

**AE Early School Holdings Pty Limited**  
**ABN 78 657 335 889**  
**Financial Report for the period ended**  
**31 December 2022**

# DIRECTOR'S REPORT

The directors present their report, together with the consolidated financial statements of AE Early School Holdings Pty Limited (the Company or AES) and its controlled entities (together referred to as the Group) for the period from 15 February 2022 to 31 December 2022.

## Director

The following people were directors of the Company in office during the period and at the date of this report (unless otherwise stated):

<b>Mathew Edwards</b>	Appointed 15 February 2022
<b>David Wilshire</b>	Appointed 15 February 2022
<b>Peter Selby</b>	Appointed 7 April 2022

## Principal activities

AES develops 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; and
- > Develop purpose-built greenfield child care Services.

## Operations overview

The Company's loss after tax for the period ended 31 December 2022 was \$8.0m.

## Significant changes in the state of affairs

The company was incorporated on 15 February 2022. The directors were appointed on this date. In April 2022 the company commenced its principal activities. 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 \$8.0m for the period ended 31 December 2022 and, as at that date, current assets exceed current liabilities by \$3.8m and current liabilities which includes \$2.7m of current lease liabilities which will be settled through operating cash flows earned in the next 12 months.

The Group is at the start-up phase of its business life-cycle, and has been incurring substantial setup cost as it continues to develop new childcare services. The Group is forecasting positive cashflows from 2024 at which time certain childcare services are expected to mature and will be sold to a third party resulting in gain on sale of those services. In the meantime, the Group has access to a shareholder funds via the shareholder agreement which will

be drawn on as required to fund the Groups development activities. The Company's shareholders have provided the Company with a written letter of financial support confirming the shareholders will continue to provide the necessary level of financial support for a period of not less than twelve months from the date of approval of these financial statements to enable the Company to continue to trade and meet its debts as and when they fall due. 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 directors believe 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 directors 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**

No matter or circumstance has arisen since 31 December 2022 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 2022.

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 directors



**David Wilshire**

Director

2 June 2023 | Sydney



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

To the Directors of AE Early School Holdings Pty Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of AE Early School Holdings Pty Limited for the period from 15 February 2022 to 31 December 2022 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

2 June 2023

## Consolidated statement of financial position

As at 31 December 2022

	Note	2022 \$'000
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents		5,839
Trade and other receivables	10	1,683
Other assets	11	274
<b>Total current assets</b>		<b>7,796</b>
<b>Non-current assets</b>		
Property, plant and equipment	12	2,515
Right-of-use assets	23	25,421
Rental Bonds	13	1,930
Deferred tax assets	14	331
<b>Total non-current assets</b>		<b>30,197</b>
<b>Total assets</b>		<b>37,993</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	15	658
Employee benefits	16	620
Lease liabilities	23	2,691
<b>Total current liabilities</b>		<b>3,969</b>
<b>Non-current liabilities</b>		
Employee benefits	16	8
Lease liabilities	23	23,670
<b>Total non-current liabilities</b>		<b>23,678</b>
<b>Total liabilities</b>		<b>27,647</b>
<b>Net assets</b>		<b>10,346</b>
<b>Equity</b>		
Issued capital	17	6,667
Prepaid share reserve	17	11,666
Accumulated deficit		(7,987)
<b>Total equity</b>		<b>10,346</b>

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 2022

15 February -  
31 December  
2022

	Note	\$'000
<b>Revenue</b>	5a	2,768
Other income	5b	14
<b>Expenses</b>		
Employee benefits	6	3,541
Occupancy		294
Direct expense of providing services		4,422
Corporate and marketing		324
Other		723
Depreciation and amortisation	7	594
Finance cost	8	1,202
<b>Loss before tax</b>		(8,318)
Income tax	9	331
<b>Loss for the period</b>		(7,987)
Other comprehensive income for the period, net of tax		-
<b>Total comprehensive income for the period</b>		(7,987)

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 2022

2022	Note	Issued capital \$'000	Prepaid share reserve \$'000	Accumulated deficit \$'000	Total Equity \$'000
Balance at 15 February 2022		-	-	-	-
Loss for the period		-	-	(7,987)	(7,987)
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	(7,987)	(7,987)
Issue of share capital		6,667	-	-	6,667
Prepayment of shares		-	11,666	-	11,666
<b>Total contributions and distributions</b>		6,667	11,666	-	18,333
<b>Balance at 31 December 2022</b>		<b>6,667</b>	<b>11,666</b>	<b>(7,987)</b>	<b>10,346</b>

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 2022

	Note	15 February - 31 December 2022 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers and government funding		1,099
Payments to suppliers and employees		(9,722)
Advance to related parties		(500)
Interest and other finance costs	23	(829)
<b>Net cash used in operating activities</b>		<b>(9,952)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	12	(2,542)
<b>Net cash used in investing activities</b>		<b>(2,542)</b>
<b>Cash flows from financing activities</b>		
Proceeds from shareholders	17	18,333
<b>Net cash from financing activities</b>		<b>18,333</b>
Net increase in cash and cash equivalents		5,839
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>		<b>5,839</b>

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 AE Early School Holdings Pty Limited ('the Company') and its controlled entities (hereafter, referred to as the 'Group' or 'AES Group'). For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity. The Company was incorporated on 15 February 2022. This is the first set of the Company's annual financial statements covering the period from incorporation to 31 December 2022 and as a result comparatives have not been presented.

AE Early School Holdings Pty Limited is a proprietary 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 2 June 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.

#### 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 \$8.0m for the period ended 31 December 2022 and, as at that date, current assets exceed current liabilities by \$3.8m and current liabilities which includes \$2.7m of current lease liabilities which will be settled through operating cash flows earned in the next 12 months.

The Group is at the start-up phase of its business life-cycle, and has been incurring substantial setup cost as it continues to develop new childcare services. The Group is forecasting positive cashflows from 2024 at which time certain childcare services are expected to mature and will be sold to a third party resulting in gain on sale of those services. In the meantime, the Group has access to a shareholder funds via the shareholder agreement which will be drawn on as required to fund the Groups development activities. The Company's shareholders have provided the Company with a written letter of financial support confirming the shareholders will continue to provide the necessary level of financial support for a period of not less than twelve months from the date of approval of these financial statements to enable the Company to continue to trade and meet its debts as and when they fall due. 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.

## Notes to the consolidated financial statements (continued)

### 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 2022. 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.

### 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.

### 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 AES Group. Supplementary information about the parent entity is disclosed in note 25.

### 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.

## Notes to the consolidated financial statements (continued)

### 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.

#### 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 separately 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.

## Notes to the consolidated financial statements (continued)

### 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.

### 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.

## Notes to the consolidated financial statements (continued)

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.

AE Early School Holdings Pty Limited (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 recognise 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.

## Notes to the consolidated financial statements (continued)

### 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.

### 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
- > 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)

### 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.

### 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 reasonable 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.

### 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.

### Prepaid shares reserve

Prepaid shares are disclosed in reserves where the consideration for shares has been received by the Company but the shares are yet to be issued. There is no obligation to repay the prepaid amount and the amount will be reclassified to issued capital once ordinary shares are issued.

### Dividends

Dividends are recognised when declared during the financial year.



## Notes to the consolidated financial statements (continued)

### Earnings per share

#### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to share holders of AE Early School Holdings 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.

### 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)

### 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.

#### Recovery of deferred tax assets

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

#### Leases

As discussed in note 3, 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.

### 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 period ended 31 December 2022, none of the Group's external revenue was derived from one specific customer or group of customers that comprised more than 10% of total revenue.

## Notes to the consolidated financial statements continued

### Note 5a. Revenue

	15 February - 31 December 2022
	\$'000
Revenue from contracts with customers	2,768
<b>Revenue</b>	<b>2,768</b>

#### Revenue from contracts with customers

##### Disaggregation of revenue from contracts with customers

2022	Child care services	Total
Revenue from external customers	2,768	2,768
<b>Timing of revenue recognition</b>		
Over time	2,768	2,768
	<b>2,768</b>	<b>2,768</b>

#### Assets and liabilities related to contracts with customers

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

	15 February - 31 December 2022
	Note
	\$'000
Child care advances	15
<b>Total contract liabilities</b>	<b>11</b>

No information is provided about remaining performance obligations at 31 December 2022 that have an original expected duration of one year or less as allowed by AASB 15.

### Note 5b. Other Income

	15 February - 31 December 2022
	\$'000
Government grants	14
<b>Other income</b>	<b>14</b>

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.

## Notes to the consolidated financial statements continued

### Note 6. Employee benefits expense

15 February -  
31 December  
2022  
\$'000

Salaries and wages	3,255
Defined contribution to superannuation plans	286
<b>Employee benefits expense</b>	<b>3,541</b>

### Note 7. Depreciation and amortisation expense

15 February -  
31 December  
2022  
\$'000

Property, Plant and Equipment depreciation	27
Right of use asset amortisation	567
<b>Depreciation and amortisation expense</b>	<b>594</b>

### Note 8. Finance costs

15 February -  
31 December  
2022  
\$'000

Interest on lease liabilities	1,202
<b>Finance costs</b>	<b>1,202</b>

### Note 9. Income tax expense

15 February -  
31 December  
2022  
\$'000

Income tax expense	
Current tax	-
Deferred tax - origination and reversal of temporary differences	(331)
Aggregate income tax benefit	(331)

#### Numerical reconciliation of income tax expense and tax at the statutory rate

Loss before tax	(8,318)
Tax at the statutory tax rate of 30%	(2,495)

#### Tax effect amounts which are not deductible/(taxable) in calculating taxable income

Current year tax losses not recognised	2,164
<b>Income tax benefit</b>	<b>(331)</b>

#### Tax losses not recognised

Unused tax losses for which no deferred tax asset has not been recognised	7,213
Potential benefit at the statutory tax rate of 30%	2,164

The above potential tax benefit for tax losses has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

#### Amounts charged directly to equity

Deferred tax assets (note 14)	-
-------------------------------	---

The effective tax rate for the period ended as at 31 December 2022 is 3.98%.

## Notes to the consolidated financial statements continued

### Note 10. Trade and other receivables

	2022
	\$'000
Trade receivables	52
Less: Provision for impairment of receivables	(2)
	50
Other receivables	1,133
Advance to related party	500
<b>Trade and other receivables</b>	<b>1,683</b>

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

	15 February - 31 December 2022
	\$'000
Opening balance	-
Additional provisions recognised	2
Unused amounts reversed	-
<b>Closing balance</b>	<b>2</b>

#### Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to \$50,000 as at 31 December 2022.

### Note 11. Other assets

	2022
	\$'000
Current	274
Prepayments	274
<b>Other assets - current</b>	<b>274</b>

**Note 12. Property, plant and equipment**

	2022 \$'000
<b>Plant and equipment - at cost</b>	139
Less: Accumulated depreciation	(6)
	133
<b>Leasehold improvements - at cost</b>	1,025
Less: Accumulated depreciation	(17)
	1,008
<b>Computer equipment - at cost</b>	86
Less: Accumulated depreciation	(4)
	82
<b>Construction in progress</b>	1,292
	<b>2,515</b>

Reconciliations

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

	Plant and equipment \$'000	Leasehold Improvement \$'000	Computer equipment \$'000	Construction in progress \$'000	Total \$'000
Opening at 15 February 2022	-	-	-	-	-
Additions	139	1,025	86	1,292	2,542
Depreciation Expense	(6)	(17)	(4)	-	(27)
<b>Balance at 31 December 2022</b>	<b>133</b>	<b>1,008</b>	<b>82</b>	<b>1,292</b>	<b>2,515</b>

## Notes to the consolidated financial statements continued

### Note 13. Rental bonds

	2022 \$'000
Rental bonds	1,930
<b>Total</b>	<b>1,930</b>

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.

## Notes to the consolidated financial statements continued

### Note 14. Deferred tax

2022 \$'000	Opening balance at 15 February 2022	Credited / (charged) to profit and loss	Balance at 31 December 2022
Receivables	-	1	1
Prepayments	-	(64)	(64)
Employee benefits	-	77	77
Lease liabilities	-	7,908	7,908
Right of use assets	-	(7,626)	(7,626)
Other	-	35	35
Net temporary differences	-	331	331
Tax losses - revenue	-	-	-
<b>Deferred tax asset</b>	<b>-</b>	<b>331</b>	<b>331</b>



## Notes to the consolidated financial statements continued

### Note 15. Trade and other payables

	2022
Current	\$'000
Trade payables	349
Child care advances	11
Other payables	298
<b>Trade and other payables</b>	<b>658</b>

All of the opening contract liabilities were recognised as revenue during the year. Refer to note 19 for further information on financial instruments.

### Note 16. Employee benefits

	2022
Current	\$'000
Annual leave	184
Employee related payables	436
<b>Employee benefits - current</b>	<b>620</b>
Non-current	\$'000
Long service leave	8
<b>Employee benefits - non current</b>	<b>8</b>

## Notes to the consolidated financial statements continued

### Note 17. Equity

	2022 \$'000
Share capital	6,667
Prepaid share reserves	11,666

#### Movements in ordinary share capital

Details	Shares	Issue Price	\$'000
Opening	-	-	-
Issue of share capital	6,666,678	\$ 1.00	6,667
<b>31 December 2022</b>	<b>6,666,678</b>	<b>1.00</b>	<b>6,667</b>

\$11,666k of prepaid shares were issued as share capital subsequent to 31 December 2022. This was paid to the Company during the period and issued as share capital on 23 April 2023.

#### 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 18 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 2022

## Notes to the consolidated financial statements continued

### Note 19. Financial Instruments

	Note	2022 \$'000
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents		5,839
Trade and other receivables	10	1,683
Rental bonds	13	1,930
		<b>9,452</b>
<b>Financial liabilities measured at amortised cost</b>		
Trade payables	15	349
Other payables	15	298
Lease liabilities	23	26,361
		<b>647</b>

#### 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 Directors. 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.

## Notes to the consolidated financial statements continued

### 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.

## Notes to the consolidated financial statements continued

### Note 19. 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.

2022	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
<b>Non-derivatives</b>						
<b>Non-interest bearing</b>						
Trade payables	-	349	-	-	-	349
Other payables	-	298	-	-	-	298
<b>Interest-bearing</b>						
Lease liability	11.01%	2,827	3,015	9,261	49,022	64,125
<b>Total non-derivatives</b>		<b>3,474</b>	<b>3,015</b>	<b>9,261</b>	<b>49,022</b>	<b>64,772</b>

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.

## Notes to the consolidated financial statements continued

### Note 20. Key management personnel disclosures

#### Compensation

The aggregate compensation made to Directors and other members of Key Management Personnel of the Company during the period is nil.

In April 2022, the Group entered into a Centre Management Deed (the Deed) with Nido, a related party. The key management personnel are paid by Nido and under this Deed the fees for key management personnel are not cross charged rather a management fee for all of the services provided by Nido to the group is paid.

### Note 21. 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:

	2022
	\$
<i>Audit services</i>	
Audit or review of the financial statements	59,565

### Note 22. Commitments and contingencies

#### Commitments

At 31 December 2022 the group has nil commitments.

#### Contingent liabilities

The group had no contingent liabilities as at 31 December 2022.

#### Guarantees

The Company has given a corporate guarantee as at 31 December 2022 of \$1,930,000 to lessors in relation to property leases on a number of child care facilities.

### Note 23. 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	2022
	\$'000
Opening	-
Additions	25,988
Depreciation expense	(567)
<b>Balance at 31 December</b>	<b>25,421</b>

## Notes to the consolidated financial statements continued

<b>Lease liability</b>	<b>2022</b>
	<b>\$'000</b>
Opening	-
Additions	25,988
Interest expense	1,202
Lease payments	(829)
<b>Balance at 31 December</b>	<b>26,361</b>
Current	2,691
Non-current	23,670
<b>Future undiscounted lease payments</b>	<b>2022</b>
	<b>\$'000</b>
Less than one year	2,827
One to five years	12,276
More than five years	49,022
	<b>64,125</b>
<b>Amounts recognised in profit or loss</b>	<b>2022</b>
	<b>\$'000</b>
<b>Leases under AASB 16</b>	
Interest on lease liabilities	1,202
Depreciation on right of use assets	567
<b>Amounts recognised in statement of cashflows</b>	<b>2022</b>
	<b>\$'000</b>
<b>Total cash outflow for leases</b>	<b>829</b>

### 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.

## Notes to the consolidated financial statements continued

### Note 24. Related party transactions

#### Parent entity

AE Early School Holdings Pty Limited is the parent entity of AES Group.

#### Subsidiaries

Interests in subsidiaries are set out in note 26.

#### Key management personnel

Refer to note 20

#### Transactions with related parties

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

	15 February - 31 December 2022
	<u>\$'000</u>
Capital received from shareholders	18,333
Fees paid to related parties	2,057
Net purchases on behalf of related parties	2,348
Advance to related party	500

#### Centre management deed

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

#### Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to other receivables with related parties:

	2022 <u>\$'000</u>
Other receivables to related parties	328
Advance to related party	500

#### Loans to/from related parties

There are no balances are outstanding at the reporting date in relation to loans with related parties.



## Notes to the consolidated financial statements continued

### Note 25. Parent entity information

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

	Parent
<b>Statement of profit or loss and other comprehensive income</b>	<b>2022</b>
	<b>\$'000</b>
Loss for the period	-
<b>Total comprehensive income</b>	<b>-</b>
	<b>Parent</b>
	<b>2022</b>
<b>Statement of financial position</b>	<b>\$'000</b>
Total current assets	18,333
<b>Total assets</b>	<b>18,333</b>
Total current liabilities	-
<b>Total liabilities</b>	<b>-</b>
<b>Equity</b>	
Contributed Equity	18,333
Accumulated losses	-
<b>Total equity</b>	<b>18,333</b>

#### 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 2022.

#### Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2022.

#### 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.

## Notes to the consolidated financial statements continued

### Note 26. 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
	2022
AES Finance (Holdings) Pty Ltd	100%
AE Early School Development Co Pty Ltd	100%
AES Services (Holdings) Pty Ltd	100%
AES Property Services East Coast Pty Ltd	100%
AES Property Services West Coast Pty Ltd	100%
AES Employee Services Pty Ltd	100%
AES Operations Pty Ltd	100%
THINK ROSANNA 3084 PTY LTD	100%
THINK 3 ESSENDON RAL PTY LTD	100%
THINK 3 SANDRINGHAM BAY PTY LTD	100%
THINK CHILDCARE 3058 PTY LTD	100%
THINK CHILDCARE 3204 PTY LTD	100%
THINK 3 CHELTENHAM BER PTY LTD	100%
AES 3555 Pty Ltd	100%
AES 4133 Pty Ltd	100%
Nest 2290 Pty Ltd	100%
AES 3150 Pty Ltd	100%
AES 3020 Pty Ltd	100%
AES 4165 Pty Ltd	100%
THINK CHILDCARE 6055 PTY LTD	100%
THINK CHILDCARE 6308 PTY LTD	100%
THINK CHILDCARE 6148 PTY LTD	100%
THINK CHILDCARE 5121 PTY LTD	100%
THINK CHILDCARE 5097 PTY LTD	100%
NEST 5017 PTY LTD	100%
NEST 5096 PTY LTD	100%
THINK CHILDCARE 5076 PTY LTD	100%
NEST 6031 PTY LTD	100%
AES 5041 PTY LTD	100%
AES 6101 PTY LTD	100%
AES 6164 PTY LTD	100%
AES 6210 PTY LTD	100%
AES 6036 PTY LTD	100%
AES 6169 Pty Ltd	100%
Think Childcare 6055 Pty Ltd	100%
AES 5043 Pty Ltd	100%
AES 6167 Pty Ltd	100%
Think Childcare 5097 Pty Ltd	100%

## Notes to the consolidated financial statements continued

### Note 27. Reconciliation of profit after income tax to net cash from operating activities

	2022
	\$'000
Profit for the period	(7,987)
Adjustments for:	
Depreciation and amortisation	594
Finance Costs	373
Change in operating assets and liabilities:	
Increase in trade and other receivable	(1,683)
Increase in deferred tax assets	(331)
Increase in other assets	(2,204)
Increase in trade and other payables	1,094
Increase in employee benefits	192
Net cash from operating activities	(9,952)

### Note 28. Earnings per share

	2022
	\$'000
Total comprehensive income attributable to:	
Members of AE Early School Holdings Pty Limited	(7,987)
	Number
Weighted average number of shares used in calculating basic earnings per share	6,666,678
Weighted average number of shares used in calculating diluted earnings per share	6,666,678
<b>Earnings per share</b>	<b>Cents</b>
Basic	(119.80)
Diluted	(119.80)

### Note 29. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 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 directors of AE Early School Holdings Pty Limited (the 'Company'):

1. the attached consolidated financial statements and notes that are set out on pages 5 to 34 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 2022 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 directors draw 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 directors.



David Wilshire

Director

2 June 2023 | Sydney



# Independent Auditor's Report

To the shareholders of AE Early School Holdings Pty Limited

## Opinion

We have audited the **Financial Report** of AE Early School Holdings 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 2022 and of its financial performance for the period from 15 February 2022 to 31 December 2022; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2022
- 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 then ended
- 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 and the Group'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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)  
This description forms part of our Auditor's Report.

  
KPMG



Paul Thomas

*Partner*

Sydney

2 June 2023