

1. Company details

Name of entity:	Think Childcare Limited
ABN:	81 600 793 388
Reporting period:	For the half-year ended 30 June 2016
Previous period:	For the half-year ended 30 June 2015

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	19.4% to	24,410
Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA')	up	36.1% to	2,730
Profit from ordinary activities after tax attributable to the owners of Think Childcare Limited	up	45.3% to	1,608
Profit for the half-year attributable to the owners of Think Childcare Limited	up	45.3% to	1,608

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 31 December 2015 paid on 31 March 2016	7.200	0.330

On 10 August 2016, an interim dividend of 4 cents per ordinary share, fully franked, was declared, with a record date of 5 September 2016. The dividend will be paid on 13 September 2016 and is estimated to be \$1,647,000.

Comments

The profit for the consolidated entity after providing for income tax amounted to \$1,608,000 (30 June 2015: \$1,107,000).

Underlying earnings before interest, taxation, depreciation and amortisation ('EBITDA') excluding acquisition expenses for the consolidated entity was a profit of \$2,730,000 (2015: \$2,005,000). This is calculated as follows:

	Consolidated 30/06/2016 \$'000	30/06/2015 \$'000
Revenue	24,410	20,437
Profit after income tax	1,608	1,107
Add: Income tax expense	640	474
Add: Depreciation and amortisation	264	159
Add: Finance cost	137	199
Less: Interest income	(2)	(8)
EBITDA	2,647	1,931
Add: Acquisition expenses	83	74
Underlying EBITDA	2,730	2,005

EBITDA and underlying EBITDA, are financial measures which are not prescribed by Australian Accounting Standards ('AAS') and represents the profit/(loss) under AAS adjusted for non-cash and other items. The directors consider underlying EBITDA to reflect the core earnings of the consolidated entity.

For further details on the results refer to commentary in the attached Chairman's letter and ASX announcement accompanying this report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(5.70)</u>	<u>(8.17)</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 31 December 2015 paid on 31 March 2016	7.200	0.330

On 10 August 2016, an interim dividend of 4 cents per ordinary share, fully franked, was declared, with a record date of 5 September 2016. The dividend will be paid on 13 September 2016 and is estimated to be \$1,647,000.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

The following dividend or distribution plans are in operation:

The consolidated entity has an optional Dividend Reinvestment Plan ('DRP'), pursuant to which new shares may be issued at a discount of up to 5% of the volume weighted average market price.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Think Childcare Limited for the half-year ended 30 June 2016 is attached.

12. Signed



Signed _____

Date: 11 August 2016

Mark Kerr
Chairman
Melbourne

Think Childcare Limited

ABN 81 600 793 388

Interim Report - 30 June 2016

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Think Childcare Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2016.

Directors

The following persons were directors of Think Childcare Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mark Kerr - Chairman
 Mathew Edwards
 Paul Gwilym
 Andrew Hanson

Principal activities

The principal activity of the consolidated entity during the financial half-year consisted of the operation of childcare centres.

Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	30/06/2016	30/06/2015
	\$'000	\$'000
Final dividend for the year ended 31 December 2015 of 7.2 cents per ordinary share	2,851	-

On 10 August 2016, an interim dividend for the half-year ended 30 June 2016 of 4 cents per ordinary share, fully franked, was declared, with a record date of 5 September 2016. The dividend will be paid on 13 September 2016 and is estimated to be \$1,647,000.

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$1,608,000 (30 June 2015: \$1,107,000).

For further details on the results refer to the commentary in the attached Chairman's letter and ASX announcement accompanying this report.

Underlying earnings before interest, taxation, depreciation and amortisation ('EBITDA') excluding acquisition expenses for the consolidated entity was a profit of \$2,730,000 (2015: \$2,005,000). This is calculated as follows:

	Consolidated	
	30/06/2016	30/06/2015
	\$'000	\$'000
Revenue	24,410	20,437
Profit after income tax	1,608	1,107
Add: Income tax expense	640	474
Add: Depreciation and amortisation	264	159
Add: Finance cost	137	199
Less: Interest income	(2)	(8)
EBITDA	2,647	1,931
Add: Acquisition expenses	83	74
Underlying EBITDA	2,730	2,005

EBITDA and underlying EBITDA, are financial measures which are not prescribed by Australian Accounting Standards ('AAS') and represents the profit/(loss) under AAS adjusted for non-cash and other items. The directors consider underlying EBITDA to reflect the core earnings of the consolidated entity.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 follows this Directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink that reads "Mark Kerr".

Mark Kerr
Chairman

11 August 2016
Melbourne

To the Board of Directors

Auditor's independence declaration under section 307c of the Corporations Act 2001

As lead audit director for the review of the financial statements of Think Childcare Ltd for the half year ended 30 June 2016 I declare that to the best of my knowledge and belief, there have been no contravention of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



ROBERT EVETT
Director
Sydney



BENTLEYS NSW AUDIT PTY LTD
Chartered Accountants

Dated on this 11th day of August 2016 at Sydney.

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General information

The financial statements cover Think Childcare Limited as a consolidated entity consisting of Think Childcare Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Think Childcare Limited's functional and presentation currency.

Think Childcare Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 3, 1 Park Avenue
Drummoyne NSW 2047

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 11 August 2016.

Think Childcare Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2016



		Consolidated	
	Note	30/06/2016	30/06/2015
		\$'000	\$'000
Revenue	3	24,410	20,437
Expenses			
Employee expenses		(16,079)	(13,816)
Occupancy expenses		(3,010)	(2,617)
Direct expenses of providing services		(973)	(910)
Marketing expenses		(427)	(304)
Information technology and communication expenses		(229)	(176)
Share-based payments		(140)	-
Acquisition expenses		(83)	(74)
Other expenses		(820)	(601)
Depreciation and amortisation expense		(264)	(159)
Finance costs		(137)	(199)
Profit before income tax expense		2,248	1,581
Income tax expense		(640)	(474)
Profit after income tax expense for the half-year attributable to the owners of Think Childcare Limited		1,608	1,107
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Think Childcare Limited		1,608	1,107
		Cents	Cents
Basic earnings per share	12	3.98	2.80
Diluted earnings per share	12	3.95	2.80

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

		Consolidated	
	Note	30/06/2016	31/12/2015
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents		2,763	2,359
Trade and other receivables		1,005	1,175
Other		685	861
Total current assets		<u>4,453</u>	<u>4,395</u>
Non-current assets			
Property, plant and equipment	4	2,654	1,886
Intangibles	5	20,430	20,299
Deferred tax		1,737	1,846
Security deposits		1,775	1,775
Total non-current assets		<u>26,596</u>	<u>25,806</u>
Total assets		<u>31,049</u>	<u>30,201</u>
Liabilities			
Current liabilities			
Trade and other payables	6	3,370	3,277
Borrowings		56	47
Income tax payable		1,725	1,778
Employee benefits		1,630	1,573
Other		180	180
Total current liabilities		<u>6,961</u>	<u>6,855</u>
Non-current liabilities			
Borrowings	7	5,403	5,360
Employee benefits		603	606
Total non-current liabilities		<u>6,006</u>	<u>5,966</u>
Total liabilities		<u>12,967</u>	<u>12,821</u>
Net assets		<u>18,082</u>	<u>17,380</u>
Equity			
Issued capital	8	39,469	37,664
Reserves	9	(18,912)	(19,052)
Accumulated losses		(2,475)	(1,232)
Total equity		<u>18,082</u>	<u>17,380</u>

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

Think Childcare Limited
Statement of changes in equity
For the half-year ended 30 June 2016



Consolidated	Issued capital \$'000	Share-based payment reserve \$'000	Common control reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2015	37,664	-	(19,052)	(6,041)	12,571
Profit after income tax expense for the half-year	-	-	-	1,107	1,107
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	1,107	1,107
Balance at 30 June 2015	<u>37,664</u>	<u>-</u>	<u>(19,052)</u>	<u>(4,934)</u>	<u>13,678</u>
Consolidated	Issued capital \$'000	Share-based payment reserve \$'000	Common control reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2016	37,664	-	(19,052)	(1,232)	17,380
Profit after income tax expense for the half-year	-	-	-	1,608	1,608
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	1,608	1,608
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 8)	1,805	-	-	-	1,805
Share-based payments	-	140	-	-	140
Dividends paid (note 10)	-	-	-	(2,851)	(2,851)
Balance at 30 June 2016	<u>39,469</u>	<u>140</u>	<u>(19,052)</u>	<u>(2,475)</u>	<u>18,082</u>

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

		Consolidated	
	Note	30/06/2016	30/06/2015
		\$'000	\$'000
Cash flows from operating activities			
Cash receipts from parents and government funding		24,578	22,223
Payments to suppliers and employees		(21,301)	(19,989)
		3,277	2,234
Interest received		2	8
Interest and other finance costs paid		(137)	(199)
Income taxes paid		(584)	-
Net cash from operating activities		2,558	2,043
Cash flows from investing activities			
Payments for property, plant and equipment	4	(970)	(428)
Payments for intangibles	5	(133)	-
Proceeds from disposal of property, plant and equipment		5	-
Net cash used in investing activities		(1,098)	(428)
Cash flows from financing activities			
Proceeds from issue of shares	8	1,805	-
Dividends paid	10	(2,851)	-
Payment of deferred consideration		-	(3,030)
Accrued IPO costs paid		-	(2,221)
Finance lease payments		(10)	-
Net cash used in financing activities		(1,056)	(5,251)
Net increase/(decrease) in cash and cash equivalents		404	(3,636)
Cash and cash equivalents at the beginning of the financial half-year		2,359	4,357
Cash and cash equivalents at the end of the financial half-year		2,763	721

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2016 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2015 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Computer software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of five to seven years.

Share-based payments

Equity-settled transactions are awards of shares, or options over shares, that are provided to directors and employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date and is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity during the financial half-year ended 30 June 2016 and are not expected to have any significant impact for the full financial year ending 31 December 2016.

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

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity operates in one segment being a childcare services provider. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources.

The consolidated entity operates in one geographical region being Australia.

The operating segment information is the same information as provided throughout these financial statements and therefore not duplicated.

Note 3. Revenue

	Consolidated 30/06/2016 \$'000	30/06/2015 \$'000
<i>Sales revenue</i>		
Provision of childcare services	24,058	19,899
<i>Other revenue</i>		
Management fees	350	530
Interest	2	8
	352	538
Revenue	24,410	20,437

Note 4. Non-current assets - property, plant and equipment

	Consolidated 30/06/2016 \$'000	31/12/2015 \$'000
Plant and equipment - at cost	2,947	1,983
Less: Accumulated depreciation	(552)	(346)
	2,395	1,637
Motor vehicles - at cost	213	161
Less: Accumulated depreciation	(24)	(3)
	189	158
Computer equipment - at cost	111	109
Less: Accumulated depreciation	(41)	(18)
	70	91
	2,654	1,886

Note 4. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Plant and equipment \$'000	Motor vehicles \$'000	Computer equipment \$'000	Total \$'000
Balance at 1 January 2016	1,637	158	91	1,886
Additions	967	62	3	1,032
Disposals	-	(2)	-	(2)
Transfers in/(out)	5	(5)	-	-
Depreciation expense	(214)	(24)	(24)	(262)
Balance at 30 June 2016	<u>2,395</u>	<u>189</u>	<u>70</u>	<u>2,654</u>

Note 5. Non-current assets - intangibles

	Consolidated 30/06/2016 \$'000	31/12/2015 \$'000
Goodwill - at cost	20,299	20,299
Software - at cost	133	-
Less: Accumulated amortisation	(2)	-
	<u>131</u>	<u>-</u>
	<u>20,430</u>	<u>20,299</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill \$'000	Software \$'000	Total \$'000
Balance at 1 January 2016	20,299	-	20,299
Additions	-	133	133
Amortisation expense	-	(2)	(2)
Balance at 30 June 2016	<u>20,299</u>	<u>131</u>	<u>20,430</u>

Note 6. Current liabilities - trade and other payables

	Consolidated 30/06/2016 \$'000	31/12/2015 \$'000
Trade payables	885	899
Other payables	2,485	2,378
	<u>3,370</u>	<u>3,277</u>

Note 7. Non-current liabilities - borrowings

	Consolidated	
	30/06/2016	31/12/2015
	\$'000	\$'000
Bank loans	3,500	3,500
Rental bond facility/Inter-changeable facility	1,775	1,775
Lease liability	128	85
	<u>5,403</u>	<u>5,360</u>

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	30/06/2016	31/12/2015
	\$'000	\$'000
Bank loans	3,500	3,500
Rental bond facility/Inter-changeable facility	1,775	1,775
Lease liability	184	132
	<u>5,459</u>	<u>5,407</u>

Assets pledged as security

The bank loans are secured on the assets and undertakings of the consolidated entity.

The lease liabilities are effectively secured against the leased assets as recognised in the statement of financial position.

Financing arrangements

	Consolidated	
	30/06/2016	31/12/2015
	\$'000	\$'000
Total facilities		
Bank loans	25,000	25,000
Rental bond facility/Inter-changeable facility (comprising bank overdraft and bank guarantee facility)	4,000	4,000
	<u>29,000</u>	<u>29,000</u>
Used at the reporting date		
Bank loans	3,500	3,500
Rental bond facility/Inter-changeable facility (comprising bank overdraft and bank guarantee facility)	1,775	1,775
	<u>5,275</u>	<u>5,275</u>
Unused at the reporting date		
Bank loans	21,500	21,500
Rental bond facility/Inter-changeable facility (comprising bank overdraft and bank guarantee facility)	2,225	2,225
	<u>23,725</u>	<u>23,725</u>

The unused portion of the total facilities is \$23,725,000 (31 December 2015: \$23,725,000) of which \$19,000,000 (31 December 2015: \$19,000,000) is available for future acquisitions subject to specific criteria being met prior to draw-down. The remaining \$2,500,000 (31 December 2015: \$2,500,000) is available immediately for working capital requirements. The facility is renewable on 16 December 2017.

Note 7. Non-current liabilities - borrowings (continued)

As at 30 June 2016, the Australian and New Zealand ('ANZ') Bank facility was in good order and the consolidated entity was not in breach of any covenant. Subject to satisfaction of certain conditions, \$9,000,000 is available for suitable acquisitions immediately and a further \$10,000,000 facility is available. The second tranche of the acquisition facility is an uncommitted advance.

Note 8. Equity - issued capital

	30/06/2016 Shares	Consolidated 31/12/2015 Shares	30/06/2016 \$'000	31/12/2015 \$'000
Ordinary shares - fully paid	41,163,087	39,600,000	39,469	37,664

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 January 2016	39,600,000		37,664
Issue of shares under dividend reinvestment plan	31 March 2016	1,563,087	\$1.155	1,805
Balance	30 June 2016	41,163,087		39,469

Note 9. Equity - reserves

	Consolidated 30/06/2016 \$'000	31/12/2015 \$'000
Common control reserve	(19,052)	(19,052)
Share-based payments reserve	140	-
	(18,912)	(19,052)

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Common control reserve

The common control reserve is used to recognise the difference between (i) the shares issued and cash exchanged and (ii) the historical values of assets and liabilities acquired, between entities under common control.

Note 10. Equity - dividends

Dividends paid during the financial half-year were as follows:

	Consolidated 30/06/2016 \$'000	30/06/2015 \$'000
Final dividend for the year ended 31 December 2015 of 7.2 cents per ordinary share	2,851	-

On 10 August 2016, an interim dividend for the half-year ended 30 June 2016 of 4 cents per ordinary share, fully franked, was declared, with a record date of 5 September 2016. The dividend will be paid on 13 September 2016 and is estimated to be \$1,647,000.

Note 11. Contingent liabilities

The consolidated entity has given a corporate guarantee as at 30 June 2016 of \$3,809,213 (31 December 2015: \$4,644,000) to a lessor in relation to property leases on a number of child care facilities.

Note 12. Earnings per share

	Consolidated 30/06/2016 \$'000	30/06/2015 \$'000
Profit after income tax attributable to the owners of Think Childcare Limited	1,608	1,107
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	40,390,132	39,600,000
Adjustments for calculation of diluted earnings per share:		
Performance rights over ordinary shares	348,077	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	40,738,209	39,600,000
	Cents	Cents
Basic earnings per share	3.98	2.80
Diluted earnings per share	3.95	2.80

Note 13. Events after the reporting period

On 29 July and 1 August 2016, the consolidated entity settled on two greenfield centres. These centres are expected to be fully operational by the end of 2016. The forecast purchase price for the centres including earn outs is expected to be less than 4x EBITDA in financial year ending 30 June 2017. \$1,600,000 was paid as a deposit upon settlement. The centres were initially funded through working capital and it is intended that the ANZ will fund these under the revised facility agreement. The corporate guarantees provided by the consolidated entity will increase with these acquisitions by \$927,000.

On 29 July 2016, the consolidated entity has negotiated and reached agreed terms for an extension of the ANZ facility with enhanced covenants that will support the consolidated entity's growth aspirations. The facility agreement is yet to be executed. The renewed facility will be for five years and the previously referred to "uncommitted advance" of \$10,000,000 in note 7, will become committed and therefore available for acquisitions that meet the lender's criteria under the revised facility agreement.

Apart from the dividend declared as disclosed in note 10, no other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mark Kerr
Chairman

11 August 2016
Melbourne

Independent auditor's review report to the members of Think Childcare Limited and Controlled Entities

Report on the half-year financial report

We have reviewed the accompanying half year financial report of Think Childcare Limited (the company) and its Controlled Entities ("the Consolidated Entity") which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, selected explanatory notes and the directors' declaration for the Consolidated Entity, comprising both the company and the entities it controlled during that half year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Think Childcare Limited, would be in the same terms if provided to directors as at the time of this auditor's review report.

Conclusion

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

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



ROBERT EVETT

Director
Sydney



BENTLEYS NSW AUDIT PTY LTD

Chartered Accountants

Dated on this 11th day of August 2016 at Sydney.