

Appendix 4D

Lodged with the ASX under Listing Rule 4.2A.3

Company details

Name of reporting entity:	Mayfield Childcare Limited (ABN: 53 604 970 390)
ASX Code:	MFD
Reporting period:	Half-year ended 30 June 2024
Previous corresponding reporting period (pcp):	Half-year ended 30 June 2023

Results for announcement to the market

	Movement	%		\$
Revenue from ordinary activities	Up	5.2	to	38,218,382
Underlying EBITDA ¹	Up	82.3	to	1,545,871
(Loss) from ordinary activities after tax attributable to members	Down	34.3	to	(796,996)
(Loss) for the period attributable to members	Down	34.3	to	(796,996)

1. Underlying EBITDA reverses the property leases impact of AASB16 Leases. It is a non-statutory financial concept and measure which is not prescribed by Australian Accounting Standards (AAS). The Directors consider that this measure is useful in gaining an understanding of the performance of the entity, consistent with internal reporting.

Dividend type	Amount per security (cents)	Franked amount per security (cents)
Final dividend for the year ended 31 December 2023	Nil	Nil
Interim dividend for the half year ended 30 June 2024	0.5	0.5

The Company has a Dividend Reinvestment Plan (DRP), shareholder participation in which is optional.

On 30 August 2024 the Company was pleased to declare an interim dividend for the half-year ended 30 June 2024 of 0.5 cents per ordinary share, fully franked, with a record date of 5 September 2024. The dividend will be paid on 26 September 2024. The dividends are to be paid out of available retained earnings.

Commentary on results

For further details relating to the financial and operational performance for the period, please refer to the Review of Operations in the attached Half Year Financial Report and the FY24 half year results annoucement.

Net tangible assets

	30 June 2024 (cents)	30 June 2023 (cents)
Net tangible asset backing per ordinary share ¹	(241.04)	(233.84)

1. Right-of-use assets are excluded from, whilst lease liabilities are included in, the calculation of net tangible asset (NTA) backing per ordinary share. Underlying (pre-AASB 16 Leases) NTA is (12.9) cents (30 Jun 2023: (14.1) cents).

Control over other entities

No control was gained or lost over any entity during the reporting period.

Associates and joint venture entities

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

Compliance statement

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



David Niall - Chairman

Melbourne
30 August 2024



mayfield

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Interim Report

for the Half-year ended 30 June 2024



Directors' Report

Your directors present their report on the consolidated entity (referred hereafter as the 'Group') consisting of Mayfield Childcare Limited ('Mayfield' or 'Company') and the entity it controlled for the half-year ended 30 June 2024.

Directors

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

- David Niall, *Chairman and Non-Executive Director*
- Ashok Naveinthiran, *Executive Director & CEO*
- Roseanne Healy, *Non-Executive Director*

Principal activities

During the half-year the principal activity of the Group consisted of operating long day childcare (LDC) centres located in Victoria, Queensland and South Australia.

Dividends

On 30 August 2024 the Company was pleased to declare an interim dividend for the half-year ended 30 June 2024 of 0.5 cents per ordinary share, fully franked, with a record date of 5 September 2024. The dividend will be paid on 26 September 2024, the total cost of which is estimated to be \$326,564, which is expected to be satisfied by a combination of cash payments and the issue of DRP shares which rank equally with all other fully paid-up ordinary shares of the Company. The DRP is offered by the Company to all its shareholders. The dividends are to be paid out of available retained earnings.

Review of operations

The following tables summarise the key financial metrics for the half-year ended 30 June 2024:

	Group Half Year 2024 \$'000	Group Half-year 2023 \$'000	Change \$'000
Childcare Services Revenue	37,691	35,654	2,037
Other Income ³	527	669	(142)
Revenue & other income	38,218	36,323	1,895
Labour costs	(22,835)	(21,497)	(1,338)
Agency costs	(464)	(1,412)	948
Centre operating costs	(2,835)	(2,374)	(461)
Rent and outgoing	(6,414)	(5,689)	(725)
Other facilities costs	(964)	(1,389)	425
Head office staff and corporate overheads	(3,160)	(3,114)	(46)
Underlying EBITDA¹	1,546	848	698

Review of operations (continued)

After reversing the property leases impact of AASB 16 Leases², 'adjusted' NPAT from Continuing Operations was up 437% on the previous corresponding reporting period as follows:

<i>NPAT Adjusted for AASB16</i>	Statutory Half-year 2024	Reversing AASB 16 Impact	Adjusted for ASB16 Half-year 2024	Adjusted Half-year 2023
	\$'000	\$'000	\$'000	\$'000
EBITDA	6,997	(5,451)	1,546	848
Depreciation	(5,762)	5,030	(732)	(598)
EBIT	1,235	(421)	814	250
Finance costs	(2,522)	2,100	(422)	(396)
Tax	490	(504)	(14)	34
NPAT from Continuing Operations	(797)	1,175	378	(112)

1. Adjusted, NPAT, NPAT from Continuing Operations, Underlying, EBITDA and EBIT are non-statutory financial concepts and measures which are not prescribed by Australian Accounting Standards (AAS). The Directors consider that these measures are useful in gaining an understanding of the performance of the entity, consistent with internal reporting.
2. For an explanation of AASB 16 Leases please refer to Note 1. Summary of significant accounting policies on page 26 of the Annual Report for the year ended 31 December 2023.
3. Income generated through non-Long Day Care related activities and insurance payments received in relation to a damaged centre.

After reversing the property leases impact of AASB 16 Leases, 'adjusted' Earnings Per Share¹ (EPS) from Continuing Operations was up 0.75 cents per share or 103% as follows:

Underlying EPS	Statutory Half-year 2024	Reversing AASB 16 Impact	Underlying Half-year 2024	Underlying Half-year 2023
	Cents	Cents	Cents	Cents
Basic and diluted earnings per share	(1.22)	1.80	0.58	(0.17)
	\$	\$	\$	\$
<i>Earnings used in calculating EPS</i>				
NPAT from Continuing Operations	(796,996)	1,175,506	378,510	(111,998)
	Number	Number	Number	Number
Weighted average number of shares	65,312,704	65,312,704	65,312,704	65,312,704

1. Adjusted EPS and NPAT from Continuing Operations are non-statutory financial measures which are not prescribed by Australian Accounting Standards (AAS). The Directors consider that these measures are useful in gaining an understanding of the performance of the entity, consistent with internal reporting.

For further details relating to the financial and operational performance for the period please refer to the Half Year Results announcement.

Significant changes in the state of affairs

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

Matters subsequent to the end of the half-year

Other than as disclosed in Note 13, no other matter or circumstance has arisen since 30 June 2024 which has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Group expects to continue to execute its business plan, in line with its strategic objectives, as outlined in its 2023 Annual Report. Future growth is expected to come through the continued improvement of existing centres and the acquisition of new, long day childcare centres.

Auditor's independence declaration

A copy of the auditor's independence declaration, as required under section 307C of the Corporations Act 2001, is set out on page 7.

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



David Niall
Chairman

Melbourne
30 August 2024

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF MAYFIELD CHILDCARE LIMITED

In relation to our review of the financial report of Mayfield Childcare Limited for the half-year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (b) no contraventions of any applicable code of professional conduct.

This declaration is made in respect of Mayfield Childcare Limited and the entities it controlled during the financial period.

A stylized, handwritten-style signature of the letters 'PKF' in black ink.

PKF Melbourne
30 August 2024

A handwritten signature in black ink that reads 'Kaitlynn Brady' in a cursive script.

Kaitlynn Brady
Partner

Interim Financial Report

For the half-year ended 30 June 2024

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This interim financial report is for the consolidated entity (referred hereafter as the ‘Group’) consisting of Mayfield Childcare Limited (‘Mayfield’ or ‘Company’) and its subsidiary.

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

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

Suite 2, Ground Floor
207-213 Waverley Road
Malvern East VIC 3145

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

The financial report was authorised for issue by the directors on 30 August 2024. The directors have the power to amend and to reissue the interim financial report.

A copy of this financial report may be obtained from the websites of either the ASX (www.asx.com.au) or Mayfield Childcare Limited (www.mayfieldchildcare.com.au).

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 30 June 2024

	Note	Half-year 2024 \$	Half-year 2023 \$
Revenue	3	38,218,382	36,322,864
Employee costs		(25,339,704)	(22,880,595)
Centre operations costs		(2,933,621)	(4,108,268)
Facilities costs		(1,926,601)	(2,354,612)
Administration costs		(1,021,427)	(1,406,316)
Bad debts written off		-	(2,010)
Depreciation and amortisation of plant and equipment	5	(731,789)	(598,070)
Depreciation charge on right-of-use assets	8	(5,030,319)	(4,657,843)
Finance costs		(2,522,066)	(2,032,573)
(Loss) before income tax		(1,287,145)	(1,717,423)
Income tax benefit / (expense)		490,149	505,215
(Loss) after income tax for the half-year entirely attributable to the owners of Mayfield Childcare Limited		(796,996)	(1,212,208)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year entirely attributable to the owners of Mayfield Childcare Limited		(796,996)	(1,212,208)
		Cents	Cents
Basic and diluted earnings per share	14	(1.22)	(1.86)

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

Consolidated statement of financial position as at 30 June 2024

	Note	30 June 2024 \$	31 December 2023 \$
Assets			
Current assets			
Cash and cash equivalents		160,525	362,665
Trade and other receivables	4	3,090,800	2,993,015
Current tax receivable		2,771	571,311
Prepayments		411,935	183,593
Total current assets		3,666,031	4,110,584
Non-current assets			
Plant and equipment	5	4,282,895	4,454,576
Intangible assets	6	78,689,201	78,689,201
Right-of-use assets	8	138,808,893	144,320,822
Security deposit		5,300	5,300
Deferred tax asset		4,514,327	4,127,405
Total non-current assets		226,300,616	231,597,304
Total assets		229,966,647	235,707,888
Liabilities			
Current liabilities			
Trade and other payables	9	4,159,677	4,160,117
Contract liabilities		1,102,301	1,110,780
Borrowings	7	-	7,546,600
Leases	8	7,082,627	6,822,528
Provisions	15	4,473,668	4,494,554
Total current liabilities		16,818,273	24,134,579
Non-current liabilities			
Borrowings	7	6,472,600	-
Leases	8	141,951,882	146,044,615
Provisions		135,175	145,303
Total non-current liabilities		148,559,657	146,189,918
Total liabilities		165,377,930	170,324,497
Net assets		64,588,717	65,383,391
Equity			
Contributed equity		60,618,740	60,618,740
Equity reserves	10(e)	2,322	-
Retained earnings		3,967,655	4,764,651
Total equity		64,588,717	65,383,391

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

Consolidated statement of changes in equity for the half-year ended 30 June 2024

	Share Capital	Retained Earnings	Equity Reserves	Total
	\$	\$	\$	\$
Balance as at 1 January 2023	60,618,740	9,059,946	-	69,678,686
(Loss) after income tax expense for the half-year	-	(1,212,208)	-	(1,212,208)
Total comprehensive income for the half-year	-	(1,212,208)	-	(1,212,208)
<i>Transactions with owners in their capacity as owners:</i>				
Dividend paid	-	(2,860,698)		(2,860,698)
Balance as at 30 June 2023	60,618,740	4,987,040	-	65,605,780
Balance as at 1 January 2024	60,618,740	4,764,651	-	65,383,391
(Loss) after income tax expense for the half-year	-	(796,996)	-	(796,996)
Total comprehensive income for the half-year	-	(796,996)		(796,996)
<i>Transactions with owners in their capacity as owners:</i>				
Performance rights issued to employees	-	-	2,322	2,322
Balance as at 30 June 2024	60,618,740	3,967,655	2,322	64,588,717

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

Consolidated statement of cash flows for the half-year ended 30 June 2024

	Note	Half-year 2024 \$	Half-year 2023 \$
Cash flows from operating activities			
Receipts from customers, including government funding		37,527,211	34,920,145
Payments to suppliers and employees		(31,244,265)	(30,845,682)
		6,282,946	4,074,463
Other receipts		261,684	1,096,601
Interest paid on lease liabilities		(2,100,135)	(1,636,970)
Net interest paid on borrowings		(394,533)	(721,248)
Net income tax refunded / (paid)		284,049	(1,333,252)
Net cash inflow from operating activities		4,334,011	1,479,594
Cash flows from investing activities			
Payments for acquired centres		-	(4,342,010)
Payments for plant and equipment	5	(570,506)	(1,305,371)
Payments for security deposits		-	(4,500)
Proceeds from the disposal of plant and equipment		-	150
Net cash (outflow) from investing activities		(570,506)	(5,651,731)
Cash flows from financing activities			
Proceeds from / (repayment of) borrowings	7	(1,074,000)	7,809,440
Proceeds from amounts repaid by Related Party	12	459,378	-
Repayment of lease liabilities		(3,351,023)	(3,086,114)
Dividend paid		-	(2,860,698)
Net cash inflow / (outflow) from investing activities		(3,965,645)	1,862,628
Net (decrease) in cash and cash equivalents		(202,140)	(2,309,509)
Cash and cash equivalents at the beginning of the half-year		362,665	2,656,793
Cash and cash equivalents at the end of the half-year		160,525	347,284

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

Notes to the consolidated financial statements for the half-year ended 30 June 2024

Note 1. Summary of Significant Accounting Policies

These general purpose financial statements are for the consolidated entity ('Group') consisting of Mayfield Childcare Limited ('Mayfield' or 'Company') and its subsidiary for the interim half-year reporting period ended 30 June 2024. They have been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001, as appropriate for 'for profit' entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard (IFRS) IAS 134 Interim Financial Reporting.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2023 and all public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial statements are prepared on a going concern basis and under the historical cost convention.

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

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

Going concern

The Group's current liabilities exceed current assets at reporting date by \$13.2 million (31 December 2023: \$20.0 million). The position as at reporting date is to be considered in noting the following:

- This included \$7.1 million of lease liabilities based on the application of AASB16 Leases.
- The Group had an underlying EBITDA of \$1.5 million in the six months ended 30 June 2024 (30 June 2023: \$0.8 million) demonstrating the Group's improved profitability. The Group has prepared a cashflow forecast for the next 12 months which indicates positive operating cash flows supported by improving occupancy concentration, competitive fee pricing and cost management initiatives.
- The Group generated a net operating cash inflow of \$4.3 million during the current reporting period and is forecasting that it will continue to generate improved net operational cash inflow, and be profitable, for the next 12 months.
- As detailed in Note 7, the Group had up to \$4.4 million (at reporting date) available to be drawn down from its Business Loan facility for working capital requirements. Whilst the loan facility reduces monthly until maturity, no principal repayments are due in the next twelve months in accordance with the Facility Agreement.
- The Group has approval to drawdown approximately \$4.4 million under the Acquisition Facility related to the acquisition of centres completed during the previous corresponding reporting period (subject to the conditions precedent being met in accordance with the Facility Agreement and the finalisation of the centres being included as part of the security structure for the group).
- In the current reporting period, the Group notified its Lender that it was likely to be non-compliant with one of its financial covenants under its Finance Facility. The Group's covenant reporting is on a six monthly basis for the previous rolling twelve months and thus reflects the challenges the business experienced in the 2023 financial year. Prior to the end of the current reporting period, the Lender has confirmed that it will not cancel or recall the facilities solely as a consequence of the non-compliance within a 12 month period from the signing of the 30 June 2024 half year Financial Report provided that there are no further breaches of covenants or undertakings by the Group and no events of default. As such, all borrowings under the Facility are classified as Non-Current at 30 June 2024.
- The Group has strong banking relationships and access to equity capital markets as an alternative source of funding. The Group has the ability to fund acquisition growth through the issue of equity.

In consideration of the above, the Directors have prepared the financial statements on a going concern basis.

Notes to the consolidated financial statements for the half-year ended 30 June 2024

Note 1. Summary of Significant Accounting Policies (continued)

Amendments to Accounting Standards and new Interpretations that are mandatory, effective from the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

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

New Accounting Standards and Interpretations published but not yet adopted

There have been no new standards published but not yet adopted that would have a material impact upon either the Group's reported financial performance or its financial position

Note 2. Operating segments

Identification of reportable segments

The Group continues to operate in one operating segment, as a long day childcare services provider.

The Group continues to operate in one geographical segment, being Australia.

Major customers

The Group did not have any major customers during the half-year ended 30 June 2024, as it earns the majority of its revenue from childcare services provided to individual families.

	Half-year 2024 \$	Half-year 2023 \$
Note 3. Revenue		
<i>Revenue from contracts with customers</i>		
Childcare services	37,691,280	35,654,031
Other income		
Other income	527,102	668,833
	38,218,382	36,322,864
Other income		
<i>Other income includes:</i>		
Business interruption insurance claim income	179,398	358,078

	30 June 2024 \$
Note 4. Current assets – Trade and other receivables	
Trade receivables net of provision for impairment	2,417,009
GST receivable (net)	138,615
Other receivables	535,176
	3,090,800

Notes to the consolidated financial statements for the half-year ended 30 June 2024

Note 5. Non-current assets – Plant and equipment

	30 June 2024 \$
Plant and equipment	
Plant and equipment – at cost	9,088,811
Less: Accumulated depreciation	(4,805,916)
Net book amount	4,282,895
Reconciliation	
Opening net book amount at beginning of half-year	4,454,576
Additions	570,506
Disposals	(10,398)
Depreciation expense	(731,789)
Closing net book amount at end of half-year	4,282,895

Note 6. Non-current assets – Intangible assets

Goodwill – at cost	78,682,928
Other IP assets – at cost	6,273
Intangibles – at cost	78,689,201

Note 7. Current & Non-current liabilities – Borrowings

Current	-
Non-current	6,472,600
	6,472,600
Bank Loans	
Balance at beginning of half-year	7,546,600
Net (repayments)	(1,074,000)
Balance at end of half-year	6,472,600

Notes to the consolidated financial statements for the half-year ended 30 June 2024

30 June
2024
\$

Note 7. Current & Non-current liabilities – Borrowings (continued)

Financing arrangements

Bank loans

The loans are secured on the assets and undertakings of the Group.

Facility at end of half-year

Total bank loan facility	22,165,000
Less amount used	(6,472,600)
Unused loan facility	15,692,400

The total bank loan facility available reduces by \$357,000 on a monthly basis until the loan facility matures for renewal on 2 August 2025. Of the \$15.7 million unused, \$11.3 million is only available for future acquisitions and there are specific criteria which need to be met prior to any drawdown. The Group had up to \$4.4 million (at reporting date) available to be drawn down from its lending facility for working capital requirements.

As at 30 June 2024, the Group has classified the amount drawn down under the Facility (\$6.5 million) as Non-current.

During the current reporting period, the Group notified its Lender that it was likely to be non-compliant with one of its financial covenants under its Finance Facility. The Group's covenant reporting is on a six monthly basis for the previous rolling twelve months and thus reflects the challenges the business experienced in the 2023 financial year. Prior to the end of the current reporting period, the Lender has confirmed that it will not cancel or recall the facilities solely as a consequence of the non-compliance within a 12 month period from the signing of the 30 June 2024 half year Financial Report provided that there are no further breaches of covenants or undertakings by the Group and no events of default. As such, all borrowings under the Facility are classified as Non-Current at 30 June 2024. Had the Group not notified its Lender prior to the end of the current Reporting Period, the borrowings would otherwise have been classified as Current Liabilities. The relevant ratio where the Group has reported to its Lender that it will likely be non-compliant is:

- The Group's Fixed Charge Cover Ratio (FCCR). The covenant requires the FCCR to be not less than 1.50 times. The FCCR is calculated as the sum of: EBITDA (where EBITDA is adjusted to exclude the application of AASB 16 Leases), plus operating lease expense, plus rent expense divided by the sum of: gross interest expense, plus operating lease expense, plus rent expense.

There is a risk that the Group may not comply with this covenant in its upcoming covenant reporting period ended 31 December 2024 in which case the liabilities could otherwise become repayable within twelve months after the reporting period. Should this eventuate, the Group will liaise with the lender accordingly. In the Directors opinion the Group has strong banking relationships and has received support from its Lender as evidenced by the recent acquisitions (Note 13 Events occurring after the reporting period) and the Lenders approval of the current period Dividend (Note 10 Contributed Equity).

Assets pledged as security

The bank loan of \$6.5 million (2023: \$7.5 million) is secured by a first ranking security held by the Lender over the assets and undertakings of Mayfield Childcare Limited and its wholly owned subsidiaries.

Bank guarantee facility

The guarantees are secured on the assets and undertakings of the Group.

Facility at end of half-year

Total bank guarantee facility	4,500,000
Less amount used	(4,155,505)
Unused guarantee facility	344,495

Notes to the consolidated financial statements for the half-year ended 30 June 2024

Note 8. Leases

	Half-year 2024
A. Expenses	\$
Expenses from transactions not recognised as leases:	
Rental expense relating to leases of low-value assets	25,031

B. Cash flows	
Total cash outflow for leases	3,251,023

C. Right-of-use assets	Property \$
Right-of-use assets	172,912,458
Less: Accumulated depreciation	(34,103,565)
Net book amount at end of half-year	138,808,893

Reconciliation	
Opening net book amount at beginning of half-year	144,320,822
(Decreases) due to modification of lease term assumptions	(808,951)
Increase due to remeasurement of lease liabilities upon increase of variable lease payments	327,341
Depreciation charge	(5,030,319)
Closing net book amount at end of half-year	138,808,893

D. Lease Liabilities	\$
Current	7,082,627
Non-current	141,951,882
Balance at end of half-year	149,034,509

Additional information

Assets pledged as security

For the purpose of calculating unavoidable future lease payments, only the current term of each property lease has been considered, unless the option to exercise the next further term falls within 3 years of reporting date, in which case exercise of the next further term is considered to be reasonably certain, thus both the current and subsequent further term lease payments are considered to be unavoidable.

Weighted average property lease term

The average unavoidable property lease term, weighted for the number of licensed places, is 18.1 years. Including all further terms, the weighted average term increases to 33.8 years.

Notes to the consolidated financial statements for the half-year ended 30 June 2024

Note 9. Current liabilities – Trade and other payables

	Half-year 2024
	\$
Trade payables	747,090
Accrued employee liabilities	1,601,461
Other payables	1,811,126
	<u>4,159,677</u>

Note 10. Contributed equity

(a) Share capital

The share capital account of Mayfield Childcare Limited (the Company) consists of 65,312,704 fully paid up, ordinary shares as at 30 June 2024.

Ordinary shares entitle the holder to participate in dividends, and the proceeds on winding up of the Company, in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting of the Company, either personally or by duly authorised representative, proxy or attorney, is entitled to one vote and, upon a poll, each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(b) Movements in ordinary share capital

There were no movements in the ordinary share capital of the Company during the current reporting period were as follows:

Date	Details	Number of shares	Amount \$
1 Jan 2024	Opening balance	65,312,704	60,618,740
	No movement	-	-
30 Jun 2024	Closing balance	65,312,704	60,618,740

(c) Dividend Reinvestment Plan (DRP)

The Company has established a Dividend Reinvestment Plan (DRP) under which holders of ordinary shares may elect to have all or part of their dividend entitlement satisfied by the issue of new ordinary shares, rather than by being paid in cash. Whether or not the DRP is offered to shareholders in relation to a declared dividend is at the discretion of the Board.

(d) Dividends

On 30 August 2024 the Company was pleased to declare an interim dividend for the half-year ended 30 June 2024 of 0.5 cents per ordinary share, fully franked, with a record date of 5 September 2024. The dividend will be paid on 26 September 2024, the total cost of which is estimated to be \$326,564, which is expected to be satisfied by a combination of cash payments and the issue of DRP shares which rank equally with all other fully paid up ordinary shares of the Company. The DRP is offered by the Company to all its shareholders. The dividends are to be paid out of available retained earnings.

(e) Share options

There were no unissued ordinary shares of Mayfield Childcare Limited under option at 30 June 2024.

There were no ordinary shares of Mayfield Childcare Limited issued on the exercise of options during the half-year.

Notes to the consolidated financial statements for the half-year ended 30 June 2024

Note 10. Contributed equity (continued)

(e) Performance rights

During the period, 120,370 Performance Rights were granted by the Company to Mr Ashok Naveinthiran (Chief Executive Officer). The Performance Rights are subject to vesting conditions including:

- continued service with the Company up to the relevant exercise date; and
- achievement of compound annual growth rate (CAGR) of reported (audited) basic earnings per share (EPS) with CAGR of EPS over the 2 financial years ended 31 December 2025.

The last date for exercise of the Performance Rights is 31 May 2026 (subject to satisfaction of vesting conditions).

The Performance Rights carry no dividend or voting rights.

Note 11. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in Note 1(b) of the Notes to the Consolidated Financial Statements of the Group for the year ended 31 December 2023:

Name of entity	Country of incorporation	Class of shares	June 2024 %
Genius Education Pty Ltd	Australia	Ordinary	100

1. On 25 July 2024 the Directors of Genius Education Pty Ltd resolved to change the name of Genius Education Pty Ltd to Mayfield Early Education Pty Ltd.

Note 12. Related party transactions

Parent entity

The parent entity of the Group is Mayfield Childcare Limited

Subsidiaries

Please refer to Note 11 for details of the Company's interests in subsidiaries.

Transactions with related parties

Loans to Genius Learning Pty Ltd (a related party of Genius Education Holdings Pty Ltd, a major shareholder of Mayfield Childcare Limited)

As disclosed in the prior reporting period ended 31 December 2023, as a result of prior period services between the parties there was an accumulated unsecured amount receivable from Genius Learning Pty Ltd of \$459,378. This amount was received in cash during the reporting period.

An amount of \$201,501 was owed by Genius Learning Pty Ltd to Genius Education Pty Ltd in relation to amounts net of income / expenses that were collected / incurred by Genius Learning Pty Ltd during the transition period for four centres acquired by Genius Education Pty Ltd in the financial year ended 31 December 2023. Subsequent to the current reporting period end, this amount owed has been received in cash.

Incubator Agreement with Genius Learning Pty Ltd

During the current reporting period, \$25,000 was invoiced by Mayfield Childcare Limited in relation to the initial work completed to determine the viability of a potential managed services agreement which as at the date of this report has not yet proceeded.

No other related party revenue has been recognised during the half-year.

Notes to the consolidated financial statements for the half-year ended 30 June 2024

Note 13. Events occurring after the reporting period

On 8 July 2024, the Group announced that it had entered into an exclusivity agreement and a \$4.8 million conditional offer to acquire, subject to completion of definitive transaction agreements, seven operating centres and the business assets, including brand name and related intellectual property, of early childhood education and care provider, Precious Cargo, in South Australia.

On 13 August 2024, the Group announced that it had executed binding agreements, subject to customary completion conditions, for the acquisition of seven operating centres and the business assets of Precious Cargo, an established early childhood education and care provider in South Australia. The acquisition purchase price of \$4.8 million is subject to agreed settlement adjustments estimated to be in the range of \$2.2 million to \$2.4 million primarily related to parent bonds and staff entitlements.

On 19 August 2024 the Group announced that it had completed the acquisition of seven operating centres and the business assets, including intellectual property, of Precious Cargo, an established early childhood education and care provider in South Australia. The total consideration paid at settlement of \$2.3 million was funded from existing working capital facilities.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations or the Group's state of affairs in future years.

Note 14. Earnings per share

	Half-year 2024	Half-year 2023
	Cents	Cents
Basic and diluted earnings per share	(1.22)	(1.86)
	Number	Number
Weighted average number of shares	65,312,704	65,312,704
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share		
	Half-year 2024	Half-year 2023
	\$	\$
Earnings used in calculating basic and diluted earnings per share		
(Loss) after tax attributable to the ordinary equity holders of the Group	(796,996)	(1,212,208)

Note 15. Contingencies

The Group raised a \$1.39 million provision as at 31 December 2023 to reflect historical amounts received in funding that Mayfield may not have been entitled to receive, due to a non-compliant fee billing policy implemented in 2018. The Group has continued to engage with the relevant Government Department to finalise the matter and at present do not consider that fines and/or penalties will be levied. The amount has been recorded as a current liability as at balance date.

Other than the above, the Group has no contingent liabilities as at reporting date (30 June 2023: None).

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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



David Niall
Chairman

Melbourne
30 August 2024



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MAYFIELD CHILDCARE LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Mayfield Childcare Limited (the Company) and its subsidiaries (collectively, the Group), which comprises the condensed consolidated statement of financial position as at 30 June 2024, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

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

- (a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024, and of its consolidated financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Half year Financial Report section of our report. We are independent of the Group in accordance with 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 review of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

PKF Melbourne Audit & Assurance Pty Ltd is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s). Liability limited by a scheme approved under Professional Standards Legislation.



Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

The PKF logo, consisting of the letters "PKF" in a stylized, handwritten font.

PKF Melbourne
30 August 2024

A handwritten signature in black ink that reads "Kaitlynn Brady".

Kaitlynn Brady
Partner