Nido Education Pty Limited
ABN 12 650 967 703
Financial Report for the period ended 31 December 2021

DIRECTOR'S REPORT

The sole director presents his report, together with the consolidated financial statements of Nido Education Pty Limited (the Company or Nido) and its controlled entities (together referred to as the Group) for the period from 11 June 2021 to 31 December 2021.

Director

The following person was the sole director of the Company in office during the period and at the date of this report (unless otherwise stated):

Mathew Edwards	Appointed 11 June 2021

Principal activities

Nido operates best in sector child care Services in Australia. The principal activities of the Company are summarised as follows:

> Owns and operates purpose-built child care Services under the "Nido" brand and operating model;

> Provides management services to clients and third-party incubator partners; and

> Acquires high-performing purpose -built child care Services from third-party incubators.

Operations overview

The Company's loss after tax for the period ended 31 December 2021 was $896k.

Significant changes in the state of affairs

The company was incorporated on 11 June 2021. The sole director was appointed on this date. On 21 October 2021 the company acquired Think Childcare Development Limited and assumed the activities as disclosed in the principal activities above. There were no other significant changes in the state of affairs of the Group during the period.

Going concern

These financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the normal course of business. The Group recognised a net loss after tax of $0.8m for the period ended 31 December 2021 and, as at that date, current assets exceed current liabilities by $6.8m which includes $6.4m of current lease liabilities which will be settled through operating cash flows earned in the next 12 months.

The Group operates a portfolio of childcare services in various stages of trade-up and has generated historical losses. The portfolio is maturing and is now generating positive cashflows. The Group is forecasting positive cash flows for at least the next 12 months after this report is issued. In addition, the Group has access to a shareholder loan facility of $15.0m with a maturity date of 21 October 2026, of which $5.9m remains undrawn at balance date and $2.9 remains undrawn at the date of this report. Based on these factors, management has a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the sole director believes it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Indemnity and insurance of officers

The company has indemnified the sole director and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Matters subsequent to the end of the financial period

Mathew Edwards, the sole director of the Company, holds a joint venture interest in AE Early Learning School Holdings Pty Ltd (AES) which was established on 15 February 2022.

In April 2022, the Group entered into a Centre Management Deed (the Deed) with AES, a related party. The Group develops and manages Nido services on behalf of AES under this Deed.

Apart from this, no other matter or circumstance has arisen since 31 December 2021 and up to the date of this report 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 financial periods.

Lead auditor’s independence declaration

The Lead auditor’s independence declaration as required under section 307C of the Corporations Act 2011 is set out on page 4 and forms part of this Director’s Report for the period ended 31 December 2021.

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

Rounding of amounts

The Company is of a kind referred to in the 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.

Dividends

The Company has not paid or declared a dividend during the period.

On behalf of the director

Mathew Edwards
Director

18 May 2023 | Sydney

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Nido Education Pty Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Nido Education Pty Limited for the financial for the period from 11 June 2021 to 31 December 2021 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 audit.

KPMG

KPMG

Paul Thomas

Partner

Sydney

18 May 2023

Consolidated statement of financial position

As at 31 December 2021

	Note	2021 $'000
Assets		
Current Assets		
Cash and cash equivalents		1,503
Trade and other receivables	10	1,768
Income tax receivable		114
Other assets	11	199
Total current assets		3,584
Non-current assets		
Property, plant and equipment	12	1,054
Right-of-use assets	25	63,179
Rental bonds	13	3,871
Deferred tax assets	14	502
Total non-current assets		68,606
Total assets		72,190
Liabilities		
Current liabilities		
Trade and other payables	15	812
Employee benefits	16	2,694
Lease liabilities	25	6,425
Provisions	18	500
Total current liabilities		10,431
Non-current liabilities		
Borrowings	17	5,895
Employee benefits	16	135
Lease liabilities	25	56,615
Total non-current liabilities		62,645
Total liabilities		73,076
Net liabilities		(886)
Equity		
Issued capital	19	10
Retained earnings / (deficit)		(896)
Total equity		(886)

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

Consolidated statement of profit or loss and other comprehensive income

For the period ended 31 December 2021

	Note	11 June - 31 December 2021 $'000
Revenue	5a	8,762
Other income	5b	396
Expenses		
Employee benefits	6	6,750
Occupancy		312
Direct expense of providing services		690
Corporate and marketing		337
Acquisition and integration	7	97
Other		149
Depreciation and amortisation		657
Finance cost	8	1,222
Loss before tax		(1,056)
Income tax	9	160
Loss for the period		(896)
Other comprehensive income for the period, net of tax		-
Total comprehensive income for the period		(896)

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

Consolidated statement of changes in equity

For the period ended 31 December 2021

2021	Note	Issued capital $'000	Retained earnings / (deficit) $'000	Total Equity $'000
Balance at 11 June 2021		-	-	-
Loss for the period		-	(896)	(896)
Other comprehensive income for the period		-		-
Total comprehensive income for the period		-	(896)	(896)
Issue of share capital		10	-	10
Total contributions and distributions		10	-	10
Balance at 31 December 2021		10	(896)	(886)

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

Consolidated statement of cash flow

For the period ended 31 December 2021

	Note	11 June - 31 December 2021 $'000
Cash flows from operating activities		
Receipts from customers and government funding		8,257
Payments to suppliers and employees		(6,722)
Interest and other finance costs	8	(1,188)
Net cash used in operating activities		347
Cash flows from investing activities		
Payments for the acquisition of business	28	-
Payments for property, plant and equipment	12	(94)
Net cash used in investing activities		(94)
Cash flows from financing activities		
Proceeds from issue of shares	19	10
Proceeds from borrowings		1,990
Repayment of lease principal		(750)
Net cash from financing activities		1,250
Net increase in cash and cash equivalents		1,503
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		1,503

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

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

Notes to the consolidated financial statements

Note 1. General information

The financial statements cover Nido Education Pty Limited ('the Company') and its controlled entities (hereafter, referred to as the 'Group' or 'Nido Group'). For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity. The Company was incorporated on 11 June 2021. This is the first set of the Company's annual financial statements covering the period from incorporation to 31 December 2021 and as a result comparatives have not been presented.

Nido Education Pty Limited is a proprietery 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

The financial statements were authorised for issue, in accordance with a resolution of the Director, on 18 May 2023. The Director has the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit entities. These financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Boards ('IASB').

The financial statements have been prepared under the historical cost convention, except for, where applicable, the fair value of certain financial instruments and contingent consideration payable for acquisitions. Cost is based on the fair values of the consideration given in exchange for assets.

Functional and presentation currency and rounding

The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency. The Group 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, unless stated otherwise.

Notes to the consolidated financial statements (continued)

Going Concern

These financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the normal course of business. The Group recognised a net loss after tax of $0.8m for the period ended 31 December 2021 and, as at that date, current assets exceed current liabilities by $6.8m which includes $6.4m of current lease liabilities which will be settled through operating cash flows earned in the next 12 months.

The Group operates a portfolio of childcare services in various stages of trade-up and has generated historical losses. The portfolio is maturing and is now generating positive cashflows. The Group is forecasting positive cash flows for at least the next 12 months after this report is issued. In addition, the Group has access to a shareholder loan facility of $15.0m with a maturity date of 21 October 2026, of which $5.9m remains undrawn at balance date and $2.9 remains undrawn at the date of this report. Based on these factors, management has a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future.

New accounting standards and interpretations issued but not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the reporting period ended 31 December 2021. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below. Amending accounting standards issued are not considered to have a significant impact on the financial statements of the Group as their amendments provide either clarification of existing accounting treatment or editorial amendments.

Amendments to AASB 3: Definition of a Business

The amendment to AASB 3 clarified that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments are not expected to have a material impact on the consolidated financial statements of the Company.

AASB 2020-1 Classification of liabilities as current or non-current

AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2022-6. Early adoption is permitted. This standard amends AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or noncurrent. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is conditional, the right only exists if, at the end of the reporting period, those conditions have been complied with. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified.

Notes to the consolidated financial statements (continued)

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the consolidated results of the Nido Group. Supplementary information about the parent entity is disclosed in note 27.

Basis of consolidation

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.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any related non-controlling interest and other components of equity. Any 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.

Operating segments

Operating segments are presented using the 'management approach' where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

The accounting policies for the Group's revenue from contracts with customers are explained below:

Provision of child care services

The Group provides child care services, namely the provision of full or part-time care for babies, toddlers, and young children based on fixed-price schedules.

Fees paid by families and/or the Australian Government (Child Care Subsidy) are recognised as and when a child attends a child care service. Billing for services occurs on a weekly basis, in advance for parent fees and in arrears for Australian Government payments, based on attendance records.

Revenue is recognised at the fixed amount for each child care service provided (permanent or casual, full day or half day). Cash received in advance from families and/or the Australian Government is recognised as deferred income and classified as a current liability.

Management fees

Fees paid by third parties and related party incubator partners for management of externally owned Services are recognised over the period in which the services are performed.

Contract balances

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policy below

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 Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Commonwealth, State and Territory Government grants

Grants from the Commonwealth, State or Territory Governments are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all conditions associated with the grant.

Government grants relating to an expense item are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

Leases

Definition of a lease

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

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. For leases of properties in which it is a lessee, the Group has elected to separate non-lease components and will seprately account for the lease and non-lease components of a lease.

As a lessee

The Group mainly leases properties for child care services. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets. Under AASB 16, the Group recognises right of use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

Right of use assets

The Group recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of future lease payments. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Notes to the consolidated financial statements (continued)

Income tax

The income tax expense or benefit for the year is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

> When the deferred income tax asset or liability arises from the initial recognition of goodwill; or

> An asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

> When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Nido Education Pty Limted (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated groups continue to account for their own current and deferred tax amounts. The tax consolidated groups have each applied the 'separate taxpayer within the group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to their own current and deferred tax amounts, the head entities also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intergroup charge equals the current tax liability or benefit of each tax consolidated Group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

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 current when it is expected to be realised or intended to be sold or consumed in the entity's normal operating cycle, it is held primarily for the purpose of trading and it is expected to be realised within 12 months after the reporting period or the asset is cash or a 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 current when it is expected to be settled in the entity'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.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and on hand.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest on short-term and long-term borrowings.

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method, as the Group holds the trade receivables with the objective to collect the contractual cash flows.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. A provision for impairment is determined using a provision matrix based on historically observed default rates that are adjusted for forward looking estimates.

Notes to the consolidated financial statements (continued)

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Costs incurred as a lessee relating to the construction or design of a yard are classified as leasehold improvements. Classroom equipment and start up resources are recognised as an expense at the time of purchase.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

> Plant and equipment 4-12 years
> Leasehold improvements the shorter of the lease term and 15 years
> Motor vehicles 5-7 years
> Computer equipment 3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

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 for 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.

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 30-60 days of recognition.

Notes to the consolidated financial statements (continued)

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities are capitalised, offset against the liability and amortised over the period of the facility to which it relates. Borrowings are extinguished when its contractual obligations are discharged or cancelled, or expire.

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 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 employee benefits not expected to be settled within 12 months of the reporting date is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. 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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year.

Notes to the consolidated financial statements (continued)

Fair value measurement

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

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best 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.

For assets and liabilities that are to be settled in the short term the carrying value is a resonable approximation of the fair value.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Notes to the consolidated financial statements (continued)

Business combinations

The acquisition method of accounting is used to account for business combinations, other than those deemed to be common control transactions, regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition date at fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition date's fair value. Subsequent changes in the fair value of the contingent consideration, classified as an asset or liability, is recognised in profit and loss or goodwill depending on whether facts and circumstances existed at acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from a financier under comparable terms and conditions.

The difference between the acquisition date's fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to share holders of Nido Education Pty Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary share outstanding during the financial year, adjusted for bonus elements in ordinary share issued during the financial year.

Diluted earnings per Share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary share and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary share.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates may differ from the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Business combinations
As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Leases
As discussed in note 2, the lease liability present value of the estimated future cash flows to be made in respect of each lease at its inception. In determining the present value of the liability, estimates and judgements in relation to the incremental borrowing rate and whether the group is reasonably certain to exercise options must be taken into account.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences. The Group considers it probable that future taxable profits will be available within the tax consolidation group to utilise these temporary differences.

Note 4. Operating segments

Identification of reportable operating segments

The Group operates in one segment being child care services. This is based on the internal reports that are reviewed and used by the CODM in assessing performance and in determining the allocation of resources.

The Group 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.

Major customers

During the year ended 31December 2021, none of the Group's external revenue was dervived from one specific customer or group of customers that comprised more than 10% of total revenue.

Note 5a. Revenue

	11 June - 31 December 2021 $'000
Revenue from contracts with customers	7,913
Management fees	839
Child Care Recovery Package	10
Revenue	**8,762**

Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

2021	Child care services	Management fees	Child Care Recovery Package	Total
Revenue from external customers	7,913	839	10	8,762
Timing of revenue recognition				
Over time	7,913	839	10	8,762
	7,913	**839**	**10**	**8,762**

Assets and liabilities related to contracts with customers

The Company has recognised the following assets and liabilities related to contracts with customers:

	Note	11 June - 31 December 2021 $'000
Child care advances	15	314
Total contract liabilities		**314**

No information is provided about remaining performance obligations at 31 December 2021 that have an original expected duration of one year or less as allowed by AASB 15.

Note 5b. Other Income

	11 June - 31 December 2021 $'000
Government grants	203
Gain on bargain purchase	193
Other income	396

Government grants have been received in the form of wage subsidies and to fund certain education programs. There are no unfulfilled conditions or contingencies attached to these grants.

Note 6. Employee benefits expense

	11 June - 31 December 2021 $'000
Salaries and wages	6,217
Defined contribution to superannuation plans	533
Employee benefits expense	6,750

Note 7. Acquisition & integration expense

	11 June - 31 December 2021 $'000
Integration expense	52
Commission	45
Acquisition & integration expense	97

Note 8. Finance costs

	11 June - 31 December 2021 $'000
Interest on borrowings	34
Interest on lease liabilities	1,188
Finance costs	1,222

Note 9. Income tax expense

	11 June - 31 December 2021 $'000
Income tax expense	
Current tax	51
Deferred tax - origination and reversal of temporary differences	(211)
Aggregate income tax (benefit)	(160)
Numerical reconciliation of income tax expense and tax at the statutory rate	
Loss before tax	(1,056)
Tax at the statutory tax rate of 25%	(264)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income	
Non assessable income	(48)
Assesable capital gains	141
Other adjustments	11
Income tax benefit	(160)
Amounts charged directly to equity	
Deferred tax assets (note 14)	-

The effective tax rate for the period ended as at 31 December 2021 is 15.2%.

Note 10. Trade and other receivables

	2021 $'000
Trade receivables	744
Less: Provision for impairment of receivables	(13)
	731
Other receivables	1,037
Trade and other receivables	1,768

Movements in the provision for impairment of receivables are as follows:

	11 June - 31 December 2021 $'000
Opening balance	-
Additional provisions recognised	13
Unused amounts reversed	-
Closing balance	13

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to $731,000 as at 31 December 2021.

Note 11. Other assets

Current	2021 $'000
Prepayments	199
Other assets - current	199

Note 12. Property, plant and equipment

	2021 $'000
Plant and equipment - at cost	196
Less: Accumulated depreciation	(22)
	174
Motor vehicles - at cost	343
Less: Accumulated depreciation	(12)
	331
Computer equipment - at cost	490
Less: Accumulated depreciation	(120)
	370
Construction in progress	179
	1,054

Reconciliations

Reconciliations of the written down values at the beginning and end of the current period are set out below:

	Note	Plant and equipment $'000	Computer equipment $'000	Motor Vehicles $'000	Construction in progress $'000	Total $'000
Opening at 11 June 2021		-	-	-	-	-
Additions		28	47	-	19	94
Additions through business combinations		152	351	343	160	1,006
Depreciation Expense		(6)	(28)	(12)	-	(46)
Balance at 31 December 2021		174	370	331	179	1,054

Note 13. Rental bonds

	2021 $'000
Rental bonds	3,871
Total	3,871

Rental bonds are paid to the financial institution that has given corporate guarantees to lessors in relation to property leases on a number of child care facilities. These guarantees are required for various durations dependent on the individual lease and the deposits will be returned when each guarantee is no longer required by the lease.

Note 14. Deferred tax

2021 $'000	Opening balance at 11 June 2021	Credited / (charged) to profit and loss	Credited / (Charged) to equity	Acquisitions and other adjustments	Balance at 31 December 2021
Receivables	-	-	-	3	3
Prepayments	-	10	-	(20)	(10)
Employee benefits	-	104		356	460
Lease liability	-	189	-	15,744	15,933
Right of use asset	-	(51)	-	(15,744)	(15,795)
Property, plant and equipment	-	(8)	-	(211)	(219)
Capitalised costs	-	(11)	-	141	130
Other	-	(22)	-	22	-
Net temporary differences	-	211	-	291	502
Tax losses - revenue	-	-	-	-	-
Deferred tax asset	-	211	-	291	502

Note 15. Trade and other payables

Current	2021 $'000
Trade payables	318
Child care advances	314
Other payables	180
Trade and other payables	812

All of the opening contract liabilities were recognised as revenue during the year. Refer to note 21 for further information on financial instruments.

Note 16. Employee benefits

Current	2021 $'000
Annual leave	1,109
Employee related payables	1,311
Long service leave	274
Employee benefits - current	2,694

Non-current	$'000
Long service leave	135
Employee benefits - non current	135

Note 17. Borrowings

Non-current	2021 $'000
Loans from a related party	5,895
Borrowings - non current	5,895

Loans from a related party are drawn from a $15m facility which matures in 2026. Refer to note 21 for further information on financial instruments.

Note 18. Provision

Current	2021 $'000
Contingent Consideration	500

	2021 $'000
Opening balance at 11 June 2011	-
Assumed in a business combination	500
Balance at 31 December 2021	500

Note 19. Equity - issued capital

	2021 Shares	2021 $'000
Ordinary securities - fully paid	10,000	10

Movements in ordinary share capital

Details	Shares	Issue Price	$'000
Opening	-	-	-
Issue of share capital	10,000	$ 1.00	10
31 December 2021	10,000	1.00	10

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for security holders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to security holders, return capital to security holders, issue new securities or sell assets to reduce debt.

The Group may look to raise capital in addition to its borrowing facilities with the Group's lenders for acquisitions when an opportunity to invest in a business or Company is seen as value adding relative to the current Group's value at the time of the investment.

When the Group is subject to certain financing arrangement covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the period.

Note 20 Equity - dividends

Dividends

The company has not paid or declared any dividends during the period

Franking credits

No franking credits were available for distribution as at 31 December 2021

Note 21. Financial Instruments

	Note	2021 $'000
Financial assets measured at amortised cost		
Cash and cash equivalents		1,503
Trade and other receivables	10	1,768
Rental bonds	13	3,871
		7,142
Financial liabilities measured at amortised cost		
Trade payables		318
Other payables		180
Lease liabilities	25	63,040
Loans from a related party	17	5,895
Contingent consideration	18	500
		69,933

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

Risk management is carried out by the CFO under policies approved by the sole Director. These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk

The Group is not exposed to any significant foreign currency risk.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group is not exposed to any significant interest rate risk.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Customer credit risk is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management in a three tier approach with regard to child care fees: at the executive service manager level; at the people and quality leader level; and then at the executive management level. Outstanding customer receivables and contract assets are regularly monitored.

An impairment analysis is performed at each reporting date using the general approach measure expected credit losses. The provision rate calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low.

In the event that the Group is exposed to credit risk outside of trade receivable, depending on the quantum, it may obtain agency credit information, confirm references and will establish an appropriate credit limit for that debtor. The Group may obtain guarantees where appropriate to mitigate credit risk.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 21. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2021	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	318	-	-	-	318
Other payables	-	180	-	-	-	180
Interest-bearing						
Related party loans	3.00%	192	192	6,391	-	6,775
Lease liability	9.60%	7,457	7,547	23,202	106,288	144,494
Contingent consideration		500	-	-	-	500
Total non-derivatives		8,647	7,739	29,593	106,288	152,267

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 22. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of Key Management Personnel of the Company is set out below:

	2021 $'000
Short-term employee benefits	81
Post-employment benefits	8
Aggregate compensation - Directors & other KMP	89

Note 23. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by KPMG the auditor of the Company, and its network firms:

	2021 $
Audit services	
Audit or review of the financial statements	135,500

Note 24. Commitments and contingencies

Commitments

At 31 December 2021 the group has nil commitments.

Contingent liabilities

The group had no contingent liabilities as at 31 December 2021.

Guarantees

The Company has given a corporate guarantee as at 31 December 2021 of $3,871,000 to lessors in relation to property leases on a number of child care facilities.

Note 25. Leases

Leases as lessee (AASB 16)

The Company leases properties for child care Services. Leases typically run for a period of 10-20 years, with option to renew the lease after that date for another 5-15 years. Lease payments are renegotiated on a regular basis to reflect market rentals. Some leases provide for additional rent payments that are based on changes in CPI. For certain leases, the Company is restricted from entering into any sub-lease arrangements.

Information about leases for which the Company is a lessee is presented below.

Right of use assets	2021 $'000
Opening	-
Additions	814
Additions through business combinations	62,976
Depreciation expense	(611)
Balance at 31 December	63,179

Lease liability	2021 $'000
Opening	-
Additions	814
Additions through business combinations	62,976
Interest expense	1,188
Lease payments	(1,938)
Balance at 31 December	63,040
Current	6,425
Non-current	56,615

Future undiscounted lease payments	2021 $'000
Less than one year	7,457
One to five years	30,749
More than five years	106,288
	144,494

Amounts recognised in profit or loss	2021 $'000
2021 - Leases under AASB 16	
Interest on lease liabilities	1,188
Depreciation on right of use assets	611

Amounts recognised in statement of cashflows	2021 $'000
Total cash outflow for leases	1,938

Extension options

Property leases contain extension options exercisable by the Group before the end of the non-cancellable period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonable certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Note 26. Related party transactions

Parent entity
Nido Education Pty Ltd Limited is the parent entity of Nido Group.

Subsidiaries
Interests in subsidiaries are set out in note 29.

Key management personnel

Mathew Edwards - CEO
Tom Herring - CFO

Refer to note 28 for details of related party capital transfer and note 32 for details of related party transactions subsequent to period end.

Transactions with related parties
The following related party transactions occurred during the period ended 31 December

	11 June - 31 December 2021 $'000
Loans received from the director	2,000
Interest on the director's Loan	34
Director salary and employment benefits	20
Loan from the director assumed through a business combination	3,871
Purchase of share capital	10

Receivable from and payable to related parties
There are no trade receivables from or trade payables to related parties at the reporting date.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	11 June - 31 December 2021 $'000
Non current borrowings	
Loan from Director	5,895

Terms and conditions
The loan from the director has a fixed interest rate and is repayable in 2026. Refer to note 21 for further details.

Note 27. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income	Parent 2021 $'000
Loss for the period	-
Total comprehensive income	-

Statement of financial position	Parent 2021 $'000
Total current assets	10
Total assets	10
Total current liabilities	-
Total liabilities	-
Equity	
Issued capital	10
Accumulated losses	-
Total equity	10

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no such guarantees as at 31 December 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Company, as disclosed in note 2, except for the following:

> Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

> Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 28. Business combinations

Current period acquisitions

On 21 October 2021, under a scheme of arrangement, Nest Education Development Pty Limited (NED), a wholly owned subsidiary of Nido Education Pty Limited, acquired for nominal consideration of $100 a 77.85% interest in Think Childcare Development Limited (TND) and its subsidiaries from FEL Child Care Developments Pty Ltd, a subsidiary of Busy Bees Early Learning Australia Pty Ltd (Busy Bees). Concurrently, Mathew Edwards (Sole Director of the Company) and his controlled entities transferred their 22.15% interest in TND to NED for nil consideration resulting in TND becoming a wholly owned subsidiary of the Group. Due to the start-up nature of the business nominal consideration was transferred for the net assets leading to a gain on bargain purchase of $193,000.

As at the date of the acquisition, the TND Group had 20 operating services and a significant number of pipeline services in various stages of development. The revenue from the acquisitions amounted to $8.8m for the period from 21 October 2021 to 31 December 2021. The acquisitions are provisional at 31 December 2021. Due to estimation uncertainty the Group is unable to disclosure Revenue and EBITDA had the acquisitions been made at the beginning of the financial year.

Details of the acquisitions are as follows:

Fair Value

2021	$'000
Other current assets	432
Rental bonds	3,871
Property, plant and equipment	1,006
Trade and other receivables	977
Deferred tax asset	291
Right of use asset (ROU)	62,976
Lease liability	(62,976)
Employee benefits	(1,443)
Borrowings	(3,871)
Provisions	(500)
Trade and other payables	(570)
Other liabilities	-
Net assets acquired	193
Goodwill	-
Acquisition date fair value of the total consideration transferred	-

Representing:	
Cash paid to vendors	-
Contingent consideration	-
Total consideration	-
Gain on bargain purchase	193

Note 29. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 3:

The subsidiaries are incorporated in Australia and their principal place of business is also in Australia.

Name	Ownership interest
	2021
Kensington SA Early School Pty Ltd	100%
Nest 2171 Pty Ltd	100%
Nest 2290 Pty Ltd	100%
Nest 3034 Pty Ltd	100%
Nest 3123 Pty Ltd	100%
Nest 3150 Pty Ltd	100%
Nest 3550 Pty Ltd	100%
Nest 5017 Pty Ltd	100%
Nest 5041 Pty Ltd	100%
Nest 5043 Pty Ltd	100%
Nest 5096 Pty Ltd	100%
Nest 6031 Pty Ltd	100%
Nest 6055 Pty Ltd	100%
Nest 6101 Pty Ltd	100%
Nest 6108 Pty Ltd	100%
Nest 6112 Pty Ltd	100%
Nest 6164 Pty Ltd	100%
Nest Early Education Services Pty Ltd	100%
Nest Education Development Pty Ltd	100%
Nest Education Finance Pty Ltd	100%
Nest Employee Services Pty Ltd	100%
Nest Employee Services Pty Ltd	100%
Nest Management Pty Ltd	100%
Nest Operations Pty Ltd	100%
Nest Property Services East Coast Pty Ltd	100%
Nest Property Services West Coast Pty Ltd	100%
Nest WA Operations Pty Ltd	100%
Nido Early Education Services Pty Ltd	100%
Nido Education Finance Pty Ltd	100%
Nido Employee Services Pty Ltd	100%
Nido Operations Pty Ltd	100%
Nido Property Services East Coast Pty Ltd	100%
Nido Property Services West Coast Pty Ltd	100%
Nido Services Pty Ltd	100%
Think 2 Franklin Nul Pty Ltd	100%
Think 3 Cheltenham Ber Pty Ltd	100%
Think 3 Essendon Ral Pty Ltd	100%
Think 3 Sandringham Bay Pty Ltd	100%
Think 6 Coogee Pin Pty Ltd	100%
Think 6 Kensington Fou Pty Ltd	100%
Think Childcare 2171 Pty Ltd	100%
Think Childcare 3006 Pty Ltd	100%
Think Childcare 3024 Pty Ltd	100%
Think Childcare 3040 Pty Ltd	100%
Think Childcare 3058 Pty Ltd	100%
Think Childcare 3083 Pty Ltd	100%
Think Childcare 3085 Pty Ltd	100%
Think Childcare 3204 Pty Ltd	100%
Think Childcare 3930 Pty Ltd	100%
Think Childcare 5013 Pty Ltd	100%
Think Childcare 5035 Pty Ltd	100%
Think Childcare 5044 Pty Ltd	100%
Think Childcare 5076 Pty Ltd	100%
Think Childcare 5097 Pty Ltd	100%
Think Childcare 5112 Pty Ltd	100%
Think Childcare 5121 Pty Ltd	100%
Think Childcare 5125 Pty Ltd	100%
Think Childcare 6016 Pty Ltd	100%
Think Childcare 6025 Pty Ltd	100%
Think Childcare 6028 Pty Ltd	100%
Think Childcare 6055 Pty Ltd	100%
Think Childcare 6112 Pty Ltd	100%
Think Childcare 6148 Pty Ltd	100%
Think Childcare 6164 Pty Ltd	100%
Think Childcare 6165 Pty Ltd	100%
Think Childcare 6166 Pty Ltd	100%
Think Childcare 6173 Pty Ltd	100%
Think Childcare 6308 Pty Ltd	100%
Think Childcare Development Pty Ltd	100%
Think Childcare Services Pty Ltd	100%
Think Ellenbrook 6069 Pty Ltd	100%
Think Paradise 5075 Pty Ltd	100%
Think Rosanna 3084 Pty Ltd	100%
Tildamo Childcare 3032 Pty Ltd	100%
Tildamo Childcare 3226 Pty Ltd	100%
Tildamo Childcare 5052 Pty Ltd	100%
Tildamo Childcare 6021 Pty Ltd	100%

Note 30. Reconciliation of profit after income tax to net cash from operating activities

	2021 $'000
Profit for the period	(896)
Adjustments for:	
Depreciation and amortisation	657
Finance Costs	34
Gain on bargain purchase	(193)
Change in operating assets and liabilities:	
Increase in trade and other receivable	(791)
Increase in deferred tax assets	(211)
Increase in other assets	119
Increase in trade and other payables	1,553
Increase in employee benefits	75
Net cash from operating activities	347

Note 31 . Earnings per share

	Note	2021 $'000
Total comprehensive income attributable to:		
Members of Nido Education Pty Limited		(896)

	Number
Weighted average number of shares used in calculating basic earnings per share	10,000
Weighted average number of shares used in calculating diluted earnings per share	10,000

Earnings per share	Cents
Basic	(8,960.00)
Diluted	(8,960.00)

Note 32. Events after the reporting period

Mathew Edwards, the sole director of the Company, holds a joint venture interest in AE Early Learning School Holdings Pty Ltd (AES) which was established on 15 February 2022.

In April 2022, the Group entered into a Centre Management Deed (the Deed) with AES, a related party. The Group develops and manages Nido services on behalf of AES under this Deed.

Apart from this, no other matter or circumstance has arisen since 31 December 2021 and up to the date of this report 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 financial periods.

Director's declaration

In the opinion of the sole director of Nido Education Pty Limited (the 'Company'):

1. the attached consolidated financial statements and notes that are set out on pages 5 to 39 are in accordance with the *Corporations Act 2001*, including:
   a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the period ended on that date; and
   b) complying with the Accounting Standards and the *Corporations Regulations 2001*; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The sole director draws attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the sole director.

Mathew Edwards
Director
18 May 2023 Sydney

KPMG

Independent Auditor's Report

To the shareholders of Nido Education Pty Limited

Opinion

We have audited the ***Financial Report*** of Nido Education Pty Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 31 December 2021 and of its financial performance for the period from 11 June 2021 to 31 December 2021; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2021
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the period from 11 June 2021 to 31 December 2021
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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. They 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 the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf This description forms part of our Auditor's Report.

KPMG

KPMG

Paul Thomas

Partner

Sydney

18 May 2023