Date: 30 August 2017

Mayfield Childcare Limited, Financial results for the half year ended 30 June 2017

Mayfield Childcare Limited (ASX:MFD) is pleased to announce its results for the first half of Calendar Year 2017.

Summary

Our first 6 months as a listed company has been rewarding, with the successful establishment and integration of the Mayfield business and group of childcare centres.

Revenue from ordinary activities was $11.7m, delivering underlying EBITDA of $1.6m and NPAT of $0.9m.

Our occupancy, whilst down in the first half, is reflective of current Industry trends, though the underlying performance of the business is positive and we are seeing continued recovery in the second half.

Overall, Mayfield is confident of delivering a full year profit result in line with the original Prospectus, albeit with reduced revenues offset by savings in wages and operational costs, and supplemented by a new revenue stream in management services and pre-construction consultancies.

First Six Months in Review

The integration and establishment of the Mayfield business has been outstanding, proceeding smoothly, with a strong positive attitude amongst parents and staff in relation to our pursuit of high standards of care and education.

Major physical improvements works were completed early in the year, and we continue to invest in our physical assets, educational resources and equipment, fostering real long term advocacy for our centres.

Occupancy at our larger centres remains high, ranging from 75% to 100% and continues to grow. Our medium size centres have occupancy between 75% and 80%, although offset somewhat by lower occupancy in our smaller and older centres, where, despite refurbishment works, some of these centres have not yet traded up to expectations.

Planned cost reduction strategies across centre operations and employment expenses have begun to deliver significant results, which will contribute more in the second half of the year. Wages to Revenue performance excluding entitlements, has been reduced to 49% for the half year.

The business completed its first acquisition in June, demonstrating its capability to quickly and seamlessly integrate new centres into our operational platform. Additionally the business has secured new revenue streams in the form of 2 Managed Service agreements in 2017 and expects to contract for an additional 2 Managed Service agreements for 2018.

Solid cash flows continue to underpin the business, with the June acquisition funded from existing cash reserves. An enviable Debt to Equity position provides sufficient capacity to fund future acquisitions.

Lastly, our Quality Improvement program is on track, proving to be successful with all centres assessed and rated to date, receiving either an "Exceeding" or "Meeting" quality rating as determined by the Department of Education.

CY17 / CY18 Outlook

Mayfield management will continue to focus on driving occupancy across all our centres, while continuing the momentum of our cost efficiencies strategies.

The business is in the final stages of negotiation for the acquisition of two additional centres before the end of CY17. Further, supplementing our Managed Services revenue stream, the business expects to contract for Pre-Construction and Licensing advisory services with two new Operators, again before the end of 2017

Looking towards 2018, Mayfield management expects the structural and cyclical headwinds which have impacted the sector to moderate. We anticipate growth in our occupancy rates, and a solid lift in profit, when coupled with our cost efficiencies and the annualised effect of the 2017 acquisitions.

We will continue to invest in our physical and people assets, and will continue to search for acquisition opportunities but not beyond an average target price of 4.5x forecast EBITDA.

Mindful of the timing of the planned increases to the Child Care Rebate, and continued pressures for the 1H CY18, we have implemented a robust forward enrolment strategy in order to shore-up occupancy in the first quarter of 2018.

Additionally, the business has redesigned and launched its 2018 Kindergarten program, delivering a more compelling Kindergarten offer within a long day care setting, when compared to a sessional offering, fuelling our most profitable segment.

Dividend

Mayfield expects to confirm its annual dividend for the CY17 year in February 2018, with payment to be made in April 2018, as set out in our Prospectus.

Industry Dynamics

As has been stated by Childcare Operators and Analysts, the Industry has been adversely affected by the following factors;

1. Stagnant Childcare Rebate – Regardless of geographical location or socio-economic background, the diminishing value of the Rebate has seen families defer and/or reduce their childcare requirements.
2. Over supply of new centres – Record new centre openings in Victoria, which took place in the first quarter CY17, placed competitive pressure on some of our Western and Northern suburbs centres. Further, price and "gimmick" based promotions have become more prevalent.
3. Low forward enrolments – Particular to Mayfield, the time at which we commenced operations (Dec 16) meant that our forward enrolments, particularly for our over 3's children, were less than desirable.

The significant upside for the industry is the planned increase to the Child Care Rebate on July 1, 2018 which will bring welcome relief to families, effectively resetting the affordability of childcare and stimulating the sector.

In addition, new developments are now slowing. High developer margins and overly enthusiastic new operators have pushed rents and other lease terms to record levels, which are unsustainable. As such, mature operators are rejecting these proposals, knowledge of which is now filtering down to new operators.

In summary, Mayfield Childcare Limited is performing well, with the management team focused on building a strong, scalable and robust business that will stand the test of time. The improved cost base, new revenue streams and acquisitions will all make a full year contribution in CY 2018, setting the business up for increased profit growth.

Dean Clarke
Chief Executive Officer

ASX Half-year Report

Period ended 30 June 2017

Lodged with the ASX under Listing Rule 4.2A.3

Company details

Name of reporting entity:	Mayfield Childcare Limited (“Mayfield”, “Company”)
ABN:	53 604 970 390
Reporting period:	Half-year ended 30 June 2017
Previous corresponding reporting period:	Not applicable - Mayfield did not trade during this period.

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Results for announcement to the market

	$
Revenue from ordinary activities	11,674,526
Profit from ordinary activities after tax attributable to members	907,639
Net Profit for the period attributable to members	907,639

Dividend type	*Amount per security*	*Franked amount per security*
Final dividend	None	Not applicable
Interim dividend	None	Not applicable

No dividends were recommended, declared or paid during the period.

The directors do not propose to recommend the payment of a dividend in respect of the half-year.

There is no dividend reinvestment plan currently in place.

Brief explanation of Revenue

Refer accompanying announcement.

Brief explanation of Profit (and Net Profit)

Refer accompanying announcement.

Net tangible assets

	Reporting period Cents
Net tangible assets per ordinary security	(20.00)

Control over other entities

No control was gained or lost over any entity during the reporting period. Refer to Note 8 of the notes to and forming part of the financial statements for details of childcare centre businesses purchased during the reporting period.

Associates and joint venture entities

The Company has no associates, nor has it formed any joint ventures with any other entity/s during the reporting period.

Compliance statement

This report is based on accounts which were subject to review by the auditor, whose review report is attached to, and forms part of, the Interim Report.

Mayfield Childcare Limited

ABN: 53 604 970 390

Interim Report

For the Half-year ended 30 June 2017

Directors' Report

Your directors present their report on Mayfield Childcare Limited ("Mayfield", "Company") for the half-year ended 30 June 2017.

DIRECTORS

The directors of the Company in office during the half-year, and at the date of this report, are:

Peter Lowe, *Chairman*
Dean Clarke
Michelle Clarke

PRINCIPAL ACTIVITIES

During the half-year the principal activity of the Company consisted of operating long day childcare centres.

REVIEW OF OPERATIONS

Having initially acquired 16 Victorian childcare centre businesses on 28 November 2016, Mayfield acquired an additional childcare centre on 2 June 2017, funded from the Company's cash reserves, thereby increasing its licensed places from 1,360 to 1,418.

During the half-year management completed the integration of its initial centres and implemented its ongoing Quality Improvement Program.

The Company's statutory profit after tax for the half-year ended 30 June 2017 was $907,639.

The financial position of the Company, as detailed in the Statement of Financial Position in the financial statements, is in line with management's expectations.

Non-IFRS Financial Information

The Company's underlying earnings before interest, taxation, depreciation and amortisation (EBITDA), excluding centre acquisition, integration and initial listing expenses (Underlying EBITDA), was a non-IFRS profit of $1,585,210, calculated as follows:

	Half-year 2017 $
Profit before income tax	1,231,231
Add: Depreciation and amortisation	102,426
Add: Finance costs	157,110
EBITDA	1,490,767
Add: Acquisition costs	46,349
Add: Integration costs	27,885
Add: Initial listing costs	20,209
Underlying EBITDA	1,585,210

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company that occurred during the half-year not otherwise disclosed in this report or in the accompanying financial statements.

DIVIDENDS

No dividends were recommended, declared or paid during the half-year and to the date of this report.

MATTERS SUBSEQUENT TO THE END OF THE HALF-YEAR

No matter or circumstance has arisen since 30 June 2017 which has significantly affected, or may significantly affect:

(a) the Company's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Company's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company expects to continue to execute its business plan, in line with its strategic objectives, as outlined in the IPO Prospectus, which includes both organic growth and the acquisition of additional long day childcare businesses.

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 on page 7.

This report is made in accordance with a resolution of the directors.

Peter Lowe

Chairman

Melbourne
30 August 2017

Auditor's Independence Declaration to the Directors of Mayfield Childcare Limited

In relation to our review of the financial report of Mayfield Childcare Limited for the half-year ended 30 June 2017, I declare, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct in relation to the review.

PKF Melbourne Audit & Assurance

PKF Melbourne Audit & Assurance Pty Ltd

Ken Weldin

Kenneth Weldin

Partner

Melbourne, 30 August 2017

Interim Financial Report
For the half-year ended 30 June 2017

Contents

This interim financial report is for Mayfield Childcare Limited ("Mayfield", "Company").

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Mayfield Childcare Limited is a public company limited by shares, incorporated and domiciled in Australia, and listed on the Australian Securities Exchange since 30 November 2016. Its registered office and principal place of business is:

Level 1, Suite 3
275 Wattletree Road
Malvern VIC 3144

A description of the nature of the Company's operations and its principal activities is included in the directors' report, which is not part of this financial report.

The financial report was authorised for issue by the directors on 30 August 2017. The directors have the power to amend and to reissue the interim financial report.

A copy of this financial report may be obtained from the ASX website (www.asx.com.au).

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the half-year ended 30 June 2017

	Note	Half-year 2017 $	Half-year 2016 $
Revenue		**11,674,526**	-
Expenses			
Employees		**(7,576,777)**	-
Facilities		**(1,697,845)**	-
Centre operations		**(611,691)**	-
Acquisition costs		**(46,349)**	-
Initial listing costs		**(20,209)**	-
Integration costs		**(27,885)**	-
Administration		**(203,003)**	(63)
Depreciation and amortisation	3	**(102,426)**	-
Finance costs		**(157,110)**	
Profit/(loss) before income tax		**1,231,231**	(63)
Income tax expense		**(323,592)**	-
Profit/(loss) after income tax for the half-year entirely attributable to the owners of Mayfield Childcare Limited		**907,639**	(63)
Other comprehensive income for the half-year, net of tax		**-**	-
Total comprehensive income/(expense) for the half-year entirely attributable to the owners of Mayfield Childcare Limited		**907,639**	(63)

	Note	Cents
Basic earnings per share	11	**3.02**
Diluted earnings per share	11	**3.02**

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

STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Note	*30 Jun 2017 $*	*31 Dec 2016 $*
ASSETS			
Current assets			
Cash and cash equivalents		**1,514,407**	1,410,473
Trade and other receivables		**552,964**	1,114,475
Other		**221,954**	287,280
Total current assets		**2,289,325**	2,812,228
Non-current assets			
Plant and equipment	3	**1,172,612**	1,160,515
Intangibles	4	**27,445,529**	27,018,231
Deferred tax		**202,556**	234,360
Total non-current assets		**28,820,697**	28,413,106
Total assets		**31,110,022**	31,225,334
LIABILITIES			
Current liabilities			
Trade and other payables	5	**1,072,892**	2,019,793
Borrowings	6	**9,860**	4,635
Current tax liabilities		**291,788**	49,753
Provisions	7	**494,285**	278,226
Total current liabilities		**1,868,825**	2,352,407
Non-current liabilities			
Borrowings	6	**7,507,530**	7,480,212
Provisions	7	**85,162**	613,158
Total non-current liabilities		**7,592,692**	8,093,370
Total liabilities		**9,461,517**	10,445,777
Net assets		**21,648,505**	20,779,557
EQUITY			
Contributed equity		**21,989,690**	22,028,381
Accumulated losses		**(341,185)**	(1,248,824)
Total Equity		**21,648,505**	20,779,557

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

STATEMENT OF CHANGES IN EQUITY
For the half-year ended 30 June 2017

	Share Capital *$*	*Retained Earnings* *$*	*Total* *$*
Balance as at 1 January 2016	710	(670)	40
Loss after income tax benefit for the half-year	-	(63)	(63)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive expense for the half-year	-	(63)	(63)
Transactions with owners in their capacity as owners			
Contributions of equity, net of transaction costs	-	-	-
Balance as at 30 June 2016	710	(733)	(23)
Balance as at 1 January 2017	**22,028,381**	**(1,248,824)**	**20,779,557**
Profit after income tax expense for the half-year	-	907,639	907,639
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	907,639	907,639
Transactions with owners in their capacity as owners			
Contributions of equity, net of transaction costs	(38,691)	-	(38,691)
Balance as at 30 June 2017	**21,989,690**	**(341,185)**	**21,648,505**

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

STATEMENT OF CASH FLOWS
For the half-year ended 30 June 2017

	Note	Half-year 2017 $	Half-year 2016 $
Cash flows from operating activities			
Receipts from customers, including government funding		**11,629,815**	-
Payments to suppliers and employees		**(9,806,973)**	(63)
		1,822,842	(63)
Other receipts		**6,759**	-
Net interest paid		**(157,777)**	-
Income tax paid		**(49,753)**	-
Net cash inflow/(outflow) from operating activities		**1,622,071**	(63)
Cash flows from investing activities			
Payments for purchases of businesses plus associated costs		**(1,388,253)**	-
Payments for plant and equipment		**(70,715)**	-
Net cash outflow from investing activities		**(1,458,968)**	-
Cash flows from financing activities			
Proceeds from issue of shares		**340,000**	-
Proceeds from borrowings		**-**	23
Share issue costs		**(297,829)**	-
Payment of public company initial listing costs		**(96,894)**	-
Repayment of borrowings		**(4,446)**	-
Net cash inflow/(outflow) from financing activities		**(59,169)**	23
Net increase/(decrease) in cash and cash equivalents		**103,934**	(40)
Cash and cash equivalents at the beginning of the half-year		**1,410,473**	40
Cash and cash equivalents at the end of the half-year		**1,514,407**	-

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

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 30 June 2017

Note 1. Summary of 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' entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard (IFRS) IAS 134 *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2016 and all public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial statements are prepared on a going concern basis.

The financial statements have been prepared under the historical cost convention.

The preparation of current financial information, and the presentation of any prior reporting period comparatives, is consistent from one reporting period to the next.

Any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory have not been adopted early.

Note 2. Operating segments

Identification of reportable segments

The Company operates in one operating segment, as a childcare services provider. The Company operates in one geographical region, being Australia and, more specifically, Victoria.

Major customers

During the half-year ended 30 June 2017, none of the Company's revenue was derived from sales to specific customers generating, individually, 10% or more of total reported revenue.

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 30 June 2017

Note 3. Non-current assets - Plant and equipment

	30 Jun 2017 $	*31 Dec 2016 $*
Plant and equipment		
Plant and equipment - at cost	**1,289,939**	1,175,416
Less: Accumulated depreciation	**(117,327)**	(14,901)
Net book amount	**1,172,612**	1,160,515
Reconciliation		
Opening net book amount	**1,160,515**	-
Additions through business combinations	**10,000**	1,072,853
Additions	**104,523**	102,563
Depreciation expense	**(102,426)**	(14,901)
Balance at period end	**1,172,612**	1,160,515

Leased assets

Plant and equipment includes the following amounts where the Company is a lessee under a finance lease:

	30 Jun 2017 $	*31 Dec 2016 $*
Plant and equipment - at cost	**67,615**	33,807
Less: Accumulated depreciation	**(5,165)**	-
Net book amount	**62,450**	33,807

Note 4. Non-current assets – Intangibles

	30 Jun 2017 $	*31 Dec 2016 $*
Goodwill – at cost	**27,445,529**	27,018,231
Reconciliation		
Balance at beginning of period	**27,018,231**	-
Additions through business combinations	**947,298**	27,018,231
Decrease due to write-back of provision for additional purchase consideration, initially recognised from business combination of prior period	**(520,000)**	-
Balance at period end	**27,445,529**	27,018,231

Impairment test for goodwill

Goodwill is allocated to a single cash-generating unit (CGU), which is based on the Company's operating segment. The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use a pre-tax discount of 14% and cash flow projections based on financial forecasts for the 6 months immediately following reporting date. Cash flows beyond 6 months are extrapolated using the estimated growth rates of occupancy and daily fee rate. The growth rate does not exceed the long-term average growth rate for the business.

Impact of possible changes in assumptions – sensitivity analysis

Any reasonable possible change in valuation parameters would not cause the carrying amount of the CGU to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 30 June 2017

Note 5. Current liabilities - Trade and other payables

	30 Jun 2017 $	*31 Dec 2016 $*
Trade payables	**67,465**	210,736
Other payables	**951,403**	1,673,391
Deferred revenue	**54,024**	135,666
	1,072,892	2,019,793

Note 6. Current & Non-current liabilities – Borrowings

	30 Jun 2017 $	*31 Dec 2016 $*
Loans		
Non-current	**7,448,214**	7,448,214
Finance leases		
Current	**9,860**	4,635
Non-current	**59,316**	31,998
	69,176	36,633
Reconciliation		
Current liabilities		
Finance leases	**9,860**	4,635
Non-current liabilities		
Loans	**7,448,214**	7,448,214
Finance leases	**59,316**	31,998
	7,507,530	7,480,212

Financing arrangements

Bank loan

The bank loan is secured on the assets and undertakings of the Company.

	30 Jun 2017 $	*31 Dec 2016 $*
Total bank loan facility at reporting date	**8,500,000**	8,000,000
Less amount used at reporting date	**(7,448,214)**	(7,448,214)
Unused bank loan facility at reporting date	**1,051,786**	551,786

The unused portion of the bank loan facility is only available for future acquisitions and there are specific criteria that need to be met prior to any draw-down. There have been no events of default on the financing arrangements of the Company during the half-year.

Overdraft

The Company does not have an overdraft.

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 30 June 2017

Note 7. Current & Non-current liabilities – Provisions

	30 Jun 2017 $	*31 Dec 2016 $*
Provisions for employee benefits: annual and long service leave		
Current	**494,285**	278,226
Non-current	**85,162**	93,158
	579,447	371,384
Provision for additional purchase consideration (earn-out)		
Non-current	**-**	520,000
Reconciliation		
Current Liabilities		
Provisions for employee benefits	**494,285**	278,226
Non-current liabilities		
Provision for employee benefits	**85,162**	93,158
Provision for additional purchase consideration (earn-out)	**-**	520,000
	85,162	613,158

Movements in provisions

Movements in each class of provision during the half-year ended 30 June 2017 were as follows:

	Employee benefits $	Additional purchase consideration (earn-out) $	Total $
Carrying amount at start of half-year	371,384	520,000	891,384
Recognised upon acquisition of childcare businesses	20,000	-	20,000
Charged/(credited) to income statement			
- additional provisions recognized	470,942	-	470,942
- unused amounts reversed	-	-	-
Amounts used during the half-year	(282,879)	-	(282,879)
Write-back against goodwill recognised from business combination in prior period (refer Note 5)	-	(520,000)	(520,000)
Carrying amount at end of half-year	**579,447**	**-**	**579,447**

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 30 June 2017

Note 8. Business combinations

The Company acquired one childcare centre during the half-year. The fair values ascribed to the assets acquired and liabilities assumed are as follows:

	Fair value ***$***
Plant and equipment	10,000
Provisions for employee benefits	(20,000)
Goodwill	947,298
Acquisition-date fair value of the total consideration transferred	937,298
Representing	
Cash paid to vendor	937,298

Note 9. Related party transactions

Transactions with related parties

Managed services agreements

During the half-year the Company entered into agreements to manage two childcare centres owned by Dean and Michelle Clarke, directors of the Company. The agreements are initially for 12 months, with options to renew. Pricing is on commercial, arms-length bases. Revenue of $120,000 (2016: Nil) has been recognized from these contracts during the reporting period.

Note 10. Events occurring after the reporting period

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations or the Company's state of affairs in future years.

Note 11. Earnings per share

	Half-year 2017
	Cents
Basic and diluted earnings/(loss) per share	**3.02**
	Number
Weighted average number of shares	
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	**30,005,000**
	$
Earnings used in calculating basic and diluted earnings per share	
Profit after tax attributable to the ordinary equity holders of the Company	**907,639**

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes set out on pages 9 to 17 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Peter Lowe

Chairman

Melbourne
30 August 2017

Independent Auditor's Review Report to the Members of Mayfield Childcare Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mayfield Childcare Limited (the Company) which comprises the statement of financial position as at 30 June 2017, the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company.

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 and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or 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 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 financial 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 Mayfield Childcare Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual 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 other 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* has been provided to the directors.

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 Mayfield Childcare Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Company'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.*

PKF Melbourne Audit & Assurance

Ken Weldin

PKF Melbourne Audit & Assurance Pty Ltd | **Kenneth Weldin**

Partner

Melbourne 30 August 2017

PKF Melbourne
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