ASX Half-year Report

Period ended 30 June 2021

Lodged with the ASX under Listing Rule 4.2A.3

Company details

Name of reporting entity:	Mayfield Childcare Limited (“Mayfield”, “Company”)
ABN:	53 604 970 390
Reporting period:	Half-year ended 30 June 2021
Previous corresponding reporting period (pcp):	Half-year ended 30 June 2020

Contents

Results for announcement to the market

	Movement	%		$
Revenue from ordinary activities	Up	6.1	to	17,484,032
Profit from ordinary activities after tax attributable to members	Up	129.4	to	1,256,161
Net Profit for the period attributable to members	Up	129.4	to	1,256,161

Dividend type	***Amount per security (cents)***	***Franked amount per security (cents)***
Final dividend for the year ended 31 December 2020	2.00	2.00
Interim dividend for the half-year ended 30 June 2021	2.47	2.47

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

On 26 March 2021 the Company paid a dividend for the year ended 31 December 2020 of $642,060. Cash dividend payments totalled $510,716 and 145,938 ordinary shares were issued under the DRP at $0.90 per share.

On 6 August 2021 the company was pleased to declare its inaugural interim dividend for the half-year ended 30 June 2021 of 2.47 cents per ordinary share, fully franked, with a record date of 13 August 2021. The dividend will be paid on 24 September 2021, the total cost of which is estimated to be $796,491, which is expected to be satisfied by a combination of cash payments and the issue of DRP shares which rank equally with all other fully paid up ordinary shares of the Company. The DRP is offered by the Company to all its shareholders.

Brief explanation of Revenue

Revenues of $17.5m were up 6.1% on pcp primarily due to the first half of CY 2020 having been adversely impacted by the COVID-19 pandemic.

Brief explanation of Profit (and Net Profit)

Net Profit After Tax (NPAT) of $1.3m was up 129.4% on pcp primarily due to the adverse impact of the COVID-19 pandemic in pcp and the closure of a centre in Q4 of CY 2020 which was loss-making in pcp.

Please refer to the Review of Operations in the Directors' Report on pages 5 to 6 for further commentary, including a reconciliation of the above statutory result to the underlying, non-IFRS NPAT result of $1,591k, which is 139.5% up on pcp.

MAYFIELD CHILDCARE LIMITED

Net tangible assets

	30 Jun 2021 (cents)	30 Jun 2020 (cents)
Net tangible asset backing per ordinary share	**(109.38)**	(125.37)

Control over other entities

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

Associates and joint venture entities

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

Compliance statement

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

MAYFIELD CHILDCARE LIMITED

Mayfield Childcare Limited

ABN: 53 604 970 390

Interim Report

For the Half-year ended 30 June 2021

Directors' Report

Your directors present their report on Mayfield Childcare Limited ("Mayfield", "Company") for the half-year ended 30 June 2021.

DIRECTORS

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

Peter Lowe, *Chairman*
Dean Clarke
Michelle Clarke

PRINCIPAL ACTIVITIES

During the half-year the principal activity of the Company consisted of operating long day childcare centres located in Victoria.

DIVIDENDS

On 26 March 2021 the Company paid a dividend for the year ended 31 December 2020 of 2.0 cents per ordinary share, fully franked. Cash dividend payments totalled $510,716 and 145,938 ordinary shares were issued under the Dividend Reinvestment Plan (DRP) at $0.90 per share.

On 6 August 2021 the Company was pleased to declare its inaugural interim dividend for the half-year ended 30 June 2021 of 2.47 cents per ordinary share, fully franked, with a record date of 13 August 2021. The dividend will be paid on 24 September 2021, the total cost of which is estimated to be $796,491, which is expected to be satisfied by a combination of cash payments and the issue of DRP shares which rank equally with all other fully paid up ordinary shares of the Company. The DRP is offered by the Company to all its shareholders.

REVIEW OF OPERATIONS

During the half-year demand for childcare slowly picked up as the Victorian economy recovered from the COVID-19 induced difficulties of 2020. Despite the federal government's Relief Package having ceased at the end of January, and its budgeted improved child care package not being implemented before July 2022, the Company performed well.

Management maintained effective staff rostering and tight cost control throughout the period, with the Company continuing to benefit from the teamwork and co-operation of its dedicated employees.

The Company's annual centre improvement programme recommenced, incorporating capital expenditure on both internal and external centre upgrades, having been delayed due to the ongoing economic and operational impact of the pandemic.

Statutory net profit after tax (NPAT) for the half-year ended 30 June 2021 of $1,256,161.

REVIEW OF OPERATIONS (continued)

Non-IFRS Financial Information[1]

After reversing the impact of AASB 16 *Leases*[2], 'underlying' NPAT was as follows:

Underlying NPAT

	Statutory Half-year 2021 $'000	*Reversing AASB 16 Impact $'000*	***Underlying Half-year 2021 $'000***	*Underlying Half-year 2020 $'000*
Revenue	17,484	-	**17,484**	16,115
Labour costs	(10,411)	-	**(10,411)**	(10,219)
Centre operating expenses	(809)	-	**(809)**	(854)
Facilities	(543)	(1,959)	**(2,502)**	(2,402)
Centre EBITDA	5,721	(1,959)	**3,762**	2,640
Head Office staff & related costs	(732)	-	**(732)**	(830)
Other corporate overheads	(314)	(67)	**(381)**	(460)
EBITDA	4,675	(2,026)	**2,649**	1,350
Depreciation	(2,313)	1,984	**(329)**	(249)
EBIT	2,362	(42)	**2,320**	1,101
Finance costs	(635)	489	**(146)**	(236)
Profit Before Tax	1,727	447	**2,174**	865
Tax	(471)	(112)	**(583)**	(201)
NPAT from Continuing Operations	1,256	335	**1,591**	664

1. EBIT and EBITDA are non-statutory financial measures which are not prescribed by Australian Accounting Standards (AAS). They represent the profit under AAS adjusted for Interest and Tax (EBIT) plus Depreciation and Amortisation (EBITDA) and certain other specific items. The Directors consider that EBIT and EBITDA reflect the core earnings of the entity, consistent with internal reporting.
2. For an explanation of AASB 16 *Leases* please refer to Note 1. *Summary of significant accounting policies* on page 26 of the Annual Report for the year ended 31 December 2020.

After reversing the impact of AASB 16 *Leases*[2], 'underlying' Earnings Per Share (EPS) was as follows:

Underlying EPS

	Statutory Half-year 2021 Cents	*Reversing AASB 16 Impact Cents*	***Underlying Half-year 2021 Cents***	*Underlying Half-year 2020 Cents*
Basic and diluted earnings per share	3.90	1.05	**4.95**	2.09
	$	*$*	***$***	*$*
Earnings used in calculating EPS				
NPAT from Continuing Operations	1,256,161	335,197	**1,591,358**	664,317
	Number	*Number*	***Number***	*Number*
Weighted average number of shares	32,178,872	32,178,872	**32,178,872**	31,833,763

The financial position of the Company, as detailed in the Statement of Financial Position in the financial statements, is sound and is in line with management's expectations.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

MATTERS SUBSEQUENT TO THE END OF THE HALF-YEAR

The acquisition of a Victorian-based, purpose-built, 70 place centre was completed on 16 July 2021.

The Company has agreed to acquire a Victorian-based, purpose-built, 111 place centre. The purchase will be debt funded, with timing subject to standard licensing approvals and transfers.

No other matter or circumstance has arisen since 30 June 2021 which has significantly affected, or may significantly affect:

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

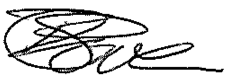
LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company expects to continue to execute its business plan, in line with its strategic objectives, as outlined in its 2020 Annual Report. Future growth is expected to come through the continued improvement of existing centres and the acquisition of new, long day childcare centres.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 8.

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



Peter Lowe
Chairman

Melbourne
6 August 2021

Auditor's Independence Declaration to the Directors of Mayfield Childcare Limited

In relation to our review of the financial report of Mayfield Childcare Limited for the half-year ended 30 June 2021 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct in relation to the review.

PKF

Melbourne, 06 August 2021

Kenneth Weldin

Partner

Interim Financial Report

For the half-year ended 30 June 2021

Contents

This interim financial report is for Mayfield Childcare Limited ("Mayfield", "Company").

The financial statements are presented in Australian dollars, which is the Company'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 since 30 November 2016. Its registered office and principal place of business is:

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

A description of the nature of the Company'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 6 August 2021. The directors have the power to amend and to reissue the interim financial report.

A copy of this financial report may be obtained from the ASX website (www.asx.com.au).

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the half-year ended 30 June 2021

	Note	Half-year 2021 $	Half-year 2020 $
Revenue	3	**17,484,032**	16,471,720
Employees		**(11,084,370)**	(11,047,762)
Centre operations		**(808,688)**	(853,779)
Facilities		**(545,635)**	(600,624)
Administration		**(370,106)**	(417,963)
Depreciation and amortisation of plant and equipment	4	**(321,245)**	(240,897)
Depreciation charge on right-of-use assets	7	**(1,991,845)**	(1,919,243)
Finance costs		**(635,115)**	(683,371)
Profit before income tax		**1,727,028**	708,081
Income tax expense		**(470,867)**	(160,389)
Profit after income tax for the half-year entirely attributable to the owners of Mayfield Childcare Limited		**1,256,161**	547,692
Other comprehensive income for the half-year, net of tax		**-**	-
Total comprehensive income for the half-year entirely attributable to the owners of Mayfield Childcare Limited		**1,256,161**	547,692

	Note	Cents	Cents
Basic and diluted earnings per share	10	**3.90**	1.72

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

STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	Note	*30 Jun 2021 $*	*31 Dec 2020 $*
ASSETS			
Current assets			
Cash and cash equivalents		**1,655,299**	1,569,464
Trade and other receivables		**532,735**	1,034,217
Prepayments		**219,018**	268,588
Other		**237,500**	-
Total current assets		**2,644,552**	2,872,269
Non-current assets			
Plant and equipment	4	**2,729,225**	2,558,724
Intangibles	5	**39,638,275**	39,638,275
Right-of-use assets	7	**25,509,594**	25,409,674
Deferred tax		**971,070**	923,941
Total non-current assets		**68,848,164**	68,530,614
Total assets		**71,492,716**	71,402,883
LIABILITIES			
Current liabilities			
Trade and other payables		**1,531,379**	1,323,465
Contract liabilities		**970,946**	907,917
Borrowings	6	**1,057,200**	1,599,000
Leases	7	**3,466,370**	3,441,626
Current tax liabilities		**(7,084)**	781,933
Provisions		**1,678,391**	1,682,373
Total current liabilities		**8,697,202**	9,736,314
Non-current liabilities			
Borrowings	6	**8,170,600**	8,297,400
Leases	7	**23,671,422**	23,159,028
Provisions		**106,206**	106,206
Total non-current liabilities		**31,948,228**	31,562,634
Total liabilities		**40,645,430**	41,298,948
Net assets		**30,847,286**	30,103,935
EQUITY			
Contributed equity		**24,229,970**	24,100,720
Retained earnings		**6,617,316**	6,003,215
Total Equity		**30,847,286**	30,103,935

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

STATEMENT OF CHANGES IN EQUITY
For the half-year ended 30 June 2021

	Share Capital *$*	*Retained Earnings* *$*	*Total* *$*
Balance as at 1 January 2020	23,839,313	4,718,878	28,558,191
Profit after income tax expense for the half-year	-	547,692	547,692
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	547,692	547,692
Transactions with owners in their capacity as owners			
Contributions of equity (via DRP), net of transaction costs	-	-	-
Dividend payable		(2,454,382)	(2,454,382)
Balance as at 30 June 2020	23,839,313	2,812,188	26,651,501
Balance as at 1 January 2021	24,100,720	6,003,215	30,103,935
Profit after income tax expense for the half-year	-	1,256,161	1,256,161
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	1,256,161	1,256,161
Transactions with owners in their capacity as owners			
Contributions of equity (via DRP), net of transaction costs	129,250	-	129,250
Dividend paid		(642,060)	(642,060)
Balance as at 30 June 2021	**24,229,970**	**6,617,316**	**30,847,286**

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

STATEMENT OF CASH FLOWS
For the half-year ended 30 June 2021

	Half-year 2021 $	*Half-year 2020 $*
Cash flows from operating activities		
Receipts from customers, including government funding	**18,077,809**	16,405,316
Payments to suppliers and employees	**(12,543,640)**	(11,883,596)
	5,534,169	4,521,720
Other receipts	**9,271**	3,706
Interest paid on lease liabilities	**(385,601)**	(391,066)
Net interest paid on borrowings	**(143,874)**	(235,209)
Net income tax paid	**(1,307,013)**	(491,549)
Net cash inflow from operating activities	**3,706,952**	3,407,602
Cash flows from investing activities		
Payments for plant and equipment	**(499,342)**	(650,419)
Payments for purchases of businesses plus associated costs	**(237,500)**	-
Centre closure costs	**(44,403)**	-
Proceeds from disposal of plant and equipment	**-**	455
Net cash outflow from investing activities	**(781,245)**	(649,964)
Cash flows from financing activities		
Repayment of lease liabilities	**(1,658,462)**	(1,646,185)
Repayment of borrowings	**(668,600)**	(1,599,208)
Dividend paid	**(510,716)**	-
Share issue costs	**(2,094)**	-
Net cash outflow from financing activities	**(2,839,872)**	(3,245,393)
Net increase/(decrease) in cash and cash equivalents	**85,835**	(487,755)
Cash and cash equivalents at the beginning of the half-year	**1,569,464**	648,960
Cash and cash equivalents at the end of the half-year	**1,655,299**	161,205

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

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 30 June 2021

Note 1. Summary of significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for 'for profit' entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard (IFRS) IAS 134 *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2020 and all public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

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

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

Going concern

Current liabilities exceed current assets at reporting date by $6.1 million. The ongoing application of AASB 16 *Leases* has required the recognition within the statement of financial position of a current lease liability of $3.5 million as at reporting date without a concomitant current asset (the right-of-use leased asset being mandated as non-current), however this continues to have no impact upon the economic position of the Company. Despite the 'underlying' (pre-AASB 16) net shortfall in current assets of $2.6 million, the Company continues to generate positive operational cash flows and continues to be profitable. The Company had up to $5.2 million (at reporting date) available to be drawn down from its lending facility for working capital requirements and its cash resources are closely monitored.

In considering the pandemic and its expected impact upon the future cash flows of the Company, the directors have assumed that funding will continue to be received from both the federal (CCS) and state (Kindergarten) governments in a timely manner, and in accordance with currently legislated funding models and that occupancy will continue its gradual recovery. Whilst uncertainties in forecasting do and always will exist (and remain greater than would normally be the case), they do not constitute material uncertainty in relation to going concern. Therefore, having regard to all of the above, the directors believe it appropriate to prepare the financial statements on a going concern basis.

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

The Company 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.

New Accounting Standards and Interpretations published but not yet adopted

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

Note 2. Operating segments

Identification of reportable segments
The Company continues to operate in one operating segment, as a childcare services provider. The Company operates in one geographical region, being Australia and, more specifically, Victoria.

Major customers
The Company did not have any major customers during the half-year ended 30 June 2021, as it earns the majority of its revenue from childcare provided to individual families.

Note 3. Revenue

	Half-year 2021 $	*Half-year 2020 $*
Childcare services	**17,482,355**	12,844,711
Other income	**1,677**	3,168
JobKeeper wages subsidy	**-**	3,267,000
Property rent reductions	**-**	310,634
Early termination of property leases	**-**	46,207
	17,484,032	16,471,720

Note 4. Non-current assets – Plant and equipment

	30 Jun 2021 $
Plant and equipment	
Plant and equipment – at cost	**4,090,777**
Less: Accumulated depreciation	**(1,361,552)**
Net book amount	**2,729,225**
Reconciliation	
Opening net book amount at beginning of half-year	**2,558,724**
Additions	**499,341**
Disposals	**(7,595)**
Depreciation expense	**(321,245)**
Closing net book amount at end of half-year	**2,729,225**

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 30 June 2021

	30 Jun 2021
	$

Note 5. Non-current assets – Intangibles

Goodwill – at cost	**39,638,275**
Reconciliation	
Balance at beginning of half-year	**39,638,275**
Adjustments during the half-year	**-**
Balance at end of half-year	**39,638,275**

The Company did not acquire any centres during the reporting period.
No centres were sold or closed during the reporting period.

Goodwill impairment testing

The Board is not aware of any indicators of potential impairment, determining that no impairment is required to the carrying amount of goodwill at 30 June 2021.

Note 6. Current & Non-current liabilities – Borrowings

Current	**1,057,200**
Non-current	**8,170,600**
	9,227,800

Bank Loans	
Balance at beginning of half-year	**9,896,400**
Net repayments	**(668,600)**
Balance at end of half-year	**9,227,800**

Financing arrangements

Bank loans

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

Facility at end of half-year	
Total bank loan facility	**17,965,400**
Less amount used	**(9,227,800)**
Unused facility	**8,737,600**

Of the $8.7 million unused, $3.5 million is only available for future acquisitions and there are specific criteria which need to be met prior to any draw-down. There have been no events of default on the financing arrangements of the Company during the half-year.

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 30 June 2021

	Half-year 2021 $	_Half-year 2020 $_

Note 7. Leases

(a) Expenses

Expenses from transactions not recognised as leases:		
Rental expense relating to leases of low-value assets	**26,646**	26,031

(b) Cash flows

Total cash outflow for leases	**2,044,063**	2,037,251

(c) Right-of-use assets

	Property $	**Motor Vehicles $**	**Total $**
Right-of-use assets	**34,124,889**	**101,006**	**34,225,895**
Less: Accumulated depreciation	**(8,644,798)**	**(71,503)**	**(8,716,301)**
Net book amount at end of half-year	**25,480,091**	**29,503**	**25,509,594**
Reconciliation			
Opening net book amount at beginning of half-year	**25,371,823**	**37,851**	**25,409,674**
Increase due to addition of next further term upon current term remaining being less than three years	**1,701,623**	**-**	**1,701,623**
Increase due to rent reviews and further terms exercised	**345,950**	**-**	**345,950**
Increase due to re-measurement of lease liabilities upon increase of variable lease payments	**44,192**	**-**	**44,192**
Depreciation charge	**(1,983,497)**	**(8,348)**	**(1,991,845)**
Closing net book amount at end of half-year	**25,480,091**	**29,503**	**25,509,594**

(d) Lease liabilities

Current	**3,466,370**
Non-current	**23,671,422**
	27,137,792

Maturity of Leases

The following table analyses the Company'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.

30 June 2021	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Leases – Property	4,140,753	4,251,882	11,979,716	9,723,196	30,095,547	27,122,632
Leases – Motor Vehicles	15,164	-	-	-	15,164	15,160
Total Leases	4,155,917	4,251,882	11,979,716	9,723,196	30,110,711	27,137,792

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 30 June 2021

Note 7. Leases (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 6.6 years. Including all further terms, the weighted average term increases to 22.0 years.

Motor vehicle leases

Motor vehicles are leased over 4 years and the liability includes contracted end-of-lease residual payments.

Note 8. Related party transactions

Transactions with related parties

Management services agreements

No new related party service agreements were entered into during the half-year. No related party revenue has been recognized during the half-year.

Note 9. Events occurring after the reporting period

The acquisition of a Victorian-based, purpose-built, 70 place centre was completed on 16 July 2021.

The Company has agreed to acquire a Victorian-based, purpose-built, 111 place centre. The purchase will be debt funded, with timing subject to standard licensing approvals and transfers.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations or the Company's state of affairs in future years.

Note 10. Earnings per share

	Half-year 2021	*Half-year 2020*
	Cents	*Cents*
Basic and diluted earnings per share	**3.90**	1.72
	Number	*Number*
Weighted average number of shares		
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	**32,178,872**	31,833,763
	$	*$*
Earnings used in calculating basic and diluted earnings per share[1]		
Profit after tax attributable to the ordinary equity holders of the Company	**1,256,161**	547,692

1. Earnings have been reduced by the ongoing application of AASB 16 *Leases* (refer 'underlying' EPS in the Review of Operations, within the Directors' Report, on page 6).

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes set out on pages 10 to 18 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 Company's financial position as at 30 June 2021 and of its performance for the half-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.

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

Peter Lowe
Chairman

Melbourne
6 August 2021

PKF Melbourne

Independent Auditor's Review Report to the Members of Mayfield Childcare Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Mayfield Childcare Limited (the Company) which comprises the statement of financial position as at 30 June 2021, and 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, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

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

(a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and

(b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.* In accordance with the *Corporations Act 2001*, we have given the directors of the Company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 30 June 2021 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mayfield Childcare Limited, 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.

PKF

Melbourne 06 August 2021

Kenneth Weldin

PKF

PKF Melbourne Audit & Assurance Pty Ltd ABN 75 600 749 184
Level 12, 440 Collins Street, Melbourne, Victoria 3000
T: +61 3 9679 2222 F: +61 3 9679 2288 www.pkf.com.au