	23,168
<i>Other revenue</i>		
Government grants	839	890
Management fees	510	350
Interest	-	2
	<u>1,349</u>	<u>1,242</u>
Revenue	<u><u>29,752</u></u>	<u><u>24,410</u></u>

Note 4. Non-current assets - property, plant and equipment

	Consolidated	
	30/06/2017	31/12/2016
	\$'000	\$'000
Plant and equipment - at cost	4,273	3,406
Less: Accumulated depreciation	(1,125)	(783)
	<u>3,148</u>	<u>2,623</u>
Leasehold improvements - at cost	603	475
Less: Accumulated depreciation	(130)	(79)
	<u>473</u>	<u>396</u>
Motor vehicles - at cost	239	242
Less: Accumulated depreciation	(70)	(47)
	<u>169</u>	<u>195</u>
Computer equipment - at cost	176	150
Less: Accumulated depreciation	(62)	(41)
	<u>114</u>	<u>109</u>
	<u><u>3,904</u></u>	<u><u>3,323</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Plant and equipment \$'000	Leasehold improvements \$'000	Motor vehicles \$'000	Computer equipment \$'000	Total \$'000
Balance at 1 January 2017	2,623	396	195	109	3,323
Additions	866	128	-	24	1,018
Disposals	-	-	(3)	-	(3)
Depreciation expense	(341)	(51)	(23)	(19)	(434)
Balance at 30 June 2017	<u>3,148</u>	<u>473</u>	<u>169</u>	<u>114</u>	<u>3,904</u>

Note 5. Non-current assets - intangibles

	Consolidated	
	30/06/2017	31/12/2016
	\$'000	\$'000
Goodwill - at cost	31,160	31,160
Software - at cost	217	211
Less: Accumulated amortisation	(39)	(18)
	<u>178</u>	<u>193</u>
	<u><u>31,338</u></u>	<u><u>31,353</u></u>

Note 5. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill \$'000	Software \$'000	Total \$'000
Balance at 1 January 2017	31,160	193	31,353
Additions	-	7	7
Amortisation expense	-	(22)	(22)
Balance at 30 June 2017	<u>31,160</u>	<u>178</u>	<u>31,338</u>

Note 6. Current liabilities - trade and other payables

	Consolidated	
	30/06/2017 \$'000	31/12/2016 \$'000
Trade payables	766	1,009
Fees received in advance	630	671
Employee related payables	2,018	2,114
Other payables	815	780
	<u>4,229</u>	<u>4,574</u>

Note 7. Current liabilities - Other

	Consolidated	
	30/06/2017 \$'000	31/12/2016 \$'000
Contingent consideration	-	1,921
Deferred consideration	1,382	588
	<u>1,382</u>	<u>2,509</u>

The consolidated entity includes the fair value of deferred contingent consideration as a liability for the acquisition of a business where it expects the earn-out target to be met during the measurement period. This judgement is based on operational due diligence and knowledge of the business trading conditions including location, occupancy and profitability at the time of settlement.

The consolidated entity negotiated a final settlement of \$1,650,000 for the total contingent consideration payable as at 31 December 2016 of \$3,038,000. The contingent consideration liability of \$1,382,000 (after adjustments) was reversed and recognised as other income.

On 31 July 2017, the consolidated entity has paid a deferred consideration of \$600,000 to the vendor of a childcare centre which was acquired in 2016 pursuant to the sale and purchase contract. The movement of deferred consideration during the year represented an increase of \$12,000 due to the interest attached to it.

Deferred consideration arises when settlement of all or any part of the cost of a business combination is deferred. It is initially recognised at fair value at the acquisition-date, which is determined by discounting the amount due to present value at that date. The liability is subsequently measured at amortised cost using the effective interest method. Where deferred consideration is in the form of shares and the number of shares to be issued is fixed, the fair value is credited to equity. The value of the deferred consideration is reviewed at each reporting date.

Note 8. Non-current liabilities - borrowings

	Consolidated	
	30/06/2017 \$'000	31/12/2016 \$'000
Bank loans	9,450	7,850
Inter-changeable facility (comprising bank overdraft and bank guarantee facility)	2,603	2,294
Lease liability	118	137
	<u>12,171</u>	<u>10,281</u>

As at 30 June 2017, the Australian and New Zealand ('ANZ') Bank facility was in good order and the consolidated entity was not in breach of any covenant. Subject to maintenance of the general covenants of the facility agreement, \$14,750,000 is immediately available for suitable acquisitions and to cover deferred consideration on previously acquired centres.

Note 9. Non-current liabilities - Other

	Consolidated	
	30/06/2017 \$'000	31/12/2016 \$'000
Contingent consideration	-	1,117
Deferred consideration	-	782
	<u>-</u>	<u>1,899</u>

Refer to note 7 for further details.

Note 10. Equity - issued capital

	Consolidated			
	30/06/2017 Shares	31/12/2016 Shares	30/06/2017 \$'000	31/12/2016 \$'000
Ordinary shares - fully paid	<u>42,140,311</u>	<u>41,639,311</u>	<u>41,553</u>	<u>40,404</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 January 2017	41,639,311		40,404
Issue of shares under dividend reinvestment plan	24 March 2017	<u>501,000</u>	\$2.294	<u>1,149</u>
Balance	30 June 2017	<u>42,140,311</u>		<u>41,553</u>

Note 11. Equity - reserves

	Consolidated	
	30/06/2017	31/12/2016
	\$'000	\$'000
Common control reserve	(19,052)	(19,052)
Share-based payments reserve	309	217
	<u>(18,743)</u>	<u>(18,835)</u>

Common control reserve

The common control reserve is used to recognise the difference between (i) the shares issued and cash exchanged and (ii) the historical values of assets and liabilities acquired, between entities under common control.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration.

Note 12. Equity - dividends

Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	30/06/2017	30/06/2016
	\$'000	\$'000
Final dividend for the year ended 31 December 2016 (2015: 31 December 2015) of 5 cents (2015: 7.2 cents) per ordinary share	<u>2,082</u>	<u>2,851</u>

On 14 August 2017, an interim dividend for the half-year ended 30 June 2017 of 4 cents per ordinary share, fully franked, was declared, with a record date of 12 September 2017. The dividend will be paid on 20 September 2017 and is estimated to be \$1,685,612.

Franking credits

	Consolidated	
	30/06/2017	31/12/2016
	\$'000	\$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	<u>1,672</u>	<u>2,000</u>

The above amounts represent the balance of the franking account as at the end of the financial half-year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 13. Contingent liabilities

The consolidated entity has given a corporate guarantee as at 30 June 2017 of \$5,860,842 (31 December 2016: \$5,395,373) to lessors in relation to property leases on a number of child care facilities.

Note 14. Earnings per share

	Consolidated	
	30/06/2017	30/06/2016
	\$'000	\$'000
Profit after income tax attributable to the owners of Think Childcare Limited	2,700	1,608
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	41,913,338	40,390,132
Adjustments for calculation of diluted earnings per share:		
Performance rights over ordinary shares	355,264	348,077
Weighted average number of ordinary shares used in calculating diluted earnings per share	42,268,602	40,738,209
	Cents	Cents
Basic earnings per share	6.44	3.98
Diluted earnings per share	6.39	3.95

Note 15. Events after the reporting period

On 31 July 2017, the consolidated entity has paid a deferred consideration of \$600,000 to the vendor of a childcare centre which was acquired in 2016 pursuant to the sale and purchase contract.

On 11 August 2017, the consolidated entity finalised the acquisition of a childcare centre in Melbourne, Victoria for a purchase consideration of \$3,400,000, which was funded via a drawdown on the available banking facility. The consolidated entity acquired employee benefits liabilities of \$37,000, a recognition of deferred tax asset of \$11,000 and a goodwill on the acquisition of \$3,426,000. The values identified in relation to the acquisition of the childcare centre are provisional as at the date of acquisition.

Apart from the dividend declared as disclosed in note 12, no other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company 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 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink that reads "Mark Kerr".

Mark Kerr
Chairman

14 August 2017
Melbourne

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF THINK CHILDCARE LIMITED AND ITS CONTROLLED ENTITIES

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year report of Think Childcare Limited ("the Company") and its controlled entities ("the Consolidated Entity"), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration for the Consolidated Entity, comprising both the company and the entities it controlled during that half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or to error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if provided to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Think Childcare Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.



ROBERT EVETT
Director
Sydney



BENTLEYS NSW AUDIT PTY LTD
CHARTERED ACCOUNTANTS

Date: 14 August 2017