2024 Annual Report

mayfield

Mayfield Childcare Limited (ABN: 53 604 970 390)
Annual Report – 31 December 2024

Contents

Acknowledgement of Country

We acknowledge the Traditional Owners of the land on which we operate our childcare services across Australia. We pay our respects to their Elders, past, present and emerging, and recognise the ongoing connection to Country and the important role that Aboriginal and Torres Strait Islander peoples continue to play in caring for this land.

As a childcare services provider, we are committed to working collaboratively with Indigenous communities to promote reconciliation, cultural awareness and understanding. We recognise the importance of valuing and respecting Indigenous cultures and knowledge, and seek to embed this in our practices and policies to ensure that we provide culturally safe and inclusive environments for all children in our care.

We nurture. It's our nature.

At Mayfield, our centres help every child reach their natural potential. A place to grow and discover. Grounded in each community. Where experienced educators, deliver quality care for every child. Where you are family, and each day is full of joyful possibilities. A place to be all that they can be.

Our Business

Mayfield Childcare Limited owns and operates 45 long day care centres located in Victoria, Queensland and South Australia, providing quality education and care to over 3,000 families.

Our experienced Board, management and educational team of 1,100+ staff are passionate about providing the best quality childhood learning and care. Their focus is on creating a nurturing and safe environment that supports children's growth and development.

Overview

45 Centres

4,195 Licenced Places

1,100+ Staff

3,600+ Children

3,000+ Families


mayfield
early education

Our Approach

Our Vision

Where every child reaches their natural potential.

Our Mission

At Mayfield, we are committed to providing a warm, safe, and inviting environment for every child. We tailor programs that reflect each community's unique character and deliver quality education and care that exceeds expectations.

Our experienced team is dedicated to nurturing and developing every child's potential while encouraging independence, self-esteem and a sense of belonging.

Our philosophy is based on four pillars that serve as the foundational elements that define our identity, purpose and values.

Connected by Community, In Safe Hands, Quality Education You Can Count On, Home Away from Home.

1

Connected By Community

Every Mayfield centre is grounded in its location, providing warm and inviting spaces that welcome every child. They tailor programs that reflect each community's unique character. Whether it's a warm hello at the morning drop-off, sharing the adventures of the day with the children, or catching up with educators, Mayfield is at the heart of every child's community. After all, it takes a village.

2

In Safe Hands

The most important thing in any relationship is trust. Mayfield centres deliver on this promise through consistency, reliability, and attention to detail.

As a listed company, every action and process is rigorously assessed to ensure a safe, nurturing environment for every child.

3

Quality Education You Can Count On

At Mayfield, we aim to deliver the best quality education, care and governance, exceeding all expectations in everything we do. To achieve this, we are passionate about elevating and developing our experienced team. We want our people to take pride in being a part of Mayfield and to deliver on our promise of quality every day.

4

Home Away From Home

Care is at the heart of everything we do. Through our incredibly experienced team embedded in each community, Mayfield delivers warm and familiar learning environments that make every child feel like they are in a home away from home. We are protective, encouraging, supportive, and helpful. We are motivated by togetherness and inclusiveness, encouraging every child's independence, self-esteem, and sense of belonging. Join the family.

Our Centres

Our Strategy

At Mayfield our strategy is focused on expanding our existing areas of operation, strengthening our brand identity while maintaining a local community feel, investing in our people and culture, and leveraging innovation to drive operational efficiencies.

By focusing on the following key strategic pillars, we are confident in our ability to deliver sustainable growth, while maintaining our commitment to providing exceptional education and care to children in our communities.

Measured Expansion

Our expansion strategy is centred on growing our footprint in existing areas by pursuing selective acquisitions of high-quality childcare centres that align with our values and standards. This approach allows us to leverage our existing infrastructure and expertise, while also enhancing our ability to deliver exceptional education and care to children in our communities.

Community-focused Brand Strategy

We are committed to delivering a consistent brand experience across all our centres while still maintaining a strong connection to the local community. Our brand promise is built on providing high-quality early education services that are tailored to the unique needs of each child and family. By leveraging our brand strengths, we aim to increase brand recognition and trust, leading to increased enrolment and customer loyalty.

Sustainable Growth and Impact

We believe in taking a responsible approach to the environment and society. To that end, we are committed to building a sustainable business that creates long-term value for all stakeholders. As part of our Environmental, Social and Governance (ESG) strategy, we have implemented a number of initiatives to reduce our environmental footprint, including the use of renewable energy at many of our centres.

Building a Strong and Inclusive Culture

Our people and culture are at the heart of our success, and we are committed to investing in our employees to create a highly engaged and motivated team. We continue to develop our training and development program, and we offer a range of career advancement opportunities to support our team's professional growth. We are also focused on promoting diversity and inclusion in our workplace, creating a positive and supportive environment for all.

Efficiency through Innovation

We leverage innovation and technology to drive operational efficiencies, improve quality, and create a better experience for our children and families. We have invested in technology platforms to streamline administrative tasks, enabling our staff to focus on delivering high-quality education and care to children.

From the Chair

Dear Shareholders,

I am delighted to present my first Annual Report as Chair of Mayfield. Since joining the board in late 2023, it has been a privilege to be part of a team that is dedicated to making a positive impact by providing quality early education and care to children and families attending our centres.

I would like to thank outgoing Chair David Niall for his leadership of the board and significant contribution to Mayfield. We wish him every success for his future endeavours.

Our vision to build an environment where every child reaches their natural potential has been central to our culture and given focus to the whole Mayfield community. We continued to strengthen our corporate governance by enhancing organisational capabilities and building out a best practice operating environment to underpin the company and its future.

We have delivered a series of strategic initiatives, including the acquisition and integration of the 7 Precious Cargo Centres in South Australia and the closing out of a $4.6 million placement announced last December, combined with approval of a portfolio of centres for divestment and a new incubator Partnership with Steps Learning, to be led by our outgoing CEO.

We were fortunate to welcome Heidi Beck and Greg Johnson to our board as independent non-executive directors in the second half of the year. Both are experienced directors whose expertise complimented the Board. In line with his previously announced intention to step down as Chair, David Niall announced his retirement from the Board, at which time previous non-executive director Lubna Matta re-joined the board while Heidi Beck stepped down. We wish Heidi well in her future endeavours. Importantly, your board is well placed to contribute greatly to our strategic objectives and oversight moving forward.

Our staff and management team led and supported by our CEO Ashok Naveinthiran continue to show dedication and commitment to their work, delivering high-quality services to our families.

Along with a significantly improved underlying financial performance for the year, the Group continued to maintain a strong Balance Sheet with a reduction in net debt of $1.3 million, with $2.5 million invested to acquire Precious Cargo. The Balance Sheet was further strengthened by the $4.6 million placement which was completed in early January to support the timing of the Early Childhood Education and Care worker retention grant (ECEC) implementation.

We remain committed to executing Mayfield's strategy to unlock long-term value for shareholders. This includes acquiring new childcare centres and leveraging our operating model and capabilities where it continues to strengthen our economies of scale and deliver a superior value proposition to our families and communities. We will also continue investing in our people and culture, curriculum and compliance, and facilities to drive organic growth and enhance centre occupancy.

Whilst cost-of-living pressures affected families across Australia this year and a tight labour market continued to challenge our sector we commence 2025 sharing in the sector's positive sentiment off the back of the Federal government's commitment to educators through the ECEC grant. This combined with a recognition our sector is on the agenda at all levels of government will support the delivery of quality childcare services that meet the needs and expectations of our families and communities.

In summary, 2024 was a year in which we improved our performance, continued to demonstrate strong governance, expanded our strategic opportunities and continued our portfolio optimisationprogram to drive centre occupancy and performance complimented by a proactive stance towards divestments.

As the year begins, we look forward to welcoming Daniel Stone our incoming CEO to lead our next phase, while at the same time express our sincere thanks and appreciation to our departing CEO Ashok who brought a fresh perspective and energy to Mayfield over the past 2.5 years.

Finally, I would like to acknowledge our wonderful team members, senior management and my fellow Board members that bring professionalism and commitment to their roles every day. I wish to express my sincere gratitude and appreciation for their hard work and dedication in the communities we serve.

As a board we are positive about the future and we look forward to continuing to deliver value to you, our shareholders. I look forward to providing further updates throughout the year.

Yours sincerely,

Roseanne Healy,
Chair & Non-Executive Director

From the CEO

Dear Shareholders,

As we close out another year, I reflect on the progress we have made and the resilience our team has shown in overcoming challenges. While 2024 presented its share of obstacles, particularly with several weather-related disruptions early in the year, our ability to adapt and remain focused on our strategic goals has reinforced our foundation for future growth.

Operational improvements have been a highlight of the year. A focus on efficiency and cost management has led to a significant reduction in agency staffing, improved expense management and more consistent financial performance. These efforts have driven an 82% increase in underlying Group EBITDA excluding the impact of AASB 16 over the prior year to $5.8 million, with underlying NPAT improving 214% to $2.5 million. These results underscore the strengthening upward trajectory of the business and demonstrate our commitment to building a stronger, more sustainable business.

A key milestone this year was the acquisition of the Precious Cargo childcare centres, expanding our presence in South Australia and enriching our offering with Montessori education. This strategic move not only broadens our educational approach but also strengthens our ability to deliver high-quality early learning experiences to more families.

Our people remain at the heart of everything we do. Increased efforts in engagement and culture have resulted in improved staff retention and satisfaction, reinforcing a positive and supportive workplace. Similarly, family engagement scores have continued to rise for four consecutive quarters, reflecting the trust and confidence our families have in our centres.

Quality and compliance have remained a key priority, with several positive Assessment and Rating results, including a further 'Exceeding' rating achieved this year. These outcomes highlight our unwavering commitment to delivering exceptional early childhood education and care, and they are a testament to the dedication of our educators and leadership teams.

While occupancy challenges persist, we have taken proactive steps to address them through a comprehensive divestment strategy in partnership with the Company's new Incubator Partner, Steps Early Learning, which I am proud to lead upon my departure from Mayfield. This restructure initiative is designed to ensure our portfolio remains strong, efficient and positioned for long-term success.

The Early Childhood Education and Care (ECEC) Worker Retention Grant has provided meaningful recognition for our educators, acknowledging their critical role in the sector. We look forward to the continued rollout of this initiative in 2025 and the positive impact it will have on workforce stability and morale.

On a broader level, we welcome recent government policy changes, including the abolition of the activity test and the introduction of three days of care for all families. These initiatives align with our mission of making early childhood education more accessible and will further support families in the years ahead.

This letter marks my final report as CEO of Mayfield. As I transition out of this role, I am proud of what we have achieved and confident in the Company's future. I extend my deepest gratitude to our incredible team, the Board and our shareholders for their continued support. It has been a privilege to lead Mayfield, and I look forward to seeing the Company continue to thrive.

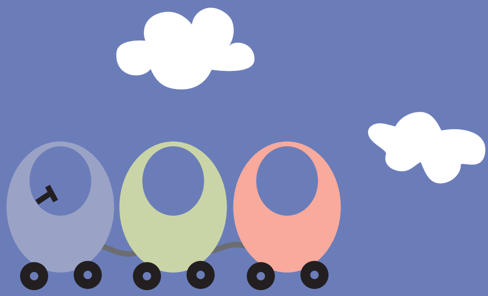
Yours sincerely,

Ashok Naveinthiran
CEO

Our Highlights

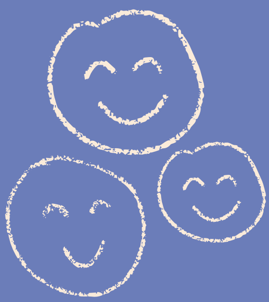
7

NEW CENTRES ACQUIRED –
PRECIOUS CARGO



Launched

NEW PRECIOUS CARGO WEBSITE:
preciouscargo.com.au



65.6 ↑ FAMILY NPS

7 CENTRES REBRANDED

93% CENTRES MEETING OR EXCEEDING NQS


mayfield
early education


mayfield
early education


mayfield
early education


mayfield
early education
SunSmart


mayfield
early education
mayfield
early education


mayfield
early education
We nurture.
It's our nature.


Lilydale
mayfield.com.au
03 9735 5366
Monday - Friday
6:30am - 6:30pm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early education


mayfield
early education

Corporate Governance

A copy of our Corporate Governance Statement may be obtained from our corporate website (mayfieldchildcare.com.au).

Corporate Directory

Board of Directors

Roseanne Healy, Chair & Non-Executive Director
Greg Johnson, Non-Executive Director
Lubna Matta, Executive Director

Company Secretary

Tamarra Barr
CSB Corporate
Level 30, 35 Collins Street
Melbourne VIC 3000

Share Registry

Link Market Services Limited
Tower 4, 727 Collins Street
Melbourne VIC 3008
t +61 1300 554 474
w registrars@linkmarketservices.com.au

Registered Office

Suite 1, Level 3,
108 Power Street,
Hawthorn VIC 3122
t +61 3 9576 3156
e admin@mayfieldchildcare.com.au
w mayfieldchildcare.com.au

Auditor

PKF Melbourne Audit & Assurance Pty Ltd
Level 15, 500 Bourke Street
Melbourne VIC 3000

Banker

Westpac Banking Corporation
150 Collins Street
Melbourne VIC 3000
w linkmarketservices.com.au

Statutory Accounts

Year ended 31 December 2024

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Directors' Report

The 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 during, and at the end of, the year ended 31 December 2024.

Directors

The following persons were Directors of Mayfield Childcare Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Roseanne Healy, Chair and Non-Executive Director (*appointed 8 November 2023*):
- David Niall, Chair and Non-Executive Director *(resigned 23 January 2025)*
- Ashok Naveinthiran, Managing Director & CEO (*resigned as Managing Director 13 September 2024*)
- Heidi Beck, Non-Executive Director (*appointed 13 September 2024, resigned 23 January 2025*)
- Greg Johnson, Non-Executive Director (*appointed 13 September 2024*)
- Lubna Matta, Executive Director *(appointed 23 January 2025*)

Principal activities

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

Review of operations and financial performance

Childcare Revenue for the consolidated Group increased by 14% to $88.3 million (2023: $77.2 million), driven primarily by the contribution of Precious Cargo group of centres acquired in the second half of the year and a full year contribution of the four centres acquired in the first half of the previous year.

Operational improvements have been a highlight of the year. A focus on efficiency and cost management has led to a significant reduction in agency staffing, improved expense management and more consistent financial performance. These efforts have driven an 82% increase in underlying Group EBITDA (adjusted for the impact of AASB 16 Leases) over the prior year to $5.8 million (2023: $3.2 million), with underlying NPAT improving 214% to $2.5 million (2023: $0.8 million).

Occupancy levels during the period were challenged by a number of factors experienced across the industry in addition to a core of underperforming centres that were previously identified for divestment and weather-related events in the first quarter of the year. This directly impacted revenue and hence underlying EBITDA. As detailed below, the Group continues to progress strategic initiatives to scale the business for sustainability and profitability.

Notwithstanding the challenging environment, the Company continued to generate healthy centre level performance.

The Company was pleased to announce on 19 August 2024 that it 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 seven centres, representing 882 licensed places. The acquisition purchase price of $4.8 million was subject to agreed settlement adjustments in Mayfield's favour of $2.3 million primarily related to parent bonds and staff entitlements. The acquisition marked the achievement of a significant strategic milestone by expanding the Company's footprint in South Australia from a single centre with 60 licensed places to a total of 942 licensed places across the region.

In the prior period as a consequence of a number of historic issues and investigations announced in 2023, the Board and management took a number of decisive actions and remediation steps to the right the business for scale and improved Governance. Through CY24 the Company has continued to progress its strategic planning to scale the business for sustainability and profitability.

Review of operations and financial performance (continued)

On 31 December 2024 the Company announced a new incubator partnership and a strategic restructure of operations, supported by an institutional placement. Key details of the announcement include:

- New Incubator Partnership: Mayfield has secured an Incubator Agreement ("Incubator") with a newly formed Incubator partner, backed with working capital provided by Finexia Limited (ASX:FNX) ("Finexia") and to be led by Mayfield's outgoing CEO, Ashok Naveinthiran, upon his departure from the Company. The Company's existing incubator partnership with Genius Learning Pty Ltd ("Genius") will no longer be a potential source of centre acquisitions for the Company;
- Operational Restructure for Enhanced Performance: To position the Company for optimum performance, the Board has approved the divestment of a portfolio of centres in Queensland and Victoria which are either underperforming or in clusters attracting a disproportionate level of management costs. The divestment is intended to occur in stages to Mayfield's new Incubator partner, Steps, subject to an independent expert assessment of the consideration payable for centres which are currently loss making. As at the date of the report the proposed restructure and divestment had not been completed and remained conditional on a number of items.
- To support the proposed restructure and to strengthen the balance sheet ahead of the implementation of the ECEC Worker Retention Grant and bank facility renewal in 2025, Mayfield further advised on that it has received commitments to complete a $4.6 million (before fees) capital raising via an institutional placement of 9,837,992 fully paid ordinary shares to new professional and sophisticated investors ("Placement"), utilising its existing placement capacity under ASX Listing Rule 7.1. The shares issued under the Placement were issued at a price of $0.4653 per share representing a 5% discount to the 10-day VWAP up to and including 20 December 2024 of $0.4903 and a 5% discount to the last closing price of $0.490 on 20 December 2024 (most recent trading day).

The Company is committed to seeking further cost optimisation and improved profitability at Centre level and Support Office level as we build out our strategy for sustainable growth and profitability.

Material risks

Mayfield identifies and manages risks in accordance with the Group's Risk Management Framework. The Group has, through the application of the Risk Management Framework, identified material strategic, operational and financial risks which could adversely affect achievement of the Group's strategic objectives.

Risk	Mitigation
Regulatory Environment Changes to childcare laws and regulations could impact the Group's operations and performance.	— The Group is not aware of any significant upcoming changes to the regulatory environment that would adversely impact its operations. — Changes to the regulatory environment are introduced slowly which allows the Group to adapt as required. As an approved childcare provider, the Department of Education keeps the Company and its National Quality and Compliance Manager apprised of upcoming regulatory changes and conducts regular training. — The CEO ensures that any material regulatory changes are brought to the attention of the Board at the Company's monthly Board meeting.
Government Funding Reductions in Government funding could impact affordability and consequently, demand for childcare.	— Government funding for the industry has bi-partisan support and is recognised as a key factor in driving female workforce participation and bolstering the broader economy. — Government continues to improve affordability by removing rebate caps and increasing rebates. — Government is funding a wage increase for the ECEC workforce through a worker retention payment. The payment runs for 2 years commencing from December 2024 and will fund: • a wage increase of 15% above the modern award rates • a minimum additional 20% funding for eligible on-costs, (calculated against your base funding). Providers opt-in by applying for the payment. The payment will be issued to eligible providers through a grant agreement and delivered via the Child Care Subsidy System. Providers must pass the payment on to eligible ECEC workers. The Company has applied for the Grant.
Compliance Loss of childcare license and approvals would impact ability to continue service offering.	— Regular review of policies and procedures and periodic staff training to ensure compliance with regulatory requirements. — Proactive reporting to the Department of Education to meet and exceed its compliance obligations. — Appointed a National Quality and Compliance Manager to further enhance its compliance focus.
Financial Loss of access to debt funding could impact growth opportunities.	— Strong banking relationships and access to capital markets as an alternate source of funding. — Whilst the Group has managed its debt well, it has notified its lender of instances on non-compliance with banking covenants in recent reporting periods. The Lender continues to offer its support under the Facility. — Ability to fund further acquisitions through the issuance of scrip to vendors.
Leasehold Deterioration in leasehold terms could impact underlying business value.	— Long term lease arrangements ensure stability of leasehold terms; weighted average lease term of 8.6 years for MFD centres and 14.8 years for Mayfield Early Education (formerly Genius) centres. — Diversification of landlords across both single property owners and sophisticated institutions.
Competition Increased competition could impact business performance.	— The Early Childhood Education & Care industry is highly fragmented with no single operator able to stifle competition. — Supply growth has slowed significantly due to increased property development costs. — Many markets currently face undersupply. — Barriers to entry increasing with staff shortages and lengthy new centre development cycles.
Management and Staffing Inability to retain and attract staff could impact business performance and level of activity.	— Offering centre staff career pathways throughout the Group drives retention. — Geographic positioning allows centres to share staff and rely less on external recruitment to meet demand. — Centralised head office functions reduce centre level burden and allows further capacity at a centre. — Group pays above award salaries for critical roles. — Focus on reward and recognition programs and staff benefits continues to drive overall satisfaction and retention. — Group utilises referral programs and sign-on incentives to drive talent acquisition. — The Group has applied for the ECEC worker retention grant in December 2024. The Grant aims to fund a 10% (year 1) and subsequent 5% increase (year 2) above award wages. This is a Federal Government initiative to support the childcare industry through worker retention.

Material risks (continued)

Risk	Mitigation
Margins Increase to centre expenses, wages and lease costs could compress margins.	— The Group reviews its pricing model annually and has the ability to raise its average daily fees to improve its margins. — Scale of the Group drives cost efficiencies and ability to compete favourably with smaller operators. — Almost half of the Group's leaseholds stipulate fixed fee increases p.a. which provides a level of protection in an inflationary environment. — The Group actively manages its portfolio of centres and divests financially underperforming centres as required.
Acquisition Pipeline Reduction in quality and quantity of centres available to acquire could slow further revenue growth.	— Incubator Agreement and Childcare Development Plan with Genius Childcare provides the Group with a pipeline of acquisitions. — The Company has recently signed a new Incubator agreement with Steps Learning Pty Ltd providing the Group with a new pipeline opportunity for centres. — The Company regularly reviews the Incubator Agreement to ensure it remains fit for purpose as a source of potential acquisitions. — The Group actively works with multiple brokers to seek new acquisition opportunities. — Mayfield is viewed as a preferred tenant by landlords due to the strength of its balance sheet. This results in an advantage when competing for acquisitions.
Acquisition Performance Underperformance of acquisitions could be earnings dilutive.	— New acquisitions are assessed with a bottom-up forecast model which utilises the extensive data on file from the Group's existing centres and prior acquisitions. — As part of new acquisition due diligence, the Group verifies the integrity of the data provided by vendors using third-party sourced systems. — The Company regularly reviews its Acquisitions and Due Diligence process to ensure it remains fit for purpose and identifies and manages risks inherent in any acquisition.
Cyber Risks Cyber related attacks are an inherent risk faced by every organisation and the financial and operational impact that this can have on an organisation is very high. Accordingly, as a material business risk it requires constant management and risk mitigation.	— The Company implements strict access controls to limit user privileges. Only authorised personnel have access to critical systems and sensitive data. — Outsourcing critical systems security and management to professional managed IT service providers. — The Company utilises accredited third party providers for the provision of data management. — The Board has an active program to review all systems and business IT and Cyber security policies, procedures and risk management.

Non-IFRS Financial Information

The following tables summarise the key financial metrics for the half-year ended 31 December 2024:

	2024 $'000	*2023* $'000	Change $'000
Childcare Services	**87,156**	76,508	10,648
Insurance and Other Income	**1,152**	691	461
Childcare Revenue	**88,308**	77,199	11,109
Labour Costs	**53,769**	46,017	7,752
Agency Costs	**474**	3,212	(2,738)
Operating Expenses	**6,042**	5,484	558
Rent & Outgoings	**13,893**	12,093	1,800
Other Facilities Costs	**2,196**	2,610	(414)
Centre EBITDA	**11,934**	7,783	4,151
Head office staff & related costs	**4,233**	3,253	980
Other Corporate Overheads	**1,931**	1,366	565
EBITDA excluding the impact of AASB 16	**5,770**	3,164	2,606

After reversing the property leases impact of AASB 16 Leases[2], 'adjusted' NPAT from Continuing Operations was up 214% on the previous corresponding reporting period as follows:

NPAT Adjusted for AASB16	Statutory Full Year 2024 $'000	Reversing AASB 16 Impact $'000	**Adjusted for AASB16 Full Year 2024 $'000**	Adjusted Full Year 2023 $'000
EBITDA[1]	17,536	(11,766)	**5,770**	3,164
Depreciation	(11,967)	10,506	**(1,461)**	(1,323)
EBIT	5,569	(1,260)	**4,309**	1,841
Finance costs	(5,276)	4,501	**(775)**	(882)
Tax	(53)	(972)	**(1,025)**	(160)
NPAT from Continuing Operations	240	2,269	**2,509**	799
Net loss on disposal of centre	-	-	**-**	-
NPAT	240	2,269	**2,509**	799

1. Adjusted, NPAT, NPAT from Continuing Operations, 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. Material accounting policies on page 26 of the Annual Report for the year ended 31 December 2024.

Non-IFRS Financial Information (continued)

After reversing the property leases impact of AASB 16 *Leases*, underlying Earnings Per Share (EPS) was up 2.62 cents per share or 214% as follows:

Underlying EPS	Statutory 2024	Reversing AASB 16	**Underlying 2024**	Underlying 2023
	Cents	*Cents*	***Cents***	*Cents*
Basic and diluted (loss) / earnings per share	0.37	3.47	**3.84**	1.22
	$	$	**$**	$
Earnings used in calculating EPS				
Net Profit After Tax (NPAT)	239,643	2,268,586	**2,508,229**	798,937
	Number	*Number*	***Number***	*Number*
Weighted average number of shares	65,586,617	65,586,617	**65,586,617**	65,312,704

1. Underlying EPS is a non-statutory financial 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.

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 was paid on 26 September 2024.

No dividend has been declared or paid for the year ended 31 December 2024.

Matters subsequent to the end of the year

On 31 December 2024, the Company announced it had received commitments under a proposed equity placement utilising the Company's existing placement capacity under ASX Listing Rule 7.1 via an institutional placement to new professional and sophisticated investors ("Placement"). Subsequent to Reporting Period end, the Company completed the placement raising $4.57 million (before fees) and issuing 9,837,992 fully paid ordinary shares. Net proceeds of $4.32 million was received from the placement.

On 24 February 2025, the Company announced that Daniel Stone has been appointed as Mayfield's new CEO, to commence with effect on 8 April 2025.

No other matter or circumstance has arisen since 31 December 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, which includes both organic growth and the acquisition of additional childcare centres.

Directors' Details

Further information regarding the Directors of Mayfield Childcare Limited, during the whole of the financial year and up to the date of this report is as follows:

Roseanne Healy

Bachelor of Economics/Arts and Bachelor of Laws (The University of Adelaide); Master of Business Research (Commerce); Master of Business Administration (The University of Adelaide) and GAICD.

Chair & Non-Executive Director (Appointed Chair 23 January 2025)

Experience and expertise

Roseanne brings over 20 years of experience in corporate advisory and is an accomplished Chair and Non-Executive Director having held roles in private, ASX-listed companies and statutory corporations.

Commencing her career in investment banking at JB Were, Roseanne brings leadership experience in legal, risk, finance, and corporate governance. Roseanne has held senior roles in both public and private sector organisations, as well as private equity-backed businesses. Former non-executive board roles have spanned infrastructure, banking, resources, agriculture, technology, asset, and funds management.

Currently, Roseanne serves as the Managing Director of Enterprise Corporation, a boutique corporate advisory and private equity firm. Currently Roseanne holds several Director positions, including Chair of Veroguard Systems Pty Ltd, Money Management Group and Dairysafe and Non-Executive Director of Murray Darling Basin Authority and Australian Grain Technologies Pty Ltd.

Current directorships of other listed companies
None

Former directorships of other listed companies (last 3 years)
None

Interests in Company shares and options
None.

David Niall

Bachelor of Science (Hons.) (University of Melbourne); Master Business Administration (Harvard Business School) and GAICD.

Chair and Non-Executive Director (resigned 23 January 2025).

Experience and expertise

David is an experienced executive and company Director.

David brings over 30 years of experience in developing and implementing strategy with a focus on growth and value creation.

David brings strategic knowledge and skillsets across risk management and governance, people and culture and building successful teams. David has a deep knowledge of high growth and early-stage companies with extensive experience in developing and launching innovative products.

David has been responsible for establishing and driving implementation of complex strategic programs across the telecommunications, technology, childcare and management consulting industries..

Current directorships of other listed companies
Non-Executive Director of Rewardle Holdings Limited (ASX: RXH).

Former directorships of other listed companies (last 3 years)
None

Interests in Company shares and options
23,191 Fully Paid Ordinary Shares (Shares).

Directors' Details (continued)

Ashok Naveinthiran

Bachelor of Commerce (University of Melbourne).

Managing Director and Chief Executive Officer (resigned 13 September 2024).

Experience and expertise

Ashok brings deep knowledge and experience in finance, private equity, and early education, being a seasoned leader with a proven track record of leading teams and driving business growth. He undertook undergraduate finance and actuarial studies at the University of Melbourne, then initially worked in Equities, Institutional Banking, and Capital Advisory for large financial institutions in the UK and Australia, gaining extensive knowledge of corporate finance, market, and credit risk.

Before joining Mayfield, Ashok managed a portfolio of childcare assets and was instrumental in the transition of a significant portfolio to Mayfield.

Ashok is co-founder of Genie Rostering, a specialised childcare platform developed to improve childcare centre rostering efficiency and compliance.

Current directorships of other listed companies
None

Former directorships of other listed companies (last 3 years)
None

Interests in Company shares and options
120,370 Performance Rights over Fully Paid Ordinary Shares

Heidi Beck

Bachelor of Business (Hons.), Bachelor of Arts (Hons.) (Southern Methodist University); Master of Business Administration (Harvard Business School); and GAICD.

Non-Executive Director (appointed 13 September 2024 and resigned 23 January 2025).

Experience and expertise

Heidi is an accomplished Non-Executive Director, advisor, and executive leader. Heidi has extensive experience in private, and non-profit boards, including most recently at a notable NSW based early childhood and care provider since 2021, where Heidi was also Chair of the People and Nominations Committee since 2023.

Heidi's professional career includes executive positions at Team Global Express and Pacific National Railway as Chief People Officer and at Westpac Banking Corporation as a Senior Director in Group Strategy, Mergers & Acquisitions. Prior to this, Heidi gained 10 years' experience as a consultant at McKinsey & Company.

Current directorships of other listed companies
None

Former directorships of other listed companies (last 3 years)
None

Interests in Company shares and options
None

Directors' Details (continued)

Greg Johnson

Non-Executive Director (appointed 13 September 2024).

Experience and expertise

Greg has more than 30 years experience in the funds management industry.

He has held senior Capital Raising and client relationship roles at Macquarie, Perpetual, and Dimensional and has led Operations and Client Service teams at Deutsche Bank, Credit Suisse and Macquarie Funds Management.

From 2011 to 2019 he was a partner in Apostle Funds Management and is currently assisting a Sydney-based Funds Manager with their efforts in the Institutional market on a part-time basis.

Greg is an experienced Director and is currently Non-Executive Chairman of ASX-listed Gladiator Resources, a Non-Executive Director for the South Sydney Rabbitohs MemberCo and Greyhound Racing New South Wales. He has received Directorship qualifications and is an active member of the Australian Institute of Company Directors.

Current directorships of other listed companies
Gladiator Resources Limited (ASX: GLA)

Former directorships of other listed companies (last 3 years)
None

Interests in Company shares and options
None.

Lubna Matta

Bachelor of Laws (LLB) (Monash University)

Executive Director (appointed 23 January 2025)

Experience and expertise

Lubna holds a Bachelor of Laws degree from Monash University and is a highly accomplished entrepreneur and corporate advisor with extensive experience in business acquisitions, divestments, and greenfield site development. As the founder and owner of a successful chain of independently operated supermarkets and liquor stores, Lubna has played a key role in shaping the independent grocery sector.

She has served on multiple Metcash Limited Committees and the Victorian Retailer State Board, contributing to strategic industry discussions and policy development. With a deep understanding of market trends and consumer behaviour, Lubna has been instrumental in forging partnerships with online logistics providers to revolutionise on-demand grocery fulfillment—a model now widely adopted across the supermarket and liquor industries.

With over 15 years of expertise in legal, corporate advisory, and business growth, Lubna specialises in developing and scaling businesses that cater to local community needs, driving innovation, and delivering sustainable commercial success.

Current directorships of other listed companies
None

Former directorships of other listed companies (last 3 years)
None

Interests in Company shares and options
251,707 Fully Paid Ordinary Shares (Shares).

COMPANY SECRETARY

Tamara Barr *(appointed 6 December 2023).*

Fellow Company Secretary (FGIA)

Experience and expertise

Tamara has over 18 years' experience practising as a Company Secretary and Corporate Governance Advisor across a variety of corporate sectors and industries. She has worked predominantly in Australia, as well as in the UK and Europe, providing services to ASX listed, public and not-for-profit corporations.

Significant changes in the state of affairs

In the opinion of the Directors there were no other significant changes in the state of affairs of the Group that occurred during the year not otherwise disclosed in this report or in the accompanying financial statements.

Directors' Meetings

The number of meetings of the Board of Directors of Mayfield, held during the year ended 31 December 2024, were as follows:

Name of Director	Full Board Meetings	
	A	B
Current Directors		
David Niall *(resigned 23/01/2025)*	**14**	14
Ashok Naveinthiran *(resigned 13/09/2024)*	**10**	10
Roseanne Healy	**14**	14
Heidi Beck *(appointed 13/09/2024 and resigned 23/01/2025)*	**4**	4
Greg Johnson *(appointed 13/09/2024)*	**4**	4

A = Number of meetings attended by Director.

B = Number of meetings held during the time the Director was in office.

To date, the Company has conducted all business through meetings of the full Board.

Remuneration Report

This audited remuneration report sets out remuneration information for Mayfield's Non-Executive Directors, Executive Directors and other Key Management Personnel (KMP).

KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, either directly or indirectly.

A. Principles used to determine the nature and amount of remuneration

Non-Executive Directors

The fees paid to Non-Executive Directors, including the Chair, reflect the demands which are made on, and the responsibilities of, the Directors. Directors' remuneration consists of an annual fee plus statutory superannuation. Directors are also entitled to reimbursement of reasonable expenses incurred on Group business. Whilst Directors do not receive additional 'per meeting' fees, they may be paid for additional hours worked over and above their contracted obligations.

The current annual fees for the Company's Non-Executive Directors are:

Director	Director's Fee	Comment
David Niall *(resigned 23/01/2025)*	$73,000 p.a. plus superannuation	Chair of the Board
Roseanne Healy	$73,000 p.a. plus superannuation	Chair of the Board
Heidi Beck *(resigned 23/01/2025)*	$60,000 p.a. plus superannuation	Non-Executive Director
Greg Johnson	$60,000 p.a. plus superannuation	Non-Executive Director
Lubna Matta *(appointed 23/01/2025)*[1]	$60,000 p.a. plus superannuation	Executive Director

1. As at the date of this report it has been agreed between the Board and Lubna that in addition to her Director fees, she will receive an additional $60,000 p.a. plus superannuation as remuneration for her additional commitments in her capacity as an Executive Director noting that the amount will be adjusted proportionately where the commitment is for less than a full year. It is expected that the agreement will be finalised and executed by the parties soon after the date of this report.

The Board may adjust the remuneration of Non-Executive Directors from time to time, up to an aggregate amount of $300,000 p.a. in accordance with the Company's Constitution. Any increase in the remuneration pool will require shareholder approval.

Non-Executive Directors are currently ineligible to receive benefits under the Employee Share & Incentive Plan (ESIP) adopted by the Company.

A. Principles used to determine the nature and amount of remuneration (continued)

Executive Directors (excluding the Managing Director)

The remuneration of Directors employed in executive roles is set by the Board, taking into account the demands which are made on, and the responsibilities of, directors. Executive Directors are also entitled to reimbursement of reasonable expenses incurred on Group business.

Executive Directors are eligible to receive benefits under the ESIP adopted by the Company.

As at the date of this report, Ms Lubna Matta has been appointed as an Executive Director with effect from 23 January 2025.

Executive Director (Managing Director) and other KMP Executives

The Group enters into individual employment agreements with each of its executives, including the Managing Director / Chief Executive Officer (CEO) and Chief Financial Officer (CFO). For the year ended 31 December 2024, contracted executive pay was comprised of cash salary, superannuation and non-monetary benefits – both the CEO and CFO had an 'at risk' component of remuneration. Each executive's annual remuneration is based upon market rates for that person's role and responsibilities within the Group as determined by the Board. The Managing Director excluded himself from Board discussions and any decisions made in relation to his remuneration.

The Board reviews and approves the remuneration, including any non-contracted bonuses, of the CEO and all other KMP. The CEO will review the remuneration of each KMP executive at least annually against previously agreed key performance indicators (KPI's) and set KPI's for the next performance period. In recommending KMP remuneration changes, including any bonuses, to the Board, the CEO's review will take into account such factors as increases in the cost of living and market parity. Apart from the annual review process, the Board may also approve remuneration increases based upon changes in individual KMP roles which increase an individual's level of responsibility or recognise an increased level of skill necessary to perform a role, as recommended by the CEO. In the prior comparative reporting period, the Board conducted a KMP remuneration bench-marking exercise as part of the recruitment for the CFO and the annual review of the Executive remuneration. This was guided by externally sourced independent industry remuneration reports, and comparison with industry peers. As a result of the bench-marking exercise, the Board approved an amendment to the CEO remuneration with effect 1 July 2023.

Please refer to section ***B. Remuneration details*** below for further executive KMP remuneration information.

Employee Securities and Incentive Plan (ESIP)

The Company has adopted an ESIP that would encourage executives and employees to have greater involvement in the achievement of the Group's objectives. The ESIP was approved by shareholders at the at the Company's Annual General Meeting on 30 May 2024. Under the ESIP, eligible employees (including executives, officers, employees and directors) as defined by the ESS Regime within Division 1A of Part 7.12 of the Corporations Act and selected by the Board may be offered a Security including a Plan Share, Option, Performance Right or other Convertible Security. For the year ended 31 December 2024 and to the date of this report, Performance Rights of Ordinary Shares have been granted as detailed in ***Section D*** below.

B. Remuneration details

The KMP of the Group during the year ended 31 December 2024 consisted of the Directors, the Chief Executive Offier (CEO) and the Chief Financial Officer (CFO). Details of the remuneration of the KMP of the Company are as follows:

2024	Short-term benefits			Post-employment benefits	Long-term Benefits		
Name	Cash salary & fees $	Non-monetary benefits $	Cash bonus $	Super-annuation $	Performance Rights $	Termination benefits $	Total $
Non-Executive Directors							
David Niall	73,005	-	-	8,213	-	-	81,218
Roseanne Healy	60,000	-	-	6,750	-	-	66,750
Heidi Beck *(appointed 12/09/2024)*	18,462	-	-	2,123	-	-	20,585
Greg Johnson *(appointed 12/09/2024)*	18,462	-	-	2,123	-	-	20,585
Executive Director							
Ashok Naveinthiran[1]	325,000	-	-	36,562	-	-	361,562
Other KMP							
Chris Hayes, CFO	275,000	-	-	30,938	3,696	-	309,634
Total	769,929	-	-	86,709	3,696		860,334

1. Ashok Naveinthiran resigned as CEO and Managing Director with effect from 13 September 2024. As Ashok had a 6 month notice period, his employment as a KMP in the role of CEO continued through the full period ended 31 December 2024. The resignation resulted in the performance rights being forfeited and lapsing under the terms of the grant as such no expenses is reported.

All Directors unless otherwise noted in the above table were in office for the full financial year.

B. Remuneration details (cont'd)

2023	Short-term benefits			Post-employment benefits		
Name	Cash salary & fees $	Non-monetary benefits $	Cash bonus $	Super-annuation $	Termination benefits $	Total $
Non-Executive Directors						
David Niall	73,059	-	-	7,854	-	80,913
Roseanne Healy	8,923	-	-	982	-	9,905
Executive Director						
Ashok Naveinthiran	262,500	-	-	28,375	-	290,875
Former Directors						
Lubna Matta (1/1/2023 – 8/11/2023)	31,531	-	-	3,376	-	34,907
John Kaminsky (1/1/2023 – 30/3/2023)	9,205	-	-	966	-	10,171
Other KMP						
Chris Hayes, CFO [2,3]	125,160	-	25,000	16,518	-	166,678
Glenn Raines, CFO [3]	145,545	-	-	15,145	-	160,690
Total	655,923	-	25,000	73,216	-	754,139

2. Chris Hayes commenced with effect from 18 July 2023.
3. Whilst all KMP contracted remuneration for the year ended 31 December 2023 was fixed, Chris Hayes was awarded an STI amount of $25,000 in accordance with the terms of his contract.
4. Glenn Raines resigned with effect 22 August 2023.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed Remuneration		At Risk - STI		At risk - LTI	
	2024	2023	2024	2023	2024	2023
Non-Executive Directors:						
David Niall	100%	100%	-	-	-	-
Roseanne Healy	100%	100%	-	-	-	-
Heidi Beck	100%	-	-	-	-	-
Greg Johnson	100%	-	-	-	-	-
Lubna Matta	100%	100%	-	-	-	-
John Kaminsky	100%	-	-	-	-	-
Executive Director						
Ashok Naveinthiran	100%	100%	-	-	-	-
Other KMP:						
Chris Hayes	99%	85%	-	15%	1%	-
Glenn Raines	-	100%	-	-	-	-

C. Service agreements

Remuneration and other terms of employment for KMP are formalised in written agreements, the key provisions of which are as follows as at 31 December 2024:

Ashok Naveinthiran, *Chief Executive Officer*

- Employment contract: Permanent ongoing
- Commencement date: 22 August 2022 (resigned 13 September 2024)
- Remuneration: $325,000 p.a. plus superannuation, reviewable annually (increased with effect from 1 July 2023).
- Executive's (and Group's) notice period: 6 months

Ashok is entitled to a potential short-term incentive (STI) of up to $96,000 per annum (plus superannuation) with effect from 1 January 2024, representing 30% of his annual base remuneration. The STI is subject to achievement of Key Performance Indicators (KPIs) to be determined from time to time by the Board.

Ashok is entitled to a potential long-term incentive (LTI) annual allocation of Performance Rights pursuant to the terms of the Company's ESIP. An LTI entitlement of 30% of annual base remuneration can be awarded to him commencing for the year ended 31 December 2024 (CY24). Subject to shareholder approval, the LTI will be granted on an annual basis from CY24, and vesting will be contingent on the achievement of specific performance hurdles.

Chris Hayes, *Chief Financial Officer*

- Employment contract: Permanent ongoing
- Commencement date: 18 July 2023
- Remuneration: $275,000 p.a. plus superannuation, reviewable annually
- Executive's (and Group's) notice period: 3 months

Chris is entitled to a potential short-term incentive (STI) of up to $55,000 per annum (plus superannuation), representing 20% of his annual base remuneration. The STI is subject to achievement of Key Performance Indicators (KPIs) to be determined from time to time by the Board.

Chris is entitled to a potential long-term incentive (LTI) annual allocation of Performance Rights pursuant to the terms of the Company's ESIP. An LTI entitlement of 20% of annual base remuneration can be awarded to him commencing for the year ended 31 December 2024 (CY24). The LTI will be granted on an annual basis from CY24, and vesting will be contingent on the achievement of specific performance hurdles.

Other Information

The Group has the option of paying out the employees' notice periods, either fully or in part.

In the event of fraud or other serious misconduct the Group may terminate KMP employment agreements at any time without notice or payment in lieu of notice, and it reserves the right to attempt to recover any termination payments made prior to the discovery of such conduct.

D. Share-based compensation

Issue of Shares, Option and Performance Rights

There were no ordinary shares or options over ordinary shares issued to Directors and other KMP as part of compensation during the year ended 31 December 2024.

Performance Rights

The terms and conditions of each grant of Performance Rights over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Grant Date	Vesting date and exercisable date	Expiry date	EPS hurdle For vesting (cents per share)	Fair value per right
30 May 2024	31 December 2025	31 May 2026	3.25 – 3.57	$0.46
23 October 2024	31 December 2025	31 May 2026	3.25 – 3.57	$0.46

KMP Name	Number of Rights ranted	Vesting date and exercisable date	Expiry date	EPS hurdle For vesting (cents per share)	Fair value per right
Ashok Naveinthiran	120,370	31 December 2025	31 May 2026	3.25 – 3.57	$0.46
Chris Hayes	67,901	31 December 2025	31 May 2026	3.25 – 3.57	$0.46

Performance Rights granted carry no dividend or voting rights. The Performance Rights were issued for $Nil consideration, and the vesting of the rights is contingent on the Company achieving certain hurdles over a two-year performance period.

D. Share-based compensation (cont'd)

The performance hurdles for the Performance Rights issued during the year are as follows:

(a) continued service with the Company up to the relevant exercise date; and

(b) achievement of compound annual growth rate (CAGR) of reported (audited) basic earnings per share (EPS) as set out in the table below, provided that the Board has retained the discretion to adjust for significant items that may arise over this uncertain vesting period to ensure the integrity of the performance hurdle is maintained:

CAGR of EPS over the 2 financial years ended 31 December 2025	Percentage (%) of Performance Rights that vest
Below target CAGR of 10%	0%
10% to 15%	50% - 100% (pro-rata)
Greater than 15%	100%

Measurement:

The number of Performance Rights which vest is determined by assessing the performance of the Company, as measured by CAGR of EPS over the 2 financial years ended 31 December 2025. The CAGR of EPS incorporates capital returns as well as dividends notionally reinvested and is considered the most appropriate means of measuring the Company's performance.

E. Additional information

Earnings of the Consolidated Entity

The earnings of the Consolidated Entity for the five years to 31 December 2024 are summarised below:

Name	2024 $'000	2023 $'000	2022 $'000	2021 $'000	2020 $'000
Revenue and other income	88,308	77,199	70,481	40,062	37,536
Net profit/(loss) before tax	293	(2,231)	6,509	4,015	4,935
Net profit/(loss) after tax	240	(1,435)	4,877	2,571	3,739
Share price	$0.49	$0.73	$1.39	$1.16	$0.93

Shareholding

The number of Shares in the Company held by KMP during the year ended 31 December 2024, including their personally related parties, is set out below:

Name	Balance at the start of the year	Dividend Reinvestment Plan	Disposals / Other	Balance at the end of the year
Directors				
David Niall	22,988	203	-	23,191
Ashok Naveinthiran *(resigned 13/09/2024)*	-	-	-	-
Roseanne Healy	-	-	-	-
Heidi Beck *(appointed 12/09/2024)*	-	-	-	-
Greg Johnson *(appointed 12/09/2024)*	-	-	-	-
Other KMP Chris Hayes	-	-	-	-
	22,988	203	-	23,191

Performance Rights

The number of Performance Rights in the Company held by KMP during the year ended 31 December 2024, including their personally related parties, is set out below:

Name	Balance at the start of the year	Balance on date becoming KMP	Additions	Disposals / Other	Balance at the end of the year
Ashok Naveinthiran *(resigned 13/09/2024)*	-	-	120,370	120,370[1]	-
Chris Hayes	-	-	67,901	-	67,901

1. Ashok Naveinthiran resigned as CEO and Managing Director with effect from 13 September 2024 resulting in the forfeiture and lapse of the performance rights.

This concludes the audited Remuneration Report

Loans to directors & executives

No loans were made to Directors or to Executives during the year and to the date of this report.

Shares under option

There were no unissued Shares of Mayfield under option at the date of this report.

Shares issued on the exercise of options

There were no Shares of Mayfield issued on the exercise of options during the year and to the date of this report.

Environmental regulation

The Group is not subject to any significant environmental regulation under a law of the Commonwealth, or of a State or Territory, of Australia.

Proceedings on behalf of the group

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

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.

During the financial year the Company paid a premium in respect of a contract to insure the Directors, Officers and Executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not during or since the end of the financial year indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and/or experience with the Group is important.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and that it has not undermined the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year the following fees were paid or payable to the auditor and its related entities for non-audit services:

	2024 **$**	2023 $
Non-audit services		
Preparation of income tax returns and related matters	**25,250**	40,350
Total fees for non-audit services	**25,250**	40,350

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 20.

Auditor

PKF Melbourne Audit & Assurance Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

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

Roseanne Healy
Chair

Melbourne
28 February 2025

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

In relation to our audit of the financial report of Mayfield Childcare Limited for the year ended 31 December 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 entity it controlled during the financial year.

PKF

Kaitlynn Brady

PKF Melbourne
28 February 2025

Kaitlynn Brady
Partner

Financial Report

For the year ended 31 December 2024

Financial Report

These financial statements are the consolidated financial statements of 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 1, Level 3,
108 Power St,
Hawthorn VIC 3122**

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 28 February 2025.

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 year ended 31 December 2024

	Notes	2024 $	2023 $
Revenue	5	**88,307,840**	77,199,169
Other Income	5	**-**	440,760
Employee costs	6	**(58,001,778)**	(49,270,487)
Centre operations costs		**(6,516,414)**	(8,417,740)
Facilities costs		**(4,322,505)**	(4,684,128)
Administration costs		**(1,930,960)**	(1,806,774)
Depreciation of plant and equipment	9	**(1,461,555)**	(1,322,714)
Depreciation on right-of-use assets	14(c)	**(10,505,878)**	(9,595,201)
Bad debts written off		**-**	(277,164)
Finance costs		**(5,275,964)**	(4,497,063)
Profit / (Loss) before income tax		**292,786**	(2,231,342)
Income tax (expense) / benefit	7	**(53,143)**	796,746
Profit / (Loss) after income tax for the year entirely attributable to the owners of Mayfield Childcare Limited		**239,643**	(1,434,596)
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year entirely attributable to the owners of Mayfield Childcare Limited		**239,643**	(1,434,596)

	Note	Cents	Cents
Basic and diluted (losses)/earnings per share	25	**0.37**	(2.20)

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

Consolidated statement of financial position for the year ended 31 December 2024

	Notes	31 December 2024	31 December 2023
ASSETS		$	$
Current assets			
Cash and cash equivalents		102,997	362,665
Trade and other receivables	8	2,774,204	2,993,015
Prepayments		558,521	571,311
Current tax receivables		-	183,593
Total current assets		3,435,722	4,110,584
Non-current assets			
Plant and equipment	9	4,219,824	4,454,576
Intangibles	10	82,386,955	78,689,201
Right-of-use assets	14(c)	150,561,698	144,320,822
Deferred tax	11	5,495,022	4,127,405
Other		5,300	5,300
Total non-current assets		242,668,799	231,597,304
Total assets		246,104,521	235,707,888
LIABILITIES			
Current liabilities			
Trade and other payables	12	4,672,329	4,160,117
Contract liabilities		1,470,194	1,110,780
Borrowings	13	6,279,826	7,546,600
Lease liabilities	14(d)	8,546,463	6,822,528
Current tax liabilities		831,487	-
Provisions	15	4,882,028	4,494,554
Total current liabilities		26,682,327	24,134,579
Non-current liabilities			
Lease liabilities	14(d)	153,802,394	146,044,615
Provisions	15	159,975	145,303
Total non-current liabilities		153,962,369	146,189,918
Total liabilities		180,644,696	170,324,497
Net assets		65,459,825	65,383,391
EQUITY			
Contributed equity	16(b)	60,774,016	60,618,740
Equity reserves	16(e)	8,080	-
Retained earnings		4,677,729	4,764,651
Total equity		65,459,825	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 year ended 31 December 2024

	Share Capital $	Retained Earnings $	Reserves $	Total $
2023				
Balance as at 1 January 2023	60,618,740	9,059,946	-	69,678,686
Loss after income tax expense for the year	-	(1,434,596)	-	(1,434,596)
Total comprehensive income for the year	-	(1,434,596)	-	(1,434,596)
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction costs (Note 16(b))	-	-	-	-
Dividend paid	-	(2,860,699)	-	(2,860,699)
Balance as at 31 December 2023	60,618,740	4,764,651	-	65,383,391
2024				
Profit after income tax expense for the year	**-**	**239,643**	**-**	**239,643**
Total comprehensive income for the year	**-**	**239,643**	**-**	**239,643**
Transactions with owners in their capacity as owners				
Performance rights issued to employees (Note 16(e))	**-**	**-**	**8,080**	**8,080**
Contributions of equity, net of transaction costs (Note 16(b))	**155,276**	**-**	**-**	**155,276**
Dividends paid	**-**	**(326,565)**	**-**	**(326,565)**
Balance as at 31 December 2024	**60,774,016**	**4,677,729**	**8,080**	**65,459,825**

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

Consolidated statement of cash flow for the year ended 31 December 2024

	Notes	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers, including government funding		85,951,418	76,862,501
Payments to suppliers and employees		(69,325,334)	(63,166,413)
		16,626,084	13,696,088
Other receipts		516,314	831,990
Interest paid on lease liabilities	14	(4,501,223)	(3,617,614)
Net interest paid on borrowings		(774,050)	(882,169)
Net income tax paid		(61,580)	(1,274,521)
Recovery of misappropriations and termination benefits	5	-	440,760
Net cash inflow from operating activities	23	11,805,545	9,194,534
Cash flows from investing activities			
Proceeds from the disposal of plant and equipment		18,543	250
Payments for plant and equipment		(1,245,746)	(1,910,767)
Payments for purchases of businesses plus associated costs	17	(2,594,285)	(4,379,437)
Net cash (outflow) from investing activities		(3,821,488)	(6,289,954)
Cash flows from financing activities			
Repayment of lease liabilities	14	(7,265,040)	(6,401,719)
Drawdown/(Repayment) of borrowings		(807,396)	4,063,710
Dividends paid		(171,289)	(2,860,699)
Net cash (outflow) from financing activities		(8,243,725)	(5,198,708)
Net (decrease) / increase in cash and cash equivalents		(259,668)	(2,294,128)
Cash and cash equivalents at the beginning of the year		362,665	2,656,793
Cash and cash equivalents at the end of the year		102,997	362,665

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

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 1. Material accounting policy information

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. The financial statements are for the consolidated entity ('Group') consisting of Mayfield Childcare Limited ('Mayfield', 'Company') and its subsidiary.

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

(a) Basis of preparation

These general purpose consolidated 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. The Group is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS
The consolidated financial statements of Mayfield Childcare Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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

Going concern
The Group's current liabilities exceed current assets at reporting date by $23.2 million (31 December 2023: $20.0 million). The position as at reporting date is to be considered in noting the following:

- This included $8.5 million of lease liabilities which are expected to be settled through operating cash flows earned in the next twelve months.
- The Current Liabilities include $6.2 million of borrowings classified as Current at balance date as the loan facility is due to terminate on 2 August 2025, the Group has a strong relationship with is Lender and will be seeking to renew the Facility. Further detail is provided at Note 2(c) & Note 13.
- As disclosed in Note 13, prior to the Reporting Period end, the Group notified its Lender that it would likely be non-compliant with a certain financial covenant for the reporting period ended 31 December 2024. The Group's Lender has confirmed that whilst the Lender reserves it rights under the Facility in connection with the non-compliance, 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 31 December 2024 Financial Report provided that there are no further breaches of covenants or undertakings by the group and no events of default. 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 had up to $4.1 million (at reporting date) available to be drawn down from its Business Loan facility for working capital requirements. Additionally, the approved amount to drawdown under the Acquisition Loan facility was $4.4m subject to the conditions precedent being met in accordance with the Facility Agreement and also the centres being included as part of the security structure for the Group of which $1.1m is immediately available at reporting date.
- Subsequent to Reporting Period end, the group completed a $4.58 million (before fees) capital raising via an institutional placement of 9,837,992 fully paid ordinary shares to new professional and sophisticated investors ("Placement"), utilising its existing placement capacity under ASX Listing Rule 7.1. Net proceeds of $4.32 million was received from the placement, significantly strengthening the Group's financial position.
- The Group generated a net operating cash inflow of $11.8 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.
- The Group has strong banking relationships and demonstrate access to equity capital markets as an alternative source of funding. The Group has the ability 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 year ended 31 December 2024

Note 1. Material accounting policy information (continued)

(a) Basis of preparation (cont'd)

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. There were no material changes as a result of accounting standards and interpretations 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.

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

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of Mayfield Childcare Limited ('Company' or 'Parent') as at 31 December 2024 and the results of its subsidiary for the year then ended. Mayfield Childcare Limited and its subsidiary together are referred to in this financial report as the Group or the consolidated entity.

(c) Business combinations

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

(d) Revenue recognition

The Group provides long day childcare and educational services to its customers. Fees are generally billed weekly and, in the usual course of business, payment is received within one week of billing. Revenue is recognised once the contracted service has been provided. Payments for services provided are usually sourced from both the federal and state governments and private individuals, else solely from the latter if ineligible for funding support. Payments in advance of services provided are recognised as contract liabilities until such time as the services are provided.

(i) Contracts with customers

Contract balances
The closing balance of contract liabilities as at reporting date is expected to fully flow through and be recognised as revenue within twelve months from reporting date. Contract liabilities arise when payment is received in advance of the provision of the service. Thus, with the exception of refunds to those parents who terminate their contracts whilst in credit (which are not material), the closing balance of contract liabilities from the prior reporting period has been fully recognised within the current reporting period.

Performance obligations

Provision of childcare services
Fees paid by families and/or the Australian Government (Child Care Subsidy) are recognised as and when a child is booked to attend a child care service, as under AASB 15 Revenue from Contracts with Customers this is when the customer has consumed the benefits of this service (satisfies its performance obligation).

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 1. Material accounting policy information (continued)

(d) Revenue recognition (continued)

Kinder and Inclusion Support funding and other grants
Grants from the Commonwealth, State or Local Governments are recognised as revenue once the amount of the grant can be reliably measured and all performance obligations, including compliance with the associated grant terms and conditions, have been fully performed.

Transaction price allocated to the remaining performance obligations
Weekly billing of customers is based on the duration of care for which the child has been enrolled, with some centres offering discounts for full-time bookings (Monday to Friday inclusive), as distinct from part-time or casual bookings. At reporting date the Group calculates the amount earned from each customer to the end of that day and, if this is less than the amount billed to the customer, the excess is recognised as a contract liability for performance obligations unfulfilled.

(ii) Significant judgements in applying the standard

Determining the transaction price and the amounts allocated to performance obligations
There is no variable consideration, nor post-billing discounts, to be taken into account in determining the transaction price. Any non-refundable enrolment and waiting list fees are not material and are recognised as revenue when received.

Other than those disclosed above, there are no significant judgements made in applying the standard.

(e) Income tax

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 amounts 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 amounts to be recovered.

Mayfield Childcare Limited and its wholly owned subsidiary have elected to be a tax consolidated group. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements

(f) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days, and predominantly within 7 days. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly.

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. The expected loss rates are based on the payment profiles of sales (predominantly the provision of childcare services) to reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors expected to potentially affect the ability of customers to settle the receivables. Other receivables are recognised at amortised cost, less any provision for impairment.

(g) Plant and equipment

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives, being 4 to 10 years.

(h) Intangible assets

Goodwill
Goodwill is recognised and measured as described in Note 1(c) above. Goodwill is not amortised but is tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

(i) Impairment of assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other assets are tested 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. Non-financial assets, other than goodwill, which suffer an impairment are reviewed for possible reversal of the impairment at the end of each subsequent reporting period.

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 1. Material accounting policy information (continued)

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the reporting period and which are unpaid. The amounts are unsecured and are usually due for settlement no more than 30 days from the date of recognition. Due to their short-term nature the amounts recognised are deemed to reflect fair value.

(k) Leases

The Group, as lessee, is required to recognise its leases in the statement of financial position. The only exceptions are short-term (less than 12 months) leases and leases of low-value assets. The lease liability is measured as the present value of the unavoidable future lease payments to be made over the lease term (refer Note 14(d)).

The Group records a non-current ROUA and both a current and non-current liability for every applicable lease upon inception. The ROUA is depreciated on a straight-line basis over the life of the lease and the interest on the liability is recorded using the effective interest rate method. Within the statement of cash flows, the interest component of lease payments is recognised as an operating cash flow and the principal component of lease payments is recognised as a financing cash flow.

In calculating the value of each property lease liability, future lease payments include known fixed percentage increases but exclude variable consumer price index (CPI) increases, as estimations of future increases are prohibited by the standard (CPI lease payment increases are taken into account via a re-measurement of the lease liability as and when the increase occurs). The net present value of the unavoidable future lease payments are discounted using the Group's incremental borrowing rate, as none of the property leases have an implicit interest rate. 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.

(l) Borrowings

Loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

Borrowings are derecognised when the contractual obligations are discharged, cancelled or expired.

(m) Finance costs

All finance costs are expensed in the period in which they are incurred, including interest on any short-term and long-term borrowings.

(n) Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be wholly 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 (long service leave) not expected to be wholly settled within 12 months of the reporting date is measured as the estimated present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. 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 end of the reporting period on corporate bonds with terms to maturity and currency which match, as closely as possible, the estimated future cash outflows.

(o) Contributed equity

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

(p) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for any bonus elements in ordinary shares issued during the reporting period.

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 shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 2. Financial risk management

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 programme focuses on the unpredictability of financial markets and seeks to minimise any potentially adverse effects upon the performance of the Group. To date, the Group has not used derivative financial instruments to hedge its risk exposures.

Financial risk management is the responsibility of the Chief Financial Officer, acting within guidelines approved by the Board of Directors. The Group's risk exposures are identified and analysed using different methods, such as sensitivity analysis for interest rate risk and debtor ageing for credit risk.

The Group holds the following financial instruments:

	Note	31 Dec 2024 $	31 Dec 2023 $
Financial assets			
Cash and cash equivalents		**102,997**	362,665
Trade and other receivables	8	**2,774,204**	2,993,015
		2,877,201	3,355,680
Financial liabilities			
Trade and other payables	12	**4,672,329**	4,160,117
Borrowings	13	**6,279,826**	7,546,600
Lease liabilities	14(d)	**162,348,857**	152,867,143
		173,301,012	164,573,860

(a) Market Risk

Foreign exchange risk
The Group has not undertaken any foreign currency denominated transactions, hence it is not exposed to foreign currency risk through foreign currency exchange rate fluctuations.

Price risk
The Group is not exposed to any material price risk.

Interest rate risk
The Group's predominant interest rate risk arises from its long-term borrowings. Borrowings undertaken at variable rates expose the Group to interest rate risk, whereas borrowings undertaken at fixed rates expose the Group to fair value interest rate risk.

At 31 December 2024 the interest rates on the Group's loan facilities were as follows:

- $9,819,000 facility at 0.75% line fee plus 6.3727% variable on $5,672,600 drawn; and
- $10,204,000 facility at 0.75% plus 6.4632% variable on $500,000 drawn

Including the line fee of 0.75% p.a. on the full amount of each facility, the average interest rate for the year was 7.08% (2023: 6.49%).

Any reasonably possible movement in interest rates is not expected to cause a material impact upon profit or equity.

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 2. Financial risk management (continued)

(b) Credit Risk

The Group is exposed to credit risk arising from the potential of a counterparty to fail to fulfil their financial obligations, thereby exposing the Group to financial loss. Throughout the year ended 31 December 2024 the Group's exposure to credit risk lay predominantly with its trade receivables. The Group utilises a three-tiered approach to managing its trade receivables: firstly, at the centre manager level, then, at the area manager level and, finally, at the corporate executive level. Despite the relatively small individual trade receivable balances, the Group uses an external debt collection agency on a 'no collect-no fee' basis in certain circumstances.

At 31 December 2024 the maximum exposure to credit risk of recognised financial assets is the carrying amount, 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.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, cash equivalents and readily marketable investments to enable the Group to meet its debts as and when they become due and payable. The Group manages liquidity by continuously monitoring forecast and actual cash flows, ensuring it holds adequate cash reserves and has sufficient borrowing capacity to meet its future funding requirements.

Financing arrangements

Unused borrowing facilities are as follows:

	Note	31 Dec 2024 $	31 Dec 2023 $
Westpac Banking Corporation			
Variable rate loan/s (available for working capital requirements)		**4,146,400**	4,872,400
Variable rate loan (available only for centre acquisitions, subject to meeting lending criteria)		**9,704,000**	11,888,000
	13	**13,850,400**	16,760,400

Maturity of Financial Liabilities (excluding Leases)

The following table analyses the Group's financial liabilities, excluding leases (refer Note 14(d)), into relevant maturity groupings, based on their contractual maturities – they are not expected to occur significantly earlier than as contracted at reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

31 December 2024	Within 1 year $	Between 1 and 2 years $	Between 2 and 5 years $	Total contractual cash flows $	Carrying amount of liabilities $
Trade and other payables	**4,672,329**	-	-	**4,672,329**	**4,672,329**
Borrowings[1]	**6,663,040**	**105,994**	-	**6,769,034**	**6,279,826**
Total financial liabilities (excluding Lease liabilities)	**11,335,369**	**105,994**	-	**11,441,363**	**10,952,155**

Note 1: the Finance Facility with Westpac is due for renewal 2 August 2025 (Note 13)

31 December 2023	Within 1 year $	Between 1 and 2 years $	Between 2 and 5 years $	Total contractual cash flows $	Carrying amount of liabilities $
Trade and other payables	4,160,118	–	–	4,160,118	4,160,118
Borrowings	646,262	7,961,279	–	8,607,541	7,546,600
Total financial liabilities (excluding Lease liabilities)	4,806,380	7,961,279	–	12,767,659	11,706,718

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions which affect the amounts reported in those statements. Management regularly evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on various other factors, including expectations of future events, which management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual, eventual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next 12 months are as follows:

Goodwill

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether or not goodwill has suffered an impairment, in accordance with the accounting policy stated in Note 1 above. The recoverable amounts of cash-generating units (CGU's) are determined based on value-in-use calculations, which require the use of assumptions, including estimated discount rates, based on the current cost of capital, and the growth rates of the estimated future cash flows (Note 10).

Each childcare centre is an identifiable operation within a single CGU. Therefore, when a childcare centre is disposed, the goodwill associated with that centre must be included in the carrying amount of the disposed operation for the purpose of determining the loss or gain on disposal. The goodwill is measured on the basis of the relative values of the operation disposed and the portion of the CGU retained, which means maintaining forecast discounted cash flow (DCF) calculations to support each centre's contribution to the value in use of the Group's single CGU, as represented by the resultant net present value (NPV). However, when a centre is in a loss-making position, its NPV is negative, meaning that it is making no contribution to goodwill. This requires management to exercise judgement in determining the amount of goodwill to be disposed based upon the size (in terms of the number of licensed places) of the loss-making centre.

Property Leases

Important factors in calculating the value of property lease liabilities and right-of-use assets (ROUAs) as reported in the consolidated statement of financial position, along with the associated finance costs and depreciation charge on ROUA's reported in the consolidated statement of profit or loss, include the determination of the:

- Non-cancellable lease term: The Group has exercised judgement in determining that unavoidable future lease payments include only the current lease term, 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.
- Incremental borrowing rate: The Group has exercised judgement in estimating the rate of interest it would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to each right-of-use asset in a similar economic environment.

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.

Note 4. 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 year ended 31 December 2024, as it earns the majority of its revenue from childcare provided to individual families.

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 5. Revenue

	2024 $	2023 $
Revenue from contracts with customers		
Childcare services	**87,155,678**	76,508,307
Other revenue		
Other revenue	**1,152,162**	690,862
	88,307,840	77,199,169
Other revenue includes:		
Business interruption insurance claim income	**655,942**	401,149
Other Income		
Recovery of misappropriated funds[1]	-	440,760

Note 1: The amount of $440,760 includes $329,433 for alleged misappropriations, $111,327 in respect of an eligible termination payment by the Company to the former CEO as part of his employment termination and $5,926 for other items. These amounts relate to periods prior to the current reporting period. An additional $612,338 was received in respect of investigation costs incurred in the previous reporting period that have been offset directly against the relevant expense accounts. The total amount received under the settlement with the former CEO was $1,059,024.

Note 6. Employee Costs

Included within Employee Costs are defined contribution plan expenses of $5,407,977 (2023: $4,382,501).

Note 7. Income tax expense

	2024 $	2023 $
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) before income tax	**292,786**	(2,231,342)
Tax expense at the statutory rate of 30.0%	**(87,836)**	669,403
Tax effect of amounts which are not taxable/(taxable) in calculating taxable income		
Prior year refund due to change of tax rate	-	72,756
Non-deductible revenue/(expenses)	**(85,257)**	(8,688)
Prior period adjustment	**119,950**	46
Acquisition costs	-	63,229
Income tax (expense)/benefit	**(53,143)**	796,746
Weighted average tax rate	**18.2%**	35.7%

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 8. Current assets — Trade and other receivables

	2024	2023
	$	$
Trade receivables	**2,784,203**	2,488,584
Less: Provision for impairment of trade receivables	**(841,015)**	(344,553)
	1,943,188	2,144,031
GST receivable (net)	**159,227**	163,241
Other receivables	**671,789**	685,743
	2,774,204	2,993,015

Impaired trade receivables

Trade receivables were assessed for impairment as at reporting date. The allowance for expected credit losses recognised during the year was $496,462 (2023: $352,011). Movements in the allowance for expected credit losses of trade receivables are as follows:

	2024	2023
Opening balance	**344,553**	269,707
Allowance for impairment recognised during the year	**496,462**	352,011
Bad debts written off during the year	-	(277,165)
Closing balance	**841,015**	344,553

Past due but not impaired

As at reporting date, customers with balances more than 30 days overdue but assessed as not being impaired totalled $607,599 (2023: $415,783). These relate to a number of customers for whom there is no recent history of default and for which full payment is expected. The ageing analysis of these trade receivables is as follows:

	2024	2023
Up to 3 months	**285,963**	163,224
3 to 6 months	**95,321**	54,409
More than 6 months	**226,315**	198,150
	607,599	415,783

Other receivables

Other receivables include:

	2024	2023
Unsecured loan to related parties (Note 21):	-	459,378

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 9. Non-current assets — Plant and equipment

Note 9. Non-current assets — Plant and equipment	2024 $	2023 $
Plant and equipment		
Plant and equipment - at cost	**9,418,270**	8,539,245
Less: Accumulated depreciation	**(5,198,446)**	(4,084,669)
Net book amount	**4,219,824**	4,454,576
Reconciliation of plant and equipment		
Opening net book amount at beginning of year	**4,454,576**	3,856,989
Additions	**1,224,178**	1,902,439
Net additions through business combinations (Note 17)	**105,000**	55,186
Disposals	**(102,375)**	(37,324)
Depreciation expense	**(1,461,555)**	(1,322,714)
Closing net book amount at end of year	**4,219,824**	4,454,576

Note 10. Non-current assets — Intangibles

Note 10. Non-current assets — Intangibles	2024 $	2023 $
Goodwill – at cost	**82,360,683**	78,682,929
Other	**26,272**	6,272
	82,386,955	78,689,201
Reconciliation		
Balance at beginning of year	**78,682,929**	74,110,630
Additions through business combinations (Note 17)	**3,677,754**	4,572,299
Balance at end of year	**82,360,683**	78,682,929

Additional purchase consideration adjustments

During the current reporting period, the Group entered into a Business Sale Agreement to acquire seven childcare centre businesses (Note 17).

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 10. Non-current assets – Intangibles (continued)

Goodwill impairment testing

Goodwill is allocated to a single cash-generating unit (CGU), consistent with the Group's one operating segment. The recoverable amount of the CGU is based on value-in-use calculations using cash flow projections from financial forecasts approved by the Board for the 12 months immediately following the reporting date, and cash flows beyond 12 months extrapolated through a 5-year outlook.

The assumptions used for the current reporting period may differ from the assumptions in the past or next reporting period as internal and external circumstances and expectations change. The Group has made assumptions about current economic factors including in addition to assumptions around centre wages and child care fees for the period beyond the Federal Government funded ECEC Worker Retention Payment grant – there is currently a two year grant period until 30 November 2026. Childcare fees are capped during the grant period and as such the Group has made assumptions factoring this over the outlook period. The Consolidated Entity has applied the below assumptions in the 31 December 2024 calculation of value-in-use.

Key assumptions and sensitivity analysis

The calculation of value-in-use is most sensitive to the following assumptions:

- Childcare Fee growth in the outlook period of 4.2% – 7.0%
- Occupancy growth in the outlook period 2%
- Employee expenses growth over the outlook period of 3.25% — 5.0%
- All other expenses growth over the outlook period of 3.25% – 4.5%
- Discount rate (pre-tax) of 13.5% (FY23: 15.5%); and
- Terminal growth rate of 2.25% (FY23: 2.5%).

The discount rate represents the current market assessment of the risks specific to the operating sector, taking into consideration the time value of money and the individual risks of the underlying assets that have been incorporated within the cash flow estimates.

The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on management's assessment of an applicable risk-free rate plus a Group-specific risk premium.

The directors have considered the sensitivity of the impairment assessments to a reasonably possible change in the above key assumptions. Holding all other parameters constant, the following sensitivities would likely result in an impairment when viewed in isolation:

- Occupancy growth of less than -0.6% p.a. over the next 5 years.
- Annual employee expenses growth of more than 4.1% p.a.
- Discount rate (pre-tax) increased to more than 14.8%.

In its impairment review, the Board has concluded that no impairment is required to the carrying amount of goodwill at 31 December 2024.

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 11. Non-current assets – Deferred tax

	2024 $	2023 $
Deferred tax comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property Leases	**3,536,148**	2,563,896
Employee benefits and other expenses	**1,863,965**	1,679,980
Share issue costs	**40,746**	81,228
Impairment of receivables	**252,304**	103,366
Audit fee accruals	**18,000**	24,000
Expenses deductible in future periods	**16,211**	16,066
Borrowing costs	**657**	1,632
Prepayments	**-**	(41,234)
Plant and equipment	**(233,009)**	(301,529)
	5,495,022	4,127,405

Management believes that forecast future profits will be sufficient to recover deferred tax assets recognised at 31 December 2024.

Note 12. Current liabilities – Trade and other payables

Trade payables	**757,287**	754,405
Other payables	**3,915,042**	3,405,712
	4,672,329	4,160,117

Note 13. Current & Non-current liabilities – Borrowings

Current	**6,279,826**	7,546,600
Bank loans		
Balance at beginning of year	**7,546,600**	4,326,600
New Facilities entered into[1]	**118,795**	-
Net drawdowns/(repayments)	**(1,385,569)**	3,220,000
Balance at end of year	**6,279,826**	7,546,600

1. During the reporting period, the Group entered into a premium finance arrangement with its Lender in respect of its annual Directors & Officers Insurance Policy.

Financing arrangements

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

Facility at end of year		
Total bank loan facility	**20,023,000**	24,307,000
Less amount used	**(6,172,600)**	(7,546,600)
Unused loan facility	**13,850,400**	16,760,400

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 13. Current & Non-current liabilities – Borrowings (continued)

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 $13.9 million unused, $9.7 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 $4.1 million (at reporting date) available to be drawn down from its lending facility for working capital requirements.

As at 31 December 2024, the Group has classified the amount drawn down under the Facility ($6.2 million) as current as the loan facility is due to terminate on 2 August 2025, the Group has a strong relationship with its Lender and will be seeking to renew the Facility.

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 challenging trading conditions primarily in the form of lower than forecast occupancy and inflationary cost pressures experienced in the first half of the CY24 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 31 December 2024 full year Financial Report provided that there are no further breaches of covenants or undertakings by the Group and no events of default.

The relevant ratio where the Group has reported to its Lender that it will 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 30 June 2025 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 continued support from its Lender. In addition, subsequent to Reporting Period end, the Group completed a $4.58 million capital raising via an institutional placement of 9,837,992 fully paid ordinary shares to new professional and sophisticated investors ("Placement"), utilising its existing placement capacity under ASX Listing Rule 7.1. Net proceeds of $4.32 million was received from the placement, significantly strengthening the Group's financial position.

Assets pledged as security
The bank loan of $6.2 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 subsidiaries.

Bank guarantee facility

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

Facility at end of year	2024	2023
Total bank guarantee facility	**4,500,000**	4,500,000
Less amount used	**(4,426,256)**	(4,155,505)
Unused guarantee facility	**73,744**	344,495

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 14. Current & Non-current liabilities – Lease liabilities

The Group has lease contracts for each of its childcare centres and its head office premises. These leases generally have lease terms between 5 and 30 years. Several lease contracts include extension and termination options. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 3).

Some lease contracts contain variable payments based on measures such as market reviews and annual CPI inflation while others contain fixed annual increases.

(a) Expenses	2024 $	2023 $
Expenses from transactions not recognised as leases:		
Rental expense relating to leases of low-value assets	**50,231**	43,739
Interest expense on lease liabilities	**4,501,223**	3,614,894
(b) Cash flows		
Total cash outflow for leases	**11,766,263**	10,019,334
(c) Right-of-use assets		
Right-of-use assets	**190,140,822**	173,394,068
Less: Accumulated depreciation	**(39,579,124)**	(29,073,246)
Net book amount at end of year	**150,561,698**	144,320,822
Reconciliation		
Opening net book amount at beginning of year	**144,320,822**	131,410,100
Increase due to new leases entered into	**16,022,232**	12,256,243
Increase due to addition of next further term	**205,579**	7,364,213
Increase due to remeasurement of lease liabilities upon increase of variable lease payments	**1,270,840**	2,885,467
(Decrease) on disposal of lease	**(751,897)**	-
Depreciation charge	**(10,505,878)**	(9,595,201)
Closing net book amount at end of year	**150,561,698**	144,320,822

(d) Maturity of Lease liabilities

The following table analyses the Group's leases by relevant maturity groupings, based on their contractual maturities – they are not expected to occur significantly earlier than as contracted at reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

31 December 2024	Within 1 year $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount of lease liabilities $
Property Leases	13,505,417	13,715,007	40,859,610	136,327,779	204,407,813	162,348,857

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 14. Current & Non-current liabilities – Lease liabilities (continued)

Additional information

Unavoidable future payments
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 12.2 years (Dec 2023: 14.9 years).

Including all further terms, the weighted average term increases to 25.4 years (Dec 2023: 30.1 years)

Note 15. Provisions

	2024 $	2023 $
Current	**4,882,028**	4,494,554
Non-current	**159,975**	145,303
	5,042,003	4,639,857
Consisting of:		
Employee entitlements		
Balance at beginning of year	**3,197,135**	2,539,731
Acquired through business combination (note 17)	**971,722**	-
Net increase	**347,520**	657,404
Balance at end of year	**4,516,377**	3,197,135
Other Provisions		
Balance at beginning of year	**1,442,722**	-
Net (decrease)/increase	**(917,096)**	1,442,722
Balance at end of year	**525,626**	1,442,722

Other provisions includes $470,626 (2023: $1,387,723) 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. This amount has been recorded as an increase to Childcare Services revenue in 2024 and a reduction to Chidcare Services revenue in 2023. This policy has since been rectified.

Note 16. Contributed equity

(a) Share capital

The share capital account of Mayfield Childcare Limited (the Company) consists of 65,586,617 fully paid up, ordinary shares as at 31 December 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.

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 16. Contributed equity (continued)

(b) Movements in ordinary share capital

Movements in the ordinary share capital of the Company during the past two years were as follows:

Date	Details	Number of shares	Amount $
1 Jan 2023	Opening balance	65,312,704	60,618,740
1 Jan 2024	Opening Balance	65,312,704	60,618,740
26 Sept 2024	Issued under Dividend Reinvestment Plan	273,913	155,276
31 Dec 2024	**Closing balance**	**65,586,617**	**60,774,016**

(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. Shares are issued under the DRP at a 5% discount to the volume-weighted average price (VWAP) over the pricing period, as determined by the directors. Whether or not the DRP is offered to shareholders in relation to a declared dividend is at the discretion of the Board.

(d) Share options

There were no unissued ordinary shares of Mayfield Childcare Limited under option at 31 December 2024. There were no ordinary shares of Mayfield Childcare Limited issued on the exercise of options during the year.

(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:

a. continued service with the Company up to the relevant exercise date; and
b. 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).

During the period, 148,457 Performance Rights were granted by the Company to key management personnel and certain employees. The Performance Rights are subject to vesting conditions including:

a. continued service with the Company up to the relevant exercise date; and

b. 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.

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 16. Contributed equity (continued)

(e) Performance Rights (continued)

Set out below are summaries of Performance Rights granted under the plan:

Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Forfeited	Balance at the end of the year
30 May 2024	31 May 2026	-	120,370	-	-	120,370
23 October 2024	31 May 2026	-	148,457	-	-	148,457

The weighted average remaining contractual life of Performance Rights outstanding at the end of the financial year was 1.42 years. For the Performance Rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
30 May 2024	31 May 2026	$0.69	40%	6.4%	3.9%	$0.6072
23 October 2024	31 May 2026	$0.51	40%	5%	3.9%	$0.4615

	2024 $	2023 $
Share based payment expense		
Total share-based payment expense - Performance Rights	**8,080**	-

(f) Capital management

Risk Management
The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders, benefits for other stakeholders and minimise the cost of capital by optimising its capital structure.

Future optimisation measures may include any or all of adjusting the amount of dividends it distributes and/or returning capital to its shareholders, raising capital by issuing new shares, selling assets to reduce debt and further bank borrowings. As a general principle, the Group will seek to utilise its borrowing capacity to fund the acquisition of new childcare businesses, whilst ensuring it adheres to the financial and operating covenants therein.

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 was paid on 26 September 2024.

No dividend has been declared or paid for the year ended 31 December 2024.

No dividend has been declared or paid for the year ended 31 December 2024.

	2024 $	2023 $
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2023: 30%)	**6,129,004**	6,055,301

The above amount is calculated from the balance of the franking account as at the end of the reporting period.

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 17. Business combinations

On 19 August 2024, the Group announced that it had completed the acquisition of seven operating centres and the business assets of the Precious Cargo group, an established early childhood education and care provider in South Australia.

Location: South Australia	**Total**
Number of Centres	*7*
Licenced Places	*882*
Acquisition Date	*19 August 2024*
Goodwill	3,677,754
Right-of-use assets	16,022,232
Property lease liability	(16,022,232)
Plant and equipment	105,000
Prepayments	104,961
Deferred Tax Assets	278,907
Contract Liabilities	(744,451)
Provisions for employee benefits	(971,722)
Acquisition-date fair value of total consideration paid in cash	**2,450,449**

There are no further fundamental changes expected to the fair values ascribed to the assets and liabilities assumed.

Note 18. 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):

Name of entity	Country of incorporation	Class of shares	**2024 %**	2023 %
Mayfield Early Education Pty Ltd (formerly Genius Education Pty Ltd)	Australia	Ordinary	**100**	100

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 19. Key management personnel (KMP) disclosures

	2024 $	2023 $
Aggregate compensation made to directors and other KMP of the Group:		
Short-term employee benefits	**769,929**	680,923
Long-term benefits	**90,405**	73,216
	860,334	754,139

Note 20. Remuneration of auditor

	2024 $	2023 $
During the period the following fees were paid or payable for services provided by the auditor and its related practices:		
Audit services		
Audit and review of financial reports[1]	**123,161**	175,124
Non-audit services		
Preparation of income tax returns and related matters	**25,250**	40,350
Total fees of PKF Melbourne and its related practices	**148,411**	215,474

1. The costs recorded for audit in 31 December 2023 were significantly impacted by the additional works required as part of the investigations in CY23 associated with the identified misallocations and misappropriations related to the year ended 31 December 2022 and prior periods.

Note 21. Related party transactions

Parent entity
The parent entity of the Group is Mayfield Childcare Limited.

Subsidiaries
Please refer to Note 18 for details of the Company's interests in subsidiaries.

Transactions with related parties

Loans to Genius Learning Pty Ltd
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.

In the current period, an additional amount owed by Genius Learning to Genius Education of $201,501 owed in relation to amounts net of income / expenses that were collected / incurred by Genius Learning during the transition period for three centres acquired by Genius Education in the period ended 31 December 2024 was 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. As at the date of this report the Incubator Agreement has not been terminated.

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 21. Related party transactions (continued)

Incubator Agreement with Steps Learning Pty Ltd
On 31 December 2024, the Group announced that it had secured an Incubator partnership with Steps Learning Pty Ltd ("Steps"). As part of the partnership, Mayfield has strategically acquired a 10% equity interest in the new incubator Steps. The Incubator is to be led by Ashok Naveinthiran (the Group's outgoing CEO). Under the terms of the Incubator agreement, Steps will undertake to expand its portfolio in alignment with Mayfield's strategic growth objectives, guided by a mutually agreed development plan.

It was also announced that Steps has entered into a Management Agreement with the Group to provide services for the Steps portfolio. The management fees are to be agreed and set through an appropriate arms-length process.

No other related party centre service agreements were entered into during the year. No related party revenue has been recognised during the reporting period in relation to the transaction with Steps.

Note 22. Commitments

Capital commitments

The Group has no capital commitments as at reporting date (31 December 2023: None).

Note 23. Reconciliation of profit after income tax to net cash from operating activities

	2024 $	2023 $
Profit /(Loss) after income tax	**239,643**	(1,434,596)
Depreciation	**11,967,433**	10,917,915
Childcare business acquisition costs	**143,835**	-
Impairment charge on trade receivables (note 8)	**496,462**	352,010
Net loss on disposal of non-current assets	**85,875**	37,072
Share-based payments	**8,080**	-
Change in operating assets and liabilities:		
(Increase)/Decrease in trade and other receivables	**(794,812)**	74,661
Decrease in other operating assets	**117,751**	25,672
(Increase) in deferred tax assets	**(1,088,710)**	(1,519,743)
Increase/(Decrease) in trade and other payables	**512,212**	(654,123)
(Decrease)/Increase in contract liabilities	**(144,135)**	298,330
Increase/(Decrease) in current tax liabilities	**831,487**	(653,885)
(Decrease)/Increase in provisions	**(569,576)**	869,052
Net cash inflow from operating activities	**11,805,545**	9,194,534

Note 24. Events occurring after the reporting period

On 31 December 2024, the Group announced it had received commitments under a proposed equity placement utilising the Group's existing placement capacity under ASX Listing Rule 7.1 via an institutional placement to new professional and sophisticated investors ("Placement"). Subsequent to Reporting Period end, the Group completed the placement raising $4.58 million (before fees) and issuing 9,837,992 fully paid ordinary shares. Net proceeds of $4.32 million was received from the placement.

On 24 February 2025, the Group announced that Daniel Stone has been appointed as Mayfield's new CEO, to commence with effect on 8 April 2025.

No other matter or circumstance has arisen since 31 December 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.

Notes to the consolidated financial statements for the year ended 31 December 2024

Note 25. Earnings / (loss) per share

	2024 Cents	2023 Cents
Basic and diluted earnings /(losses) per share	**0.37**	(2.20)

	Number	Number
Weighted average number of shares		
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	**65,586,617**	65,312,704

	$	$
Earnings used in calculating basic and diluted earnings per share		
Profit / (Loss) after tax attributable to the ordinary equity holders of the Company	**239,643**	(1,434,596)

Note 26. Contingencies

In relation to the $470,626 (2023: $1,387,723) provision raised in Note 15, there remains the potential for the Group to be levied with fines and/or penalties, the likelihood and value of which are unable to be estimated at the date of this report.

Other than the above, the Group has no contingent liabilities as at reporting date (31 December 2023: None).

Note 27. Parent entity financial information

	2024 $	2023 $
(a) Summary financial information		
Balance sheet		
Current assets	**1,916,712**	2,111,017
Total assets	**113,905,222**	118,096,801
Current liabilities	**15,841,581**	17,590,073
Total liabilities	**45,828,736**	51,444,289
Shareholders' equity		
Issued capital	**60,774,016**	60,618,740
Retained earnings	**7,294,390**	6,033,772
	68,068,406	66,652,512
Profit or loss for the year	**1,043,891**	982,363
Total comprehensive income	**1,043,891**	982,363
(b) Guarantees entered into by the parent entity	**2,546,604**	2,248,481

The parent entity has utilised its bank guarantee facility with Westpac (Note 13) to provide bank guarantees to its subsidiary's landlords.

Consolidated entity disclosure statement for the year ended 31 December 2024

Name of entity	Type of entity	Trustee, partner or participant in joint venture	% of share capital held	Country of incorporation	Australian resident or foreign resident (for tax purpose)	Foreign tax jurisdiction(s) of foreign residents
Mayfield Childcare Limited	Body corporate	n/a	n/a	Australia	Australian	n/a
Mayfield Early Education Pty Ltd (formerly Genius Education Pty Ltd)	Body corporate	n/a	100%	Australia	Australian	n/a

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 21 to 47 are in accordance with the Corporations Act 2001, including:

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

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the year ended on that date; and

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

(c) The Consolidated Entity Disclosure Statement is true and correct.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have received a declaration from the CEO and CFO that the Consolidated Entity Disclosure Statement is true and correct for the year ended 31 December 2024 as required by section 295A of the Corporations Act 2001 (Cth).

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

Roseanne Healy,
Chair & Non-Executive Director

Melbourne
28 February 2025

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

Report on the Audit of the Financial Report

Auditor's Opinion

We have audited the accompanying financial report of Mayfield Childcare Limited (the Company) and its controlled entity comprising the Company and the entity it controlled at the year's end or from time to time during the financial year (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, the consolidated entity disclosure statement, notes to the financial statements, including material accounting policy information, and the Directors' Declaration of the Group.

In our opinion, the accompanying financial report of the Group is 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 2024 and of its financial performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 Group in accordance with the auditor independence requirements of 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

A Key Audit Matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on this matter. Our description of how our audit addressed the matter is provided in that context.

Key audit matter	*How our audit addressed this matter*
Valuation of goodwill and indefinite life intangible assets As at 31 December 2024, the carrying value of goodwill and indefinite life intangible assets totalled $82,386,955 (2023: $78,689,201), as disclosed in note 10 of the financial report. The accounting policy in respect to these assets is outlined in note 1 (g) *Intangible Assets.* An annual impairment test for goodwill and other indefinite life intangible assets is required under AASB 136 *Impairment of Assets*. Management's testing has been performed using a discounted cash flow model (Impairment Model) to estimate the value-in-use of the Cash-Generating Unit (CGU) to which these intangible assets have been allocated. The evaluation of the recoverable amount required the Group to exercise significant judgement in determining key assumptions, which include: • Childcare fee growth • Occupancy growth • Employee expenses growth • Other expenses growth • Discount rate • Terminal growth rate The outcome of this impairment assessment could vary if different assumptions were applied. Due to these factors, we consider the valuation of goodwill and indefinite life intangible assets to be a Key Audit Matter.	Our audit procedures included, but were not limited to, assessing and challenging: • The appropriateness of Management's determination that a single CGU is appropriate, • The application of an indefinite useful life to these intangible assets, • The integrity and mathematical accuracy of the Impairment Model, • The reasonableness of the cash flow budget approved by the Directors, comparing to actual results, and considering trends, strategies, and outlooks, • The reasonableness of inputs into the Impairment Model, • The short and medium term growth rates applied in the forecast cash flow, considering historical results and available industry data, • Management's sensitivity analysis around the key assumptions within the cash-flow projections, to consider the likelihood of such movements occurring sufficient to give rise to impairment, • The appropriateness of the disclosures in the financial report.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and in doing so, we consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The Directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 ; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are 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 the 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 and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Auditor's Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of Mayfield Childcare Limited for the year then ended complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF

Kaitlynn Brady

PKF
Melbourne, 28 February 2025

Kaitlynn Brady
Partner

Shareholder Information

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in this Annual Report. The information provided is current as at 13 February 2025 (Reporting Date).

The Company is listed on the Australian Securities Exchange.

Distribution of equity securities

Analysis of number of listed equitable security holders by size of holding:

Fully Paid Ordinary Shares (ASX:MFD)

Range	Shares	Total Holders	% of Shares
1 - 1,000	46,578	124	0.06%
1,001 - 5,000	583,345	221	0.77%
5,001 - 10,000	670,533	87	0.89%
10,001 - 100,000	5,784,489	174	7.67%
100,001 Over	68,339,664	47	90.61%
Total	**75,424,609**	**653**	**100.00%**

Options Over Ordinary Shares
There were no Shares of Mayfield issued on the exercise of options during the year and to the date of this report.

Unlisted Securities Over Ordinary Shares

Range	Shares	Total Holders	% of Shares
1 - 1,000	0	0	0%
1,001 - 5,000	0	0	0%
5,001 - 10,000	0	0	0%
10,001 - 100,000	148,457	4	0.20%
100,001 Over	120,370	1	0.16%
Total	**268,827**	**5**	**0.36%**

Unmarketable Parcels

	Parcel Size	Holders	Units
$500.00 parcel at $0.405 per unit	**1,235**	**165**	**93,528**

Equity Security Holders

The names of the twenty largest security holder of quoted equity security holders are listed below:

Fully Paid Ordinary Shares (ASX:MFD)

Holder	Number held	% of Issued Capital
Citicorp Nominees Pty Limited	23,090,145	30.61%
Riversdale Road Shareholding Company Pty Ltd (Riversdale Road Shareholding)	4,197,870	5.57%
Plc Corporation (Wright Reading Fc Family)	3,750,000	4.97%
Malcolm & June Ross Investments Pty Ltd	3,402,634	4.51%
HSBC Custody Nominees (Australia) Limited	3,062,130	4.06%
Riversdale Road Shareholding Company Pty Ltd (Riversdale Rd Shareholding)	2,781,239	3.69%
J P Morgan Nominees Australia Pty Limited	2,560,174	3.39%
David Robert May (Rose Chenny Family)	2,350,000	3.12%
Joseph Carbone (Jcace Family)	2,237,992	2.97%

Holder	Number held	% of Issued Capital
BNP Paribas Nominees Pty Ltd (Hub24 Custodial Serv Ltd)	2,201,296	2.92%
NSR Investments Pty Ltd (Nsr Super Fund A/C)	1,945,000	2.58%
Tobaka Superannuation Pty Ltd (Tobaka P/L Employees Sf A/C)	1,926,637	2.55%
Rothman Consulting Pty Ltd (Vader Family)	1,500,000	1.99%
BNP Paribas Noms Pty Ltd	1,424,207	1.89%
JT Campbell Properties Pty Ltd	1,234,670	1.64%
Kewray Pty Ltd	994,664	1.32%
Talmal Investments Pty Ltd (Talmal A/C)	950,000	1.26%
Mr Michael Norman Kroger & Mr Jack Henry Kroger (The Michael Kroger Sf A/C)	702,724	0.93%
Forum Investments Pty Limited	680,000	0.90%
Sling Super Pty Ltd (Sling Super Fund A/C)	670,000	0.89%
	61,661,382	81.75%

Substantial holders

Fully Paid Ordinary Shares

In line with ASX Listing Rule 4.10.4, and as per the Notices lodged with the ASX, as at 13 February 2025(1), the Substantial Holders of the Group and number of equity securities in which those Substantial Holders and their associates have a relevant interest are as follows:

Ordinary Shares	Number Held	% Of Ordinary Shares
Genius Education Holdings Pty Ltd^	21,704,347	34.23%
Riversdale Road Shareholding Company Pty Ltd^	9,091,010	14.34%
Malcolm and June Ross and Associated Entities^	4,628,748	7.06%
	35,424,105	**55.63%**

^Various Holdings
At the time of this report:
(1) percentages were calculated based on the substantial holder notices per the Notices lodged with the ASX.

Fully Paid Ordinary Shares

As at 13 February 2025, the Substantial Holders of the Group and number of equity securities in which those Substantial Holders and their associates have an actual relevant interest(2), are as follows:

Ordinary Shares	Number Held	% Of Ordinary Shares
Genius Education Holdings Pty Ltd^ (2)	22,820,612	30.26%
Riversdale Road Shareholding Company Pty Ltd^ (2)	9,536,292	12.64%
Malcolm and June Ross and Associated Entities^ (2)	5,485,321	7.27%
	37,842,225	**50.17%**

^Various Holdings
(2) the Company had not received an updated substantial holder notice from the Shareholder.

Voting rights

The voting rights attached to each class of equity securities are set out below:

Ordinary Shares:
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

On Market Buy Back

There was no on market buy back in operation.

Unquoted Equity Securities

Unquoted Options and Performance Rights issued over Ordinary Shares.

Class	Number on Issue	Number of Holders
Performance Rights, FY24, LTI	268,827	5

Unquoted Options and Performance Rights issued under the Company's Employee Incentive Securities Plan ("ESIP") over Ordinary Shares):

Class	Number on Issue	Number of Holders
Performance Rights, FY24, LTI	268,827	5