evolve
education group

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26 JUNE 2015

Evolve provides Annual Report 2015 to NZX

Evolve Education Group Limited ("Evolve") has provided NZX with a copy of its annual report for the period ended 31 March 2015.

Please see attached.

ENDS

For any further inquiries please contact:
Alan Wham
Chief Executive
Evolve Education Group Limited
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Mobile: +64 27 582 4838

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education group

ANNUAL REPORT 2015

Contents

This Annual Report is signed for and on behalf of the Board of the Company by:

Norah Barlow
Chair
26 June 2015

Alistair Ryan
Director
26 June 2015

Company Profile

Evolve Education Group is a leading provider of high-quality, multifaceted Early Childhood Education (ECE) services in New Zealand. Offering both centre-based and home-based ECE, Evolve Education's priority is to ensure every child gets the full attention and support they need in their early years.

Established in 2014, Evolve Education debuted on the NZX and ASX on 5 December 2014 after successfully raising NZ$132 million through an initial public offering (IPO) of its shares and acquiring the Lollipops Educare and PORSE businesses. By 31 March 2015, Evolve Education had acquired a total of 86 ECE centres (including Lollipops Educare) and two additional businesses, Au Pair Link and ECE Management.

Having built a solid foundation through the acquisition of high-quality, well-respected brands, Evolve Education is committed to providing quality education and care that is second to none, ensuring childcare services are enjoyed by children and truly valued by parents and caregivers.

Vision and Values

Vision

Evolve Education's vision is to be a leading provider of early childhood education in New Zealand. Our vision is rooted in the firm conviction (and irrefutable evidence) that early childhood learning has a profound impact on a child's future health, development and wellbeing. We are committed to delivering the best possible outcomes for Kiwi children and their families.

As professional early childhood educators, we strive to act with integrity in all situations. We seek to model the highest moral and ethical standards to the children in our care treating them with kindness and fairness always. We understand the need to protect their dignity and to develop their self-esteem, talents and skills because they represent the future of our nation and world. As we observe their growing skills and comment positively on their achievements, we motivate them to do the best they can.

Our holistic approach sets us apart from our competitors because we understand the value of integrating existing operators into our business model. Through further consolidation and continuity in the provision of childcare services, we are well-placed to meet the diverse needs of thousands of families here in New Zealand.

Our Culture

We recognise our role as advocates for the children in our care. This means providing a safe, respectful and compassionate environment in which pre-schoolers are recognised as people with valuable views and interests; individuals who need to feel noticed, heard and understood. When given this kind of positive attention, they thrive emotionally and their unique potential has the best chance of blossoming. Encouragement is the most valuable gift we can give them. When children feel they are genuinely appreciated by the adults in their world, they become secure and confident individuals. They also become successful learners.

Our Quest For Excellence

At Evolve Education we regularly review our practices to ensure we are continually improving. We aim to exceed all quality requirements and to be proactive in creating the kind of change that will lead to the greater success of our group and of early childhood education as a whole. We are committed to the safety and wellbeing of our children, staff and families, and to providing an environment for the children that their families can trust. We follow the best practices of the sector to ensure our policies and procedures are responsive and transparent.

Staff Development

We invest in skilled and experienced personnel because we believe people are our greatest asset. We are committed to empowering each teacher to become a leader in ECE, for we believe that the opportunity to shape and guide children's lives is one of life's greatest privileges.

Community

We aim to maintain and develop a thriving and unified community where children, parents and staff can feel included, connected and embraced. Evolve Education seeks to demonstrate a holistic and inclusive outlook in every aspect of its operations, from administration and management to childcare, education and growth. We believe good relationships between the children and their educators are important, because learning should be an enjoyable experience for everyone.

Values

Leadership

We support effective and professional leadership, and mentor our educators to be engaged, involved and empowered. We encourage staff development so that our educators can achieve their highest professional and personal potential.

Respect

We protect the rights of all children, and act with professional integrity towards them. We strive to foster a culture that is based on respect, not only for the children and their teachers but also for the childcare sector as a whole.

Equality

We strive to ensure that all children and their parents have equal access to our services. We act fairly towards every child and value his or her uniqueness.

Communication

We believe it is important to communicate regularly and effectively with the families of our children. It is also the key to our operational success, both strategically and personally.

Early Childhood Education Market

The New Zealand Government has a strong focus on ensuring New Zealand children have access to high quality ECE. One of the Government's Better Public Service targets for ECE is that 98% of children starting school in 2016 will have participated in quality ECE.

Government expenditure on ECE has almost trebled since 2007, increasing from around $555 million to around $1.6 billion in 2015.

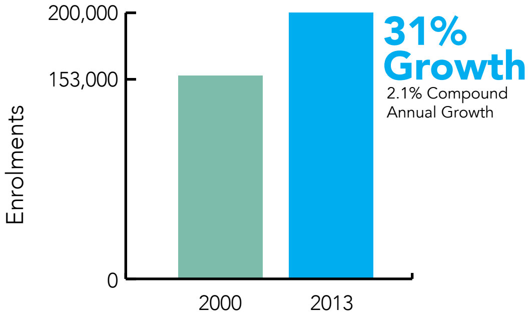
The ECE market provides Evolve Education with further opportunities to grow its license base and capitalise on the priority ECE is accorded by Government.

Current statistics as shown below confirm that more children are attending ECE and for longer hours which means Government expenditure on ECE has been growing and is likely to continue to grow. Given this, the 2015 Budget confirmed an additional $74.9 million increase in funding over four years to 30 June 2019 to fund the increase in children attending ECE and the longer hours they are attending.

Opportunities for Evolve Education to continue to grow are supported by:

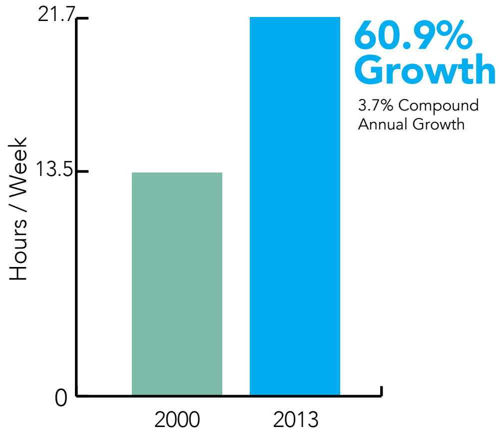
Underlying economic growth indicators supportive of industry growth are highlighted below.

Enrolments in ECE services* have increased



(Source: Ministry of Education, Education Counts - Enrolments in ECE. Data as at June 2013, last updated March 2014. *Excludes number of enrolments in correspondence schools, casual education and care and hospital based care).

Average hours spent in ECE per week has increased



(Source: Ministry of Education, Education Counts – Hours of participation in ECE. Data as at June 2013, last updated March 2014)

Growth has been driven by a number of favourable demand drivers:

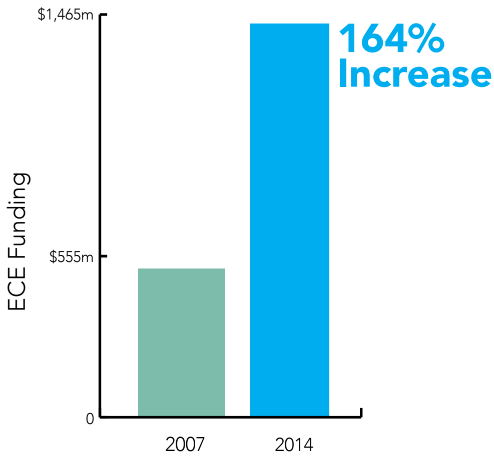
Economic Growth Drivers	Annual Growth %
Increased female employment and higher rates of participation between 2000 and 2014.(1)	**2.1%**
Stronger household incomes in terms of inflation adjusted median weekly household income between 2000 and 2013.(2)	**2.5%**
Increased Government ECE subsidies between 2002 and 2014.(3)	**14.1%**
Sustained population growth for children under 6 years old across New Zealand between 2000 and 2013.(4)	**0.6%**

(Sources:
(1) Statistics New Zealand; Key Labour Force Measures by Qualification, Age and Sex. Extracted August 2014.
(2) Statistics New Zealand.
(3) Ministry of Education, Education Counts - ECE Expenditure. Data as at June 2014, last updated May 2015.
(4) Statistics New Zealand.)

Early Childhood Education Market

Supportive government policies provide cash flow stability:

- The New Zealand Government, in its Ministry of Education "Participation in ECE" paper, has acknowledged the importance of ECE both in terms of support to working parents and development benefits to children.
- An increase in ECE is one of the Government's 10 priorities in its Better Public Service Targets.
- The Government is increasing its Childcare Assistance investment by approximately $104 million over four years which will encourage more ECE participation through supporting lower earning families with their childcare costs.
- From 2007 to 2014, funding has increased 164% as the Government has further increased its support of ECE, primarily through the introduction of 20 hours ECE in June 2007:

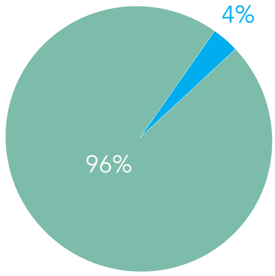


(Source: Ministry of Education, Education Counts – ECE expenditure: Data as at June 2014, last updated May 2015)

Opportunities for Evolve:

The New Zealand ECE Market is highly fragmented providing opportunities to consolidate and drive efficiencies.

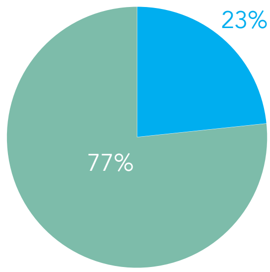
ECE Centres Market Share



Evolve Education's ECE Centres comprise 86 centres or 4% of the ECE Centre market based on the number of ECE Centres as at 30 June 2014.

Evolve Education   Other

Home-based ECE Licences Market Share

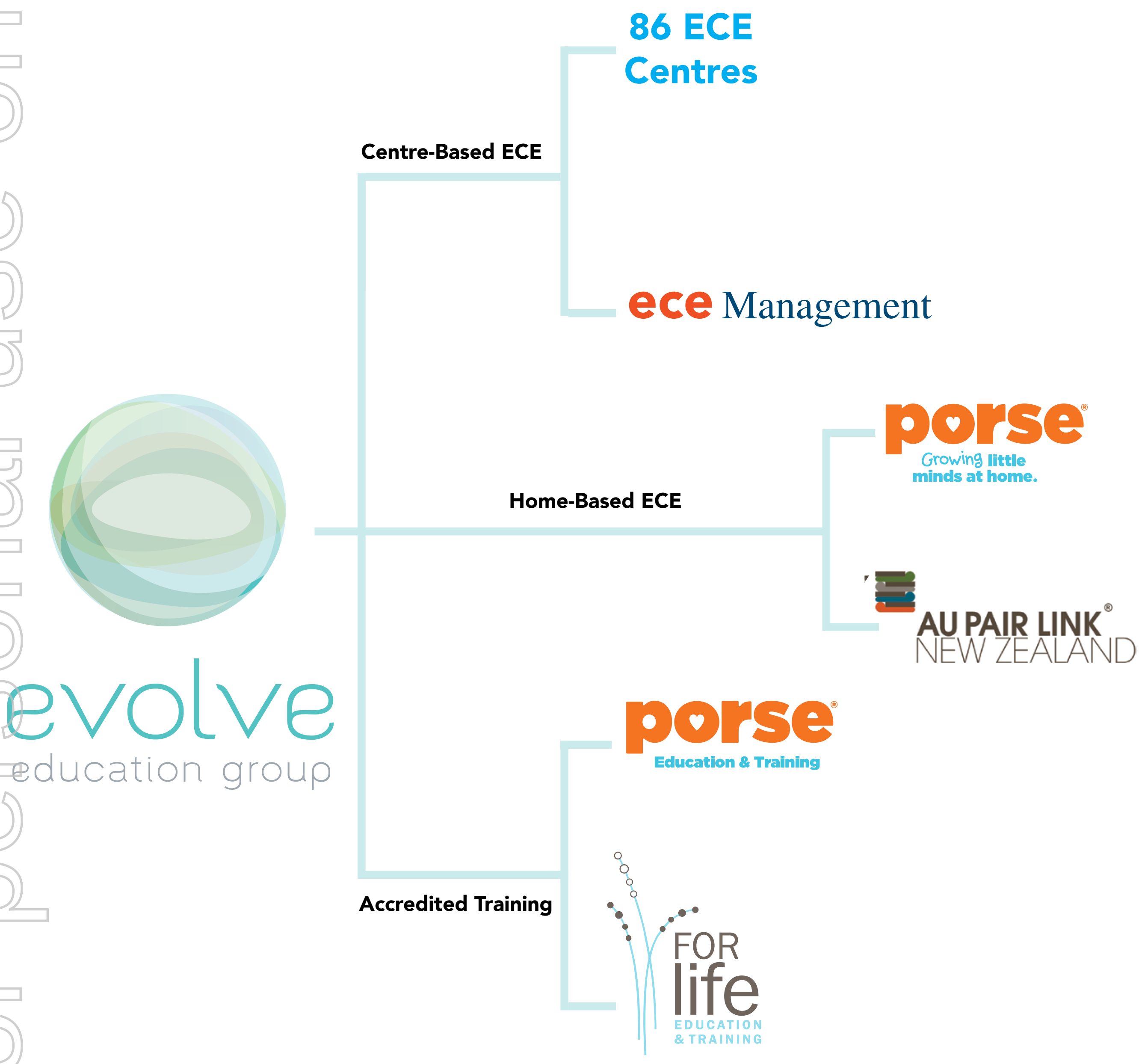


Evolve Education's 91 Home-based ECE licenses represent 23% of the total number of home-based licenses as at 30 June 2014.

Evolve Education   Other

(Source: Ministry of Education, Education Counts – Number of ECE Services excluding casual education and care and hospital based care. Data as at June 2014, last updated October 2014)

Our Businesses



Our Businesses

ECE Centres

Evolve Education operates 86 ECE centres nationwide under a number of leading ECE brands. Evolve ECE centres receive professional development and curriculum assistance from Professional Services Curriculum Managers. They are committed to providing the very best education and care to children and their families.

ECE Management

ECE Management provides a full management service for early childhood education centres including business and curriculum support, accounting services and professional development for all staff.

With a specialised team of Area Managers and a dedicated Accountant, ECE Management works with centres to maximise their business and educational results.

PORSE In-home Childcare

PORSE currently provides home-based care and education for approximately 5,000 children.

Founded in 1994, PORSE has provided education support in homes as New Zealand's largest and longest serving home-based ECE provide. PORSE gives parents the choice of having their precious under-fives cared for in their own home, via a Nanny, or in the home of a dedicated PORSE Educator.

PORSE has 240 staff working across 38 Community Teams across New Zealand, supported by a National Support Office based in Hawke's Bay.

Au Pair Link

Au Pair Link has been placing international au pairs with New Zealand host families since 2006, providing quality in-home care and education for their little ones.

As a live-in form of childcare, Au Pair Link's au pairs provide one-on-one education and care in the place where learning really begins – the child's home.

Au Pair Link was the first au pair agency to be licensed by the New Zealand Ministry of Education, and has since grown to be the largest au pair agency in Australasia.

PORSE Education & Training

PORSE Education & Training provides quality education in order to nurture respectful relationships between adults and children, and be responsive to the demands of learners within the ECE industry.

As a registered category 1 Private Training Establishment, PORSE Education & Training is accredited to offer NZ Qualifications Framework unit standards at levels 3, 5 and 6 that focus on Early Childhood Education and Care.

For Life Education & Training

For Life Education & Training is an organisation focused on empowering and supporting all people to consciously be in relationship with others.

With the latest scientific research in early brain development and attachment theory informing programme development, For Life aims to walk alongside all parents and caregivers to support them in nurturing children to grow into confident, self-regulating, resilient adults.

For Life Education & Training programmes focus on what it means to be self-regulated as an infant, a child, an adolescent and an adult.

ECE Centre Brands

Lollipops Educare
Come Grow With Us

Rollykids
Early Learning Centre

Queenstown
montessori

Little Lights Kindy

Scenicland
Pre School & Nursery

Grey Lynn
Nursery & Preschool

Kids Connection

Kiwi Corner
Childcare Centre

playschool
Early Learning Centre

young
montessoripreschool

Earlybirds
Educare

Hummingbirds
early childhood centre

maru
montessoripreschool

kowhai kids
educare

Acorn
Early Learning Centre

Dragonfly
early learning centre

Beachkids
Katikati

Rolleston
First Learners
...a place to learn and grow

Green Bay
Early Childhood Centre

I-Kids

Kidz Corner
Childcare & Education Centre

tuatara
preschool

LEAPS AND BOUNDS
early learning centre
nurturing bright young minds

Little World
Early Childhood Centre

A1 Kids
Childcare Centre

Kids Inn
Nursery and Preschool

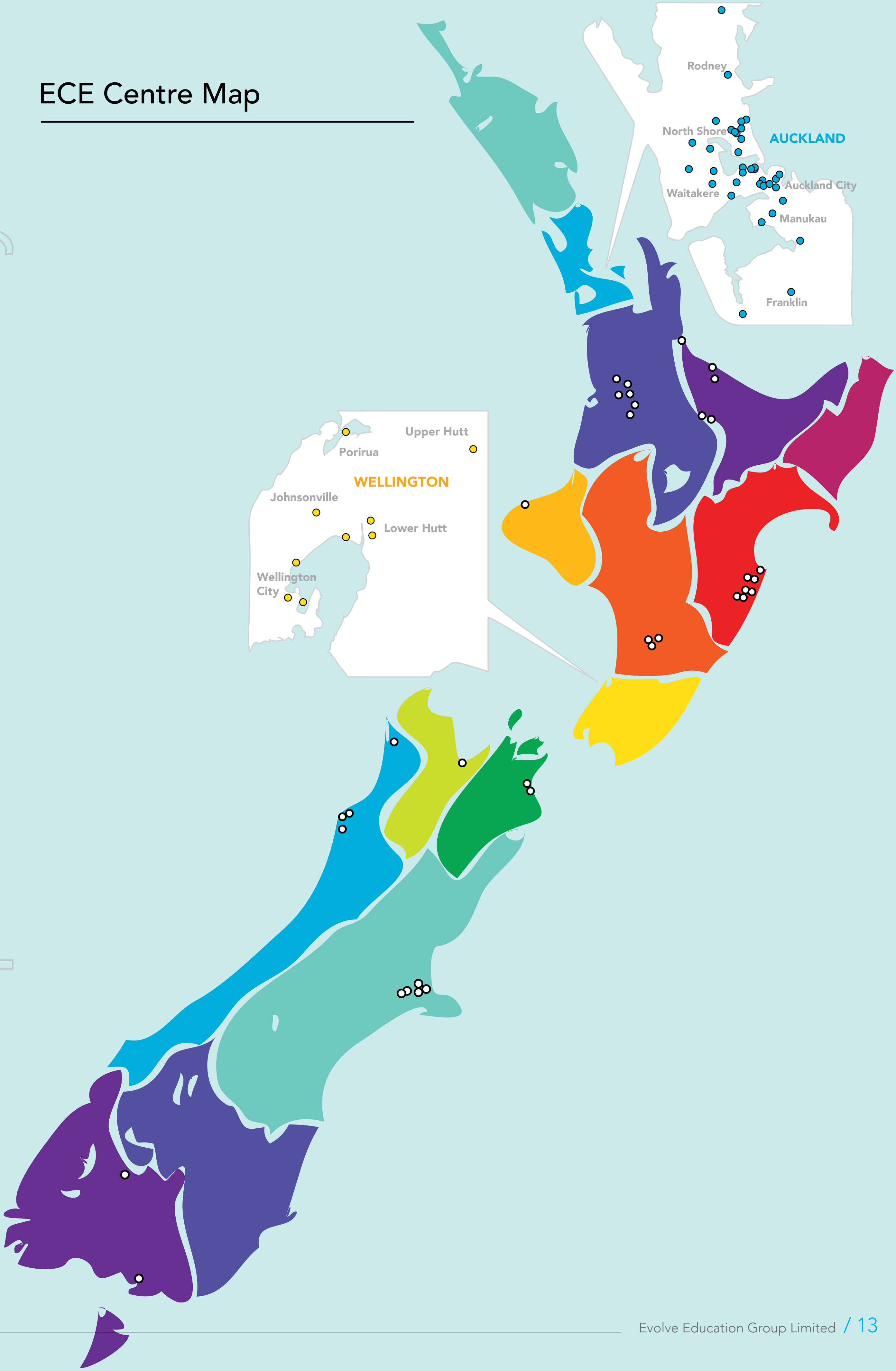
Moreporks
Preschool

Pascals
childcare

Kid's Planet
Child Care Centre

Coatesville Learning Centre

ECE Centre Map



Financial and Operational Highlights

NZX & ASX Listing

Evolve Education Group Limited listed on the NZX & ASX on 5 December 2014

$132m Capital Raised

The Company raised $132m of capital to fund the acquisition of early childhood education businesses

13,298 Licensed Child Places

At balance date, the Group consists of 86 ECE Centres and 91 Home-based ECE licenses providing a combined 13,298 licensed child places

Revenue Growth

Revenue growth over forecast was driven by accelerated acquisition settlements and improved operational performance in occupancy and wage-to-revenue ratios in centres

Successful Integration

Successful integration of acquired businesses

Well Established Governance

Board, Management and Corporate Governance structures well established

Additional Eight Centres

Additional eight centres acquired and four centres under contract since balance date

First Dividend Payment

First dividend payment expected December 2015 (as per Prospectus)

No Debt Drawn at Balance Date

Financial and Operational Highlights

Financial Forecast Exceeded

The Group exceeded its financial forecast as specified in its prospective financial information ("PFI") for the period ended 31 March 2015.

↑+ 13.5%

$32.9m Group Revenue

PFI $29.0m

↑+ 14.2%

$24.6m ECE Centre Revenue

PFI $21.6m

↑+ 10.2%

$7.9m Home-based ECE Revenue

PFI $7.2m

+1

86 ECE Centres Acquired

PFI 85

↑+ 15.2%

$8.1m Loss after tax

PFI $ 9.5m

↑+ 121%

$1.8m Underlying Group EBITDA*

PFI $0.8m

82%

Ministry of Education Occupancy

PFI 79%

+64

6,018 ECE Licensed Places

PFI 5,954

53.7%

ECE Centres Wage to Revenue Ratio

PFI 56.7%

*Underlying EBITDA is profit before finance costs, income tax, depreciation and amortisation and adjusted for acquisition, integration and other one-off costs. It is a non - GAAP measure and is reconciled to reported profit on page 67

Chairperson's Report

The support of our shareholders has ensured an excellent start to the vision of Evolve Education Group providing a New Zealand-wide network of highly successful ECE centres and home-based businesses operated to the highest standards.

Evolve is majority New Zealand owned, with 60% of shares being New Zealand held. Within our institutional shareholding base, we are pleased to note a strong 50% participation by Australian shareholders.

I would like to thank all of our shareholders for the support which made our company a reality on 5 December 2014.

The capital raised has enabled us to acquire 86 ECE centres and two home-based ECE businesses, integrate these diverse businesses and establish the support structure at Evolve. It has been an extraordinary effort to settle the acquisitions and establish the support structures in such a short time. The fact it has been achieved and Evolve has exceeded its prospectus forecast for the period ended 31 March 2015, is testimony to the strength of Evolve's establishment.

We have established the foundation to build our vision of becoming a leading provider of ECE in New Zealand. We will achieve this through providing the highest quality education and care, underpinned by continuing personal development for our people. We have established an advisory group of leading educators to develop and implement this programme.

We are committed to the ongoing development of our learning environments and our curriculum, supported by current research into child education and wellbeing.

Our diverse portfolio puts us in a strong position, providing a unique opportunity to offer parents a range of home or centre-based options with the confidence that all provide the highest standards of education and care. One of our immediate goals is to be the first national operator to enable families to transition their children seamlessly between home-based services and centre care as they see their needs changing.

I am heartened by the continued support of ECE by the Government. They recognise that good quality ECE improves children's learning and achievements and lifts their chance of success later in life. The Government's continued increased funding will further enhance participation in ECE, while enabling increased workforce participation.

Over the coming year we will focus on further acquisitions and continue to drive organic growth at our centres. I reaffirm our intentions as outlined in the Prospectus to pay a dividend twice a year with the first dividend following our half year to 30 September 2015.

I look forward, on behalf of the Board and management team, to providing further updates on the successes and progress of Evolve Education Group.

Norah Barlow

Norah Barlow
Chairperson
Evolve Education Group Limited

Chief Executive's Report

Six months after our listing, in December 2014, I am very pleased to report Evolve Education Group exceeded its Prospectus forecast through to 31 March 2015.

Revenue for this period was $32.9m, 13.5 per cent higher than forecast. This was achieved through accelerated settlement of acquisitions as well as good operational performance at our ECE centres.

Key measures; occupancy and wage-to-revenue ratios at our centres, were ahead of forecast. I would like to thank our experienced operational support team for their exceptional contribution. Their focus on integrating our acquisitions, training key staff, establishing consistent processes as well as preferred suppliers, has been a major undertaking.

Our programme of acquisitions means we are now in a unique position in terms of the breadth and diversity of the ECE services we can provide throughout New Zealand.

Our acquired portfolio of 86 ECE centres has been augmented by another 8 centre acquisitions in April bringing our total to 94. Our centre licensed capacity is now 6,413 children, 7.7% more than our forecast. Our average centre licence capacity is just over 68, compared to a sector average of 44 licenced places, reflecting our preference in acquiring larger, purpose-built centres.

We now have over 1,800 centre staff and, combined with home-based ECE and the Evolve support office, our combined team is 2,150 strong. At the heart of our values is a commitment to developing our people, providing tailored professional training to ensure all our educators are engaged, empowered and delivering a service which exceeds industry standards. We will achieve this with the support of our curriculum managers and coaches, supplemented by external expertise.

I am also pleased to be able to report that our net loss after tax of $8.1m is $1.4m better than forecast. Our cash position was $1.8m favourable after taking one additional acquisition into consideration and our bank facilities were undrawn as at 31 March 2015.

Porse and Au Pair Link, our home-based operations, were also ahead of forecast revenue and EBITDA .

Operational performance in both centres and home based services got off to a good start. I would like to thank our ECE staff throughout the country for their dedication and focus on ensuring continued delivery of high quality care and education. The support office team's commitment and dedication in managing the ownership transition at the same time we are establishing new systems and processes is a credit to them all.

We are on track to meet our FY16 PFI forecast and our focus for the year ahead is to drive organic growth and add further acquisitions while continuing to establish Evolve as a provider of the highest quality ECE, both in centres and in homes. Our shareholders are the foundation of this very positive start and, on behalf of Evolve Education Group, we greatly appreciate your support.

Alan Wham

Alan Wham
Chief Executive Officer
Evolve Education Group Limited

EBITDA- Earning before interest tax depreciation and amortisation
PFI- Prospective financial information

Board Profiles

Evolve Education has an experienced and balanced Board with a diverse range of skills, including industry and business knowledge, financial management and corporate governance experience. The Board currently comprises an Independent Chairperson, one Independent Non-Executive Director, one Non-Executive Director and two Executive Directors.

Norah Barlow

Chairperson (Independent)

BCA, CA
Appointed as Director 13 November 2014

Norah is an accountant by profession, operating her own partnership for a number of years, prior to becoming the Group Accountant, and then CEO of NZX and ASX-listed Summerset Group. Norah retired from that role in April 2014 but remains on the Board as a Non-Executive Director.

Norah is now a professional director and holds a number of directorships, including Methven Limited, Cigna Life Insurance New Zealand Limited, Cooks Global Foods Limited and Vigil Monitoring Limited in New Zealand, and Estia Health Limited and Ingenia Communities Limited in Australia. She is also a Ministerial appointee to the National Advisory Council for the Employment of Women, and is Chair of the National Science Challenge 'Ageing Well'. In 2014 she was awarded an ONZM for services to business.

Norah is Chair of Evolve Education's Governance and Remuneration Committee and a member of its Audit and Risk Committee.

Mark Finlay

Executive Director (Non-Independent)

BEd
Appointed as Director 13 November 2014

Mark has 13 years' experience in New Zealand early childhood education. He was a founder and Managing Director of the Lollipops Educare Group. Lollipops Educare is a respected ECE provider in New Zealand having developed and managed more than 40 ECE Centres over the past decade. Mark brings in-depth operational experience in the ECE services industry to the Board.

Mark is a member of Evolve Education's Governance and Remuneration Committee.

Greg Kern

Non-Executive Director (Non-Independent)

BCom,GradDip in Applied Finance and Investment, CA
Appointed as Director 20 May 2014

Greg is the Managing Director of Kern Group, a corporate advisory firm based in Queensland, Australia. Greg is a chartered accountant, a registered company auditor, a member of the Institute of Internal Auditors and the Australian Institute of Company Directors. Kern Group acted as the lead adviser of the successful listing of Affinity Education Group Limited in Australia. Greg was a promoter of the listing of Affinity Education Group Limited.

Greg is a member of Evolve Education's Audit and Risk Committee.

Alistair Ryan

Non-Executive Director (Independent)

MCom, CA
Appointed as Director 13 November 2014

Alistair is an experienced company director and corporate executive. He is currently Chairman of NZX-listed investment companies Kingfish Limited, Barramundi Limited and Marlin Global Limited, a Director and Audit and Risk Committee Chair of listed company Metlifecare Limited, a board member and Chair of the Audit and Risk Committee of the New Zealand Racing Board, and a Director of private companies Christchurch Casinos Limited and Lewis Road Creamery Limited. Alistair is also a member of the FMA-appointed Auditor Regulation Advisory Group.

Alistair retired from NZX and ASX-listed SKYCITY Entertainment Group Limited as Chief Financial Officer in June 2011 after a 16-year career with the company, which began just prior to its opening and stock exchange listing in February 1996.

Alistair is the Chair of Evolve Education's Audit and Risk Committee and a member of its Governance and Remuneration Committee.

Alan Wham

Chief Executive Officer (Non-Independent)

BPharm
Appointed as Director 13 November 2014

Alan was appointed as Chief Executive Officer of Evolve Education with effect from 1 September 2014. Alan was CEO of Pharmacybrands Limited (now Green Cross Health Limited) from late 2003 to mid-2013. The Pharmacybrands business was transformed during this period from a small pharmacy services company to a NZX-listed company with a market capitalisation over $200m. This was achieved by sector consolidation through mergers and acquisitions, raising capital via existing shareholders, delivering significant synergies and enhancing the performance of pharmacy and medical centre acquisitions. Alan was a director of a large number of subsidiary and joint venture companies within the Pharmacybrands group and built strong relationships across the sector.

Since mid-2013 Alan has been active in governance and advisory roles across the broader health arena, including the governance group for the $370m Community Pharmacy Services Agreement. Alan's early career spanned 15 years in senior executive positions with 3M in New Zealand, the United Kingdom and Australia. He was Managing Director for 3M Pharma in Australia and Regional Director for Asia Pacific and Africa before returning to New Zealand in late 2003.


OVAL
DIAMOND
RECTANGLE

Senior Management Profiles

Alan Wham

Chief Executive Officer

See Alan's biography under the heading "Board Profiles".

Vivek Singh

Chief Financial Officer & Company Secretary

CA (NZ), CA (India), Grad ICWA (India) and BCom, Mumbai University

Vivek was appointed Chief Financial Officer of Evolve Education on 1 September 2014. Prior to joining Evolve Education, Vivek was CFO of Pharmacybrands Limited (now Green Cross Health Limited). Vivek has also been CFO and Company Secretary of Radius Security Limited and Evergreen Forests Limited. He has worked in various finance roles with Repco in New Zealand, Affco New Zealand Limited and Enerco New Zealand Limited. Prior to moving into commerce and industry, Vivek was a Senior Manager at KPMG in Auckland.

Vivek's experience includes acquisitions and mergers, integration of acquired businesses, change management, group financial reporting, group tax management, capital and debt raising, and treasury and money market management.

David Smith

Chief Operating Officer

David was appointed Chief Operating Officer of Evolve Education with effect from 16 September 2014. For the last 20 years David has held several senior management roles in the manufacturing, food, importing/exporting, service and, more recently, the childcare industry. Before joining Evolve Education, David was a Regional Manager for four years for Kidicorp Education and Care Centres, the largest provider of early childcare education in New Zealand. In this capacity he had financial and operational responsibility for 70 ECE Centres.

David's previous management roles include being a Regional Manager for Compass Group PLC. Prior to that he held two senior leadership roles with Chubb Security, initially as their Auckland Manager and then as the General Manager of a start-up business, Key Hardware, a subsidiary whose activities included importing, wholesaling and manufacturing.

Senior Management Profiles

Mark Finlay

Executive Director

See Mark's biography under the heading "Board Profiles".

Paula Hawkings

General Manager Lollipops

Diploma in Teaching

For the past 11 years Paula has been Operations Manager for Lollipops Educare. As a mother of three children, two of whom have been through Lollipops Educare, Paula has a range of skills from understanding the needs of children and managing the day-to-day operations of centres and the Ministry of Education requirements.

Beverley Gordon

Financial Controller

Bachelor of Business, ACA

Prior to being appointed Financial Controller at Evolve Education Beverley was the Financial Controller of the Lollipops Educare Group for four years. During that time she implemented an Enterprise Resource Planning consolidated computer system and IFRS reporting standards across the group. Previously, Beverley spent several years as the Financial Controller for Two Degrees Mobile, the third largest mobile operator in New Zealand. During this time Two Degrees launched in the New Zealand market, and Beverley implemented the integration with Oracle of the recharge platform for prepaid and post-paid billing systems. Prior to this Beverley spent 16 years with TVNZ, as Finance Manager for areas such as Technology, Emerging Business, Marketing and Public Relations. Beverley is a member of Chartered Accountants Australia and New Zealand.

Senior Management Profiles

Jenny Yule

CEO Porse

BEd, Diploma in Teaching

Jenny founded the PORSE Group in 1994 and is currently the CEO. Jenny is the President of HELO (Home Early Learning Organisation) and sits on a number of national advisory and governance groups – New Zealand Teachers Council ECE Advisory Group, Education Review Office External Reference Group, NZQA review of ECE qualification's levels 1-6, Ministry of Education Home-Based Early Childhood Advisory Group and the Royston Hospital Trust Board in Hawke's Bay.

Rachel Nottingham

Acquisitions and Property Manager

LLB Hons Reading University, PGDip Legal Practice Chester College of Law

Rachel joined Evolve Education in March 2015 to manage business acquisitions, the integration of those businesses and the company's property portfolio. Prior to joining Evolve Education, Rachel was at Chorus, where she managed the company's national network and corporate property portfolio. She was also a senior legal counsel in the legal team advising on a wide variety of commercial and property matters. Rachel has extensive experience of large-scale acquisitions through legal roles at blue-chip firms such as Bell Gully and Allen & Overy, London as well as broader business experience through a senior operational role in a legal services start-up.

Evolve Education Group Limited

Financial Statements
For the Period Ended 31 March 2015

The Directors have pleasure in presenting the Financial Statements of Evolve Education Group Limited, for the period ended 31 March 2015.

The Financial Statements presented are signed for and on behalf of the Board and were authorised for issue on 25 May 2015.

Norah Barlow
Chair
25 May 2015

Alistair Ryan
Director
25 May 2015

Consolidated Statement of Comprehensive Income

For the period from incorporation to 31 March 2015

$'000s	Note	PERIOD ENDED 31 MARCH 2015
Revenue	4	**32,940**
Share of profit of equity accounted joint venture		123
Other income	5	518
Expenses		
Employee benefits expense	7	(20,013)
Building occupancy expenses	6	(4,384)
Direct expenses of providing services		(3,659)
Acquisition expenses	4,14	(5,033)
Integration expenses	4	(1,494)
Listing costs	4	(1,308)
Depreciation	12	(302)
Amortisation	15	(137)
Other Expenses	5	(3,524)
Total expenses		**(39,854)**
Loss before net finance expense and income tax		**(6,273)**
Finance income		191
Finance costs		(1,853)
Net finance expense	8	(1,662)
Loss before income tax		**(7,935)**
Income tax expense	9	(123)
Loss after income tax attributed to the owners of the Company		**(8,058)**
Other comprehensive income		-
Total comprehensive loss attributed to the owners of the Company		**(8,058)**
Earnings per share		
Basic (and diluted) earnings per share (expressed as cents per share)	22	(12.9)

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

Consolidated Statement of Movements in Equity

For the period from incorporation to 31 March 2015

$'000s	Note	Issued Share Capital	Accumulated Losses	TOTAL
Balance at 20 May 2014		-	-	-
Loss for the period		-	(8,058)	(8,058)
Other comprehensive income for the period		-	-	-
Total comprehensive loss		-	**(8,058)**	**(8,058)**
Issue of share capital on IPO (net of costs) for cash	20	119,941	-	119,941
Issue of shares related to share based payments	20,26	775	-	775
Issue of shares related to business combinations	14,20	36,210	-	36,210
Balance as at 31 March 2015		**156,926**	**(8,058)**	**148,868**

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

Consolidated Statement of Financial Position

As at 31 March 2015

$'000s	Note	AS AT 31 MARCH 2015
Current assets		
Cash and cash equivalents	10	4,610
Other current assets	11	1,087
Total current assets		**5,697**
Non-current assets		
Property, plant and equipment	12	5,054
Investment in equity accounted joint venture	13	1,521
Deferred tax asset	9	450
Intangible assets	15	168,525
Total non-current assets		**175,550**
Total assets		**181,247**
Current liabilities		
Trade and other payables	17	10,968
Current income tax liabilities		674
Funding received in advance	18	15,646
Employee entitlements	19	5,091
Total current liabilities		**32,379**
Total liabilities		**32,379**
Net assets		**148,868**
Equity		
Issued share capital	20	156,926
Accumulated losses		(8,058)
Total equity		**148,868**

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

Consolidated Statement of Cash Flows

For the period from incorporation to 31 March 2015

$'000s	Note	PERIOD ENDED 31 MARCH 2015
Cash flows from operating activities		
Receipts from customers (including Ministry of Education funding)		37,117
Payments to suppliers and employees		(34,107)
Taxes paid		(478)
Net cash flows from operating activities	24	**2,532**
Cash flows from investing activities		
Payments for purchase of businesses	14	(130,445)
Cash acquired from purchase of businesses	14	15,523
Payments for property, plant and equipment		(240)
Interest received		191
Net cash flows from investing activities		**(114,971)**
Cash flows from financing activities		
Proceeds from issue of shares		132,317
Share issue costs		(12,376)
Interest paid on borrowings and pre-listing funding		(1,853)
Bank borrowings drawn		10,000
Bank borrowings repaid		(10,000)
Pre-listing funding received		704
Pre-listing funding repaid		(1,743)
Net cash flows from financing activities		**117,049**
Net cash flows		**4,610**
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period	10	**4,610**

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

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For the period from incorporation to 31 March 2015

Notes to the Consolidated Financial Statements

For the period from incorporation to 31 March 2015

1. Reporting Entity

Evolve Education Group Limited (the "Company") is a company incorporated in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange ("NZX") and the Australian Stock Exchange ("ASX"). The Company is a FMC Reporting Entity as defined by the Financial Markets Conduct Act 2013. The registered office is located at Level 2, 54 Fort Street, Auckland, New Zealand.

The consolidated financial statements (the "Group financial statements") have been prepared in accordance with the Financial Markets Conduct Act 2013 (the "Act") and the NZX Main Board Listing Rules. The Group financial statements are for the Evolve Education Group Limited Group (the "Group"). The Group financial statements comprise the Company and its subsidiaries, including its investments in joint arrangements. In accordance with the Act, separate financial statements for the Company are not required to be prepared.

The Group's principal activities are to invest in the provision and management of a high quality early childhood education service which gives parents and caregivers the option of which service best suits their child's learning and care needs (see Note 4, Segment Information). Information on the Group's structure is provided in Note 13. Information on other related party relationships of the Group is provided in Note 26.

2. Basis of Preparation

Statement of Compliance

These Group financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). The External Reporting Board's pronouncement Standard XRB A1: Accounting Standards Framework establishes a for-profit tier structure and outlines which suite of accounting standards entities in different tiers must follow. The Group is a Tier 1 reporting entity. The Group financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. These financial statements also comply with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee interpretations.

The financial statements for the period ended 31 March 2015 were approved and authorised for issue by the Board of Directors on 25 May 2015.

Going Concern

The financial statements have been prepared on a going concern basis. From time to time and mainly due to funding received in advance from the Ministry of Education, employee entitlements, contingent and deferred purchase price considerations, the current liabilities exceed current assets. The Group has funding arrangements in place (as per Note 23) with its bank to meet all its current obligations. Accordingly, the preparation of the financial statements on a going concern basis is appropriate.

Basis of Measurement

The financial statements are prepared on the basis of historical cost with the exception of certain items for which specific accounting policies are identified, as noted below.

2. Basis of Preparation (continued)

Functional and Presentation Currency

These financial statements are presented in New Zealand Dollars ($) which is the Group's presentation currency. Unless otherwise stated, financial information has been rounded to the nearest thousand dollars ($'000s).

Comparative Period

As this is the first period of operations there are no comparative balances. Accordingly, these financial statements are for the period from incorporation (20 May 2014) to balance date.

Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements required in the application of accounting policies are described below:

Business combinations

As discussed in note 3(a), business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Identification and valuation of intangible assets acquired

As part of the accounting for business combinations the Group reviews each acquisition on a case by case basis to determine the nature and value of any intangible assets acquired. Different factors are considered including market presence of the acquired entity, the existence of any specialised or developed assets (for example, software and training materials), and the nature and longevity of the acquired entity's customer-base. Following this assessment the Group determines if the value of the intangible assets acquired can or should be allocated between fixed life or indefinite life intangible assets and goodwill. Once identified the Group assesses how the intangible assets are to be valued and this requires the use of judgement as follows:

- Brand valuations require an assessment of the appropriate valuation methodology and in the case of the Group the expected life of the brand names, the forecast sales for comparable branded services if available or, if not, branded sales for "proxy" industries, an appropriate royalty rate and discount factors to be applied to the forecast royalty stream.
- Fixed life intangible assets (for example, software, customer lists) require an assessment of the appropriate valuation methodology and depending on the methodology adopted the Group must make assessments including likely replacement costs, estimated useful lives of the assets, relevance of customer databases to the Group and the price the Group is willing to pay per customer/contact.

2. Basis of Preparation (continued)

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in notes 3(h) and 3(l) below. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Identification of Cash Generating Units

In order to complete the impairment review referred to above the Group must identify the individual cash generating units ("CGUs") that best represents the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill in particular does not generate cash flows in its own right and therefore it must be allocated to a CGU for goodwill impairment testing purposes. Identifying CGUs requires judgement and must be at the lowest level to minimise the possibility that impairments of one asset or group will be masked by a high-performing asset. The Group has considered all factors and assessed that the operating segments identified at Note 4 best represent the CGU's for impairment testing purposes.

Measurement of contingent consideration

Contingent consideration arising from business combinations is initially measured at fair value at the acquisition date. Subsequently, the Group re-assesses the likelihood of settling the contingent consideration and this involves an assessment of whether the underlying criteria for payment will be achieved. Any movements in the value of contingent consideration is subsequently recognised in the Statement of Comprehensive Income.

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.

New Standards and Interpretations Not Yet Adopted

Being the first period the Group has prepared its financial statements the Group has adopted all applicable Accounting Standards and Interpretations issued by the External Reporting Board ('XRB') that are mandatory for the current reporting period.

A number of new standards, amendments to standards and interpretations have been approved but are not yet effective and have not been adopted by the Group for the period ended 31 March 2015. The adoption of these standards and interpretations is not expected to have a material recognition or measurement impact on the Group's financial statements. These will be applied when they become mandatory. The significant standards are:

NZ IFRS 9: Financial Instruments

NZ IFRS 9: 'Financial Instruments' was issued in September 2014 as a complete version of the standard. NZ IFRS 9 replaces the parts of NZ IAS 39 that relate to the classification and measurement of financial instruments, hedge

2. Basis of Preparation (continued)

accounting and impairment. NZ IFRS 9 requires financial assets to be classified into two measurement categories; those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the NZ IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The new hedge accounting model more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risks. NZ IFRS 9 introduces a new expected credit loss model for calculating the impairment of financial assets. The standard is effective for reporting periods beginning on or after 1 January 2018. The Group is yet to assess NZ IFRS 9's full impact.

NZ IFRS 15: Revenue from Contracts with Customers

NZ IFRS 15 addresses recognition of revenue from contracts with customers. It replaces the current revenue recognition guidance in NZ IAS 18: Revenue and NZ IAS 11: Construction Contracts and is applicable to all entities with revenue. It sets out a five step model for revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. This standard is effective for periods beginning on or after 1 January 2017. The Group is yet to assess NZ IFRS 15's full impact.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently in these financial statements, and have been applied consistently by Group entities and are consistent with the accounting policies disclosed in the prospective financial information issued in November 2014.

(a) Basis of Consolidation

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; less
- the net recognised amount (generally fair value) of the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree.

When the excess is negative, a bargain purchase gain is recognised immediately in the Statement of Comprehensive Income.

Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit and loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

3. Significant Accounting Policies (continued)

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Business combinations are initially accounted for on a provisional basis. The Group retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities 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 either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in joint ventures (equity accounted investees)

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in joint ventures are accounted for using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of the investment, including any long-term investments that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the Statement of Comprehensive Income. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based

3. Significant Accounting Policies (continued)

on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Intangible assets

The fair value of brands acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the brand being owned ("relief from royalty method"). The fair value of customer relationships acquired in a business combination is determined using the notional price per customer methodology. Software acquired in a business combination is determined using an estimate of replacement cost. Syllabus material acquired in a business combination is determined using the market elimination method.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(c) Revenue

Revenues are recognised when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the Group, and specific criteria have been met for each of the Group's activities as described below. In all cases, the Group assesses revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship only a portion of the revenue received on the Group's own account is recognised as revenue.

Ministry of Education funding

Ministry of Education funding is recognised initially as funding received in advance and is then recognised in the Statement of Comprehensive Income over the period childcare services are provided. Income receivable from the Ministry of Education by way of a wash-up payment is recognised as an asset, and is netted off against the income received in advance.

Childcare fees

Fees paid by government (childcare benefit) or parents are recognised as and when a child attends, or was scheduled to attend, a childcare facility or receives home-based care.

Education income

Revenue from the provision of tertiary education is recognised when the service has been rendered.

Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

(d) Income Tax

Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

3. Significant Accounting Policies (continued)

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences arising on the initial recognition of goodwill, and
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions, if any, and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(e) Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Foreign exchange gains and losses resulting from the settlement of the above are recognised in the Statement of Comprehensive Income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within finance costs.

(f) Dividends

The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per company law in New Zealand, a distribution is authorised when it is approved by the directors. A corresponding amount is recognised directly in equity.

3. Significant Accounting Policies (continued)

(g) Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the Statement of Comprehensive Income.

Depreciation

Depreciation is charged based on the cost of an asset less its residual value. Depreciation is charged to the Statement of Comprehensive Income on a straight line basis over the estimated useful lives of each item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Useful lives as at balance date were:

Plant and equipment	4 years
Office furniture and fittings	4 years
Leasehold improvements	4 years
Motor vehicles	5 years

The depreciation methods, useful lives and residual values are reviewed at the reporting date and adjusted if appropriate.

(h) Intangible Assets

Goodwill

Goodwill initially represents amounts arising on acquisition of a business and is the difference between the cost of acquisition and the fair value of the net identifiable assets acquired.

Goodwill is subsequently measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is reviewed at each balance date to determine whether there is any objective evidence of impairment (refer to (l) Impairment).

Other intangible assets

Other intangible assets that are acquired by the Group and have finite and indefinite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Other intangible assets have been amortised on a straight-line basis over their estimated useful lives:

Software	4 years
Training syllabus	4 years
Customer lists	4 years
Brand names	Indefinite life

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the Statement of Comprehensive Income as incurred.

3. Significant Accounting Policies (continued)

(i) Leased Assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's Statement of Financial Position.

(j) Financial Instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period; these are classified as non-current assets.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and bank overdrafts. In the Statement of Financial Position bank overdrafts are shown within borrowings in current liabilities.

Non-derivative financial liabilities

The Group initially recognises financial liabilities on the date that they are originated. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Financial liabilities comprise borrowings, bank overdrafts, and trade and other payables.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3. Significant Accounting Policies (continued)

(k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(l) Impairment

Non-derivative financial assets

A financial asset not carried at fair value through the Statement of Comprehensive Income is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor and adverse changes in the payment status of debtors.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are grouped so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal management purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave, are recognised in respect of services provided by employees up to the reporting date and measured based on expected the date of settlement.

Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

3. Significant Accounting Policies (continued)

The liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution plan (KiwiSaver)

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(n) Expenses

Operating lease payments

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income over the lease term as an integral part of the total lease expense.

Finance expenses

Finance expenses comprise interest expense on borrowings, pre-listing funding and establishment fees. All borrowing costs are recognised in the Statement of Comprehensive Income using the effective interest method.

Offer costs

Certain costs have been incurred in relation to the listing of the Group. These costs are directly attributable to the Group issuing equity instruments and include amounts paid to legal, accounting and other professional advisers. These costs have been accounted for as a deduction from equity.

(o) Cash Flow Statement

The following are the definitions of the terms used in the cash flow statement:

- Cash includes cash on hand, bank current accounts and any bank overdrafts.
- Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments.
- Financing activities are those activities that result in changes in the size and composition of the equity structure of the Group. This includes both equity and debt not falling within the definition of cash. Dividends paid and financing costs are included in financing activities.
- Operating activities include all transactions and other events that are not investing or financing activities.

(p) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn and incur expenses, whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the Group, has been identified as the Chief Executive Officer.

3. Significant Accounting Policies (continued)

(q) Earnings Per Share

Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

(r) Share Based Payments

Senior management and independent directors of the Company received remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settle transactions). The cost of equity settled transaction with employees is measured by reference to the fair value at grant date.

The cost of equity-settled transactions is recognised, together with a corresponding increase to the share-based payments reserve within equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

(s) Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST) including items disclosed in the Statement of Cash Flows, except for trade receivables and trade payables that are stated inclusive of GST.

4. Segment Information

The Group has two reportable operating segments, as described below, which were identified as the strategic business-models the Group would initially invest in within the wider teacher-led early childhood education (ECE) industry in New Zealand. The Group operates entirely within New Zealand.

Each segment offers parents and caregivers the choice about the type of service in which they think their child or children will flourish. Each segment is managed separately. For each of the segments, the Group's Chief Executive Officer (the "CEO" and Chief Operating Decision Maker) reviews internal management reports at least on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

ECE Centres – generally purpose built facilities that offer all day or part-day early childhood services, and
Home-based ECE – involves an educator providing services to a small group of children in a home setting and is supported by a registered teacher coordinator who oversees the children's learning progress.

No operating segments have been aggregated to form the above reportable operating segments. The Group accounting policies are applied consistently to each reporting segment.

Other operations include ECE Centre Management, a non-reportable segment, whereby the Group provides management and back-office expertise to early childhood education centres but it does not own the centre. This activity does not meet any of the quantitative thresholds for determining reportable segments in 2015 and as such it has been included as an unallocated amount. Unallocated amounts also represent other corporate support services, acquisition and integration costs.

4. Segment Information (continued)

Information regarding the results of each reportable segment is included below. Performance is measured based on NZ GAAP measures of profitability and in relation to the Group's segments, segment profit before income tax. In addition to GAAP measures of profitability, the Group also monitors its profitability using non-GAAP financial measures (that is, earnings before interest, tax, depreciation and amortisation ("EBITDA")) and EBITDA excluding certain items, as included in the internal management reports that are reviewed by the Group's CEO. EBITDA is not defined by NZ GAAP, IFRS or any other body of accounting standards and the Groups' calculation of this measure may differ from similarly titled measures presented by other companies. This measure is intended to supplement the NZ GAAP measures presented in the Group's financial information. EBITDA excluding one-off acquisition, integration, listing related costs and other one-off items of income and expenditure ("Underlying EBITDA") reflects a number of adjustments relating to the acquisitions identified in Note 14. These adjustments may be defined as:

- **Acquisition expenses –** in acquiring the businesses and net assets in Note 14 the Group incurred certain expenses directly related to those acquisitions including agents' commissions, legal fees, financing fees and financial, tax and operational due diligence fees.
- **Integration expenses –** non-recurring costs associated with the integration of the businesses acquired.
- **Listing costs –** relate to NZX and ASX listing costs.
- **Other expenses –** these relate to legal expenses and settlement costs that were incurred by the Group in connection with an employment related dispute that was settled during the period.
- **Other income –** relates to a fair value adjustment in relation to contingent consideration as disclosed in Notes 5 and 14.

The Group's corporate and management costs including certain financing income and expenditure and taxation that are managed on a Group basis are not allocated to operating segments.

4. Segment Information (continued)

31 March 2015	ECE Centres $'000s	Home-based Care Providers $000's	Unallocated $000's	Consolidated $000's
Revenue				
Parental income	9,148	107	-	9,255
Ministry of Education funding	15,465	6,713	-	22,178
Other early childhood education income	13	1,108	386	1,507
Total revenue	**24,626**	**7,928**	**386**	**32,940**
Share of profit of equity accounted joint venture	123	-	-	123
Expenses				
Employee benefits expense	(13,233)	(4,215)	(2,565)	(20,013)
Building occupancy expenses	(3,766)	(519)	(99)	(4,384)
Direct expenses of providing services	(2,051)	(1,608)	-	(3,659)
Other expenses	(261)	(821)	(2,122)	(3,204)
Underlying EBITDA before non-recurring items	**5,438**	**765**	**(4,400)**	**1,803**
Acquisition expenses	-	-	(5,033)	(5,033)
Integration expenses	-	-	(1,494)	(1,494)
Listing costs	-	-	(1,308)	(1,308)
Other expenses	-	-	(320)	(320)
Other income	-	-	518	518
EBITDA	**5,438**	**765**	**(12,037)**	**(5,834)**
Depreciation	(156)	(138)	(8)	(302)
Amortisation	(20)	(54)	(63)	(137)
Earnings before interest and tax	**5,262**	**573**	**(12,108)**	**(6,273)**
Net finance expense	-	(71)	(1,591)	(1,662)
Reportable segment profit/(loss) before tax	**5,262**	**502**	**(13,699)**	**(7,935)**
Total assets	**159,429**	**16,332**	**5,486**	**181,247**
Total liabilities	**(18,284)**	**(9,605)**	**(4,490)**	**(32,379)**
Other disclosures				
Investments in joint ventures	1,521	-	-	1,521

Notes to the Consolidated Financial Statements

For the period from incorporation to 31 March 2015

5. Other Income and Other Expenses

$'000s	Note	PERIOD ENDED 31 MARCH 2015
Other income		
Fair value change relating to contingent consideration	14	518
Total other income		**518**
Other expenses		
Included in other expenses are:		
Audit fees	27	245
Directors' fee	26	137
Other items		3,142
Total other expenses		**3,524**

Other items includes other corporate and head office costs not already disclosed separately. They include travel expenses, legal costs not relating to the acquisition of businesses in Note 14, consultancy costs, and general office expenses.

6. Building Occupancy Expenses

Building occupancy costs includes $4,211,000 of expenditure in relation to minimum operating lease payments.

7. Employee Benefits Expense

$'000s	Note	PERIOD ENDED 31 MARCH 2015
Wages and salaries		18,556
Kiwisaver contributions		438
Share-based payments expense	26	550
Other		469
Total employee benefits expense		**20,013**

8. Net Finance Expense

$'000s	Note	PERIOD ENDED 31 MARCH 2015
Interest received		
Bank deposits		191
Total interest received		**191**
Interest expense		
Interest on bank borrowings	26	(102)
Interest on other borrowings		(1,748)
Finance charges payable under finance leases		(3)
Total interest expense		**(1,853)**
Net finance expense		**(1,662)**

9. Income Tax

Income tax expense

The major components of income tax expense for the period are:

$'000s	PERIOD ENDED 31 MARCH 2015
Current income tax:	
Current income tax expense	186
Deferred tax:	
Relating to origination and reversal of temporary differences	(63)
Income tax expense reported in the statement of comprehensive income	**123**

Reconciliation of tax expense

Tax expense may be reconciled to accounting profit multiplied by New Zealand's company tax rate as follows:

$'000s	PERIOD ENDED 31 MARCH 2015
Loss before income tax	**(7,935)**
At statutory income tax rate of 28%	(2,222)
Non-deductible expenses for tax purposes:	
Contingent consideration re-measurement	(145)
Non-deductible expenses	141
Non-recurring non-deductible expenses	2,349
Income tax expense reported in statement of comprehensive income	**123**
Effective income tax rate	(1.55%)

9. Income Tax (continued)

Deferred tax

Deferred tax relates to the following:

$'000s	CONSOLIDATED STATEMENT OF FINANCIAL POSITION	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Property, plant and equipment	1,391	(58)
Intangible assets	(1,602)	21
Employee entitlement provisions	500	(35)
Other timing differences	161	135
Deferred tax recovery		**63**
Net deferred tax assets	**450**	

Imputation credits

The amount of imputation credits available for use in subsequent reporting periods is $478,150.

10. Cash and Cash Equivalents

$'000s	31 MARCH 2015
Cash at banks and on hand	2,025
Short-term deposits	2,585
Total cash and cash equivalents	**4,610**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and 3 months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

11. Other Current Assets

$'000s	31 MARCH 2015
Prepayments	205
Other current assets	882
Total other current assets	**1,087**

Other current assets includes supplies held in various ECE centres and other debtor balances.

For the period from incorporation to 31 March 2015

12. Property, Plant and Equipment

31 MARCH 2015		PLANT AND EQUIPMENT	OFFICE FURNITURE AND FITTINGS	LEASEHOLD IMPROVEMENTS	MOTOR VEHICLES	WORK IN PROGRESS	TOTAL
$'000s	**Note**						
Cost							
Opening balance		-	-	-	-	-	-
Additions		21	164	45	-	10	240
Acquisitions of businesses	14	181	4,232	539	199	23	5,174
Disposals		-	(93)	-	(47)	(20)	(160)
Closing balance		**202**	**4,303**	**584**	**152**	**13**	**5,254**
Depreciation and impairment							
Opening balance		-	-	-	-	-	-
Depreciation charge for period		(2)	(245)	(38)	(17)	-	(302)
Disposals		-	86	-	16	-	102
Closing balance		**(2)**	**(159)**	**(38)**	**(1)**	**-**	**(200)**
Net book value		**200**	**4,144**	**546**	**151**	**13**	**5,054**

13. Group Information

Information about subsidiaries

The consolidated financial statements of the Group include:

Name	Principle Activities	Country of Incorporation	Balance Date	Equity Interest
Evolve Education Group 1 Limited	ECE centre owner	NZ	31 March	100%
Evolve Education Group 2 Limited	ECE centre owner	NZ	31 March	100%
Evolve Education Group 3 Limited	ECE centre owner	NZ	31 March	100%
Evolve Education Group 4 Limited	ECE centre owner	NZ	31 March	100%
Evolve Education Group 5 Limited	ECE centre owner	NZ	31 March	100%
Evolve Management Group Limited	Investment company	NZ	31 March	100%
ECE Management Limited	Management services	NZ	31 March	100%
Lollipops Educare Holdings Limited	Investment company	NZ	31 March	100%
Lollipops Educare Limited	Evolve corporate office	NZ	31 March	100%
Lollipops Educare Centres Limited	ECE centre owner	NZ	31 March	100%
Lollipops Educare (Hastings) Limited	ECE centre owner	NZ	31 March	100%
Lollipops Educare (Birkenhead) Limited	ECE centre owner	NZ	31 March	100%
Evolve Home Day Care Limited	Investment company	NZ	31 March	100%
Au Pair Link Limited	Home-care provider	NZ	31 March	100%
Porse In-Home Childcare (NZ) Limited	Home-care provider	NZ	31 December	100%
Porse Franchising (NZ) Limited	Provides services to Porse franchisees	NZ	31 December	100%
Porse Education & Training (NZ) Limited	Education and training provider	NZ	31 December	100%
For Life Education & Training (NZ) Limited	Education and training provider	NZ	31 December	100%

Joint ventures

The consolidated financial statements of the Group include:

Name	Principle Activities	Country of Incorporation	Balance Date	Equity Interest
Lollipops Educare (Halfmoon Bay) Limited	ECE centre owner	NZ	31 March	50%

The carrying value of the investment in the joint venture is $1,521,000 representing the initial investment in the joint venture plus the Group's share of the joint venture's profits since acquisition.

14. Business Combinations

The Company and Group was established to acquire a group of centrally-owned and managed early childhood education providers. This was achieved by acquiring the shares and/or businesses of a large number of owned ECE centres, Home-based ECE care providers and other related entities.

Net of purchase price adjustments the Company has paid $169.5m for these businesses from a large number of separate vendors, including:

Lollipops and other ECE Centres:

- On 4 December 2014, the Group acquired 30 centres from Lollipops Educare Holdings Limited ("Lollipops") and its subsidiaries (Lollipops Educare Limited, Lollipops Educare Centres Limited) – purchase price of $66.7m payable in cash and shares in the Company. The Group also acquired the remaining interests in two Lollipops joint ventures (Lollipops Educare (Hastings) Limited and Lollipops Educare (Birkenhead) Limited) for $1.5m payable in cash.
- Between 5 December 2014 and 31 March 2015 the Group acquired 56 centres from several separate vendors – combined purchase price of $86.2m payable in cash.

Home-based Care Providers:

- On 4 December 2014 the Group acquired 100% of Porse In-home Childcare (NZ) Limited and its related companies Porse Franchising (NZ) Limited, Porse Education & Training (NZ) Limited and For Life Education & Training Limited and on 17 December 2014 the Group acquired 100% of the shares in Au Pair Link Limited both in exchange for cash and an element of deferred and contingent consideration – for a combined purchase price of $14.6m.

14. Business Combinations (continued)

Financial summary of material acquisitions (assets acquired and liabilities assumed at settlement)

		ECE CENTRES		HOME-BASED CARE PROVIDERS		
		LOLLIPOPS ACQUISITIONS	OTHER ECE CENTRES		OTHER	TOTAL
$'000s	**Note**					
Assets						
Cash and cash equivalents		5,404	-	10,119	-	15,523
Other current assets		768	507	835	-	2,110
Property, plant and equipment	12	1,396	2,290	1,488	-	5,174
Investment in equity accounted joint venture		1,500	-	-	-	1,500
Deferred tax assets		703	103	(319)	(101)	386
Brands	15	3,104	-	1,683	-	4,787
Other intangible assets	15	303	-	671	372	1,346
		13,178	**2,900**	**14,477**	**271**	**30,826**
Liabilities						
Trade and other payables		(509)	-	(1,713)	-	(2,222)
Funding received in advance		(3,698)	(3,524)	(5,750)	-	(12,972)
Employee entitlements		(1,699)	(1,179)	(1,258)	-	(4,136)
Current tax liabilities		(914)	-	(162)	(6)	(1,082)
Other current liabilities		(1,228)	(134)	(1,576)	-	(2,938)
		(8,048)	**(4,837)**	**(10,459)**	**(6)**	**(23,350)**
Total identifiable net assets/(liabilities) at fair value		**5,130**	**(1,937)**	**4,018**	**265**	**7,476**
Goodwill arising on acquisition	15	62,726	88,132	10,545	635	162,038
Purchase consideration transferred		**67,856**	**86,195**	**14,563**	**900**	**169,514**
Purchase consideration						
Cash		32,000	86,195	11,350	900	130,445
Completion payment due		-	-	1,057	-	1,057
Shares issued, at fair value		36,210	-	-	-	36,210
Contingent consideration		-	-	2,156	-	2,156
Fair value of previously held equity interest in jointly controlled entities acquired in stages		(354)	-	-	-	(354)
Total consideration		**67,856**	**86,195**	**14,563**	**900**	**169,514**

14. Business Combinations (continued)

The goodwill of $162m predominantly comprises the value of expected synergies and the value expected from bringing together a group of ECE Centres and Home-based Care Providers under one centrally managed group. Goodwill is allocated to each of the segments identified at Note 4.

The total identifiable net assets above are provisional and are subject to the completion of purchase price adjustments following the finalisation of completion accounts.

On the basis of prospective financial information issued to the New Zealand and Australian markets prior to listing it is expected that the ECE Centre revenue would have been $105.1m and the Home-based Care Provider revenue would have been $30m for a full year period. Estimated EBITDA (as defined in Note 4) would have been $27.5m and $3m respectively.

Analysis of cash flows on acquisition

	$'000s
Transaction costs of the acquisitions (included in cash flows from operating activities)	(5,033)
Net cash acquired (included in cash flows from investing activities)	15,523
Net cash flow on acquisition	**10,490**

The Group issued 36,209,901 ordinary shares as part consideration for the 100% interest in Lollipops. The fair value of the shares is calculated with reference to the initial listing price of $1/share in the Company. The fair value of the consideration given is therefore $36,209,901.

Acquisition costs of $5.033m related to business combinations have been expensed in the Statement of Comprehensive Income.

Contingent consideration

As part of the purchase agreement with the previous owners of the Home-based Care businesses acquired contingent consideration has been agreed. The terms of the agreements allowed for additional cash payments to the previous owners of up to $2.3m subject to the achievement of certain earnings targets. The final amount, if any, is due for final measurement at various dates between 31 March and 31 December 2015. At the acquisition date, the fair value of the contingent consideration was estimated to be $2.16m. The fair value is determined using a discounted cash flow methodology. Contingent consideration is a level 3 fair value measurement as it is derived from valuation techniques that includes inputs for the asset or liability that are not based on observable market data.

Significant unobservable valuation inputs are provided below:

- Forecast annual profit targets less minimum earnings multiplied by a multiple as specified in the agreements, and
- Discount rate of 12% (post tax)

A significant increase or decrease in the actual earnings achieved would result in a higher or lower fair value of the contingent consideration liability, while a significant increase or decrease in the discount rate would result in lower or higher fair value of the liability.

14. Business Combinations (continued)

At balance date the trading results of the acquired businesses indicate that the vendors were less likely to achieve the top end of the respective earnings targets. As the earn out periods were at varying stages of completion between balance date and the end of the respective earn out periods there remains the possibility that earnings achieved could improve and achieve the respective targets. The fair value of the contingent consideration determined at balance date reflects this uncertainty and a re-measurement charge has been recognised through profit or loss. A reconciliation of the fair value measurement of the contingent consideration liability is:

	$'000s
Liability arising on business combination	2,156
Unrealised fair value changes recognised in profit or loss (note 5)	(518)
Contingent consideration liability at balance date (note17)	**1,638**

15. Intangible Assets

31 MARCH 2015		CUSTOMER LISTS	SYLLABUS MATERIAL	MANAGEMENT CONTRACTS	SOFTWARE	BRANDS	GOODWILL	TOTAL
$'000s	**Note**							
Cost								
Opening balance		-	-	-	-	-	-	-
Additions		-	-	-	491	-	-	491
Acquisition of businesses	14	301	200	372	473	4,787	162,038	168,171
Closing balance		**301**	**200**	**372**	**964**	**4,787**	**162,038**	**168,662**
Amortisation and impairment								
Opening balance		-	-	-	-	-	-	-
Amortisation for period		(25)	(17)	(31)	(64)	-	-	(137)
Closing balance		**(25)**	**(17)**	**(31)**	**(64)**	**-**	**-**	**(137)**
Net book value		**276**	**183**	**341**	**900**	**4,787**	**162,038**	**168,525**

16. Impairment Testing of Goodwill and Intangible Assets With Indefinite Lives

Goodwill and brands acquired through business combinations with indefinite lives have been allocated, for impairment testing, to the three cash generating units ("CGUs") below, which are also operating segments. Brands included below with ECE Centres are assessed for impairment using the same approach as described below for the ECE Centres CGU but at a lower level which is representative of the group of centres to which the brand relates.

- ECE Centres
- Home-based ECE

16. Impairment Testing of Goodwill and Intangible Assets With Indefinite Lives (continued)

31 MARCH 2015	ECE CENTRES	HOME-BASED ECE	ECE MANAGEMENT	TOTAL
$'000s				
Goodwill	150,858	10,545	635	162,038
Brands with indefinite useful lives	3,104	1,683	-	4,787

The Group performed its annual impairment test at balance date.

ECE Centres and Home-based Care Providers

The recoverable amount of the ECE Centres and Home-care Provider CGUs was $219.1m at balance date. It has been determined based on a value in use calculation using cash flow projections from the Group's prospective financial information issued to the New Zealand and Australian market in the Company's Prospectus dated 14 November 2014 prior to listing in late 2014 and financial forecasts approved by senior management covering a five year period.The pre-tax discount rate applied to cash flow projections is 16% and cash flows beyond the five-year period are extrapolated using a 2% growth rate that is consistent with information contained in the prospective financial information and is not inconsistent with the long term growth rate experienced industry-wide. As the recoverable value was in excess of the carrying value management did not identify an impairment for these CGU's.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for both CGU's is most sensitive to the following assumptions:

- Operating earnings
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

Operating earnings – operating earnings is a function of revenue (received from the Ministry of Education and parents/caregivers) which in turn is based on occupancy. Revenue is assumed to grow by 2% per annum on average and assumes the Ministry of Education continues to support early childhood education to the value of 67% of total revenue earned. If the Government reduces their funding it could lead to the increased requirement of parents and caregivers to make up the difference. Also effecting operating earnings are centre wages and other operating expenses such as operating lease costs. Expenses are forecast to grow by 2% which is currently consistent with the inflation rate projections in New Zealand. If Government funding was to decrease it is highly probable that expenses will also decrease particularly if the reduction in funding cannot be recovered from parental fees. If there was no increase in Government funding and no increase from parental fees or no reduction in expenses there may be an impairment of the Home-based ECE CGU. However, if expenses increased by 1% (instead of the 2% assumed) in response to zero revenue growth there would unlikely be an impairment of the Home-based ECE CGU.

Discount rates – discount rates represent the current market assessment of the risks specific to each CGU, taking into account the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments 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 using the

16. Impairment Testing of Goodwill and Intangible Assets With Indefinite Lives (continued)

capital asset pricing model. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. A rise in the pre-tax discount rates to 22% and 32% would lead to an impairment in the ECE Centre and Home-care Centre CGU's respectively, assuming the growth rates referred to above remained the same.

Growth rate estimates – rates are based on current inflation rates in New Zealand and forecast or assumed increase in revenues from parents/caregivers and the Government. Management are not aware of any information to suggest that the growth assumptions are at risk.

17. Trade and Other Payables

$'000s	Note	31 MARCH 2015
Trade payables		1,832
Amounts accrued in respect of contingent consideration	14	1,638
Amounts accrued in respect of business combinations		1,057
Good and services tax		3,737
Other payables		2,704
Total trade and other payables		**10,968**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled within 60-day terms
- Contingent consideration is payable between April 2015 and December 2015 (Note 14)
- Other payables are non-interest bearing and have an average term of 2 months

18. Funding Received In Advance

Represents Ministry of Education funding received in advance net of amounts owing but not received. The amount is shown as a current liability consistent with the period the funding covers.

$'000s	31 MARCH 2015
Funding received in advance	18,668
Funding receivable	(3,022)
Total funding received in advance	**15,646**

19. Employee Entitlements

$'000s	31 MARCH 2015
Employee leave provisions	2,582
Accrued wages and salaries	2,272
Other	237
Total employee entitlements	**5,091**

20. Issued Capital

	31 MARCH 2015	
	Number	$'000s
Ordinary shares authorised, issued and fully paid		
Opening balance	-	-
Ordinary shares issued:		
On incorporation	1,200	-
Issue of shares following share split (31 October 2014)	4,999,200	-
Issue of shares to certain Directors and employees (31 October 2014)	1,250,000	550
Issue of shares (14 November 2014)	1,855,707	-
Share based payment (4 December 2014)	449,438	225
Issue of shares arising from business combination (4 December 2014)	36,209,901	36,210
Issue of shares following initial public offering (4 December 2014)	132,317,278	132,317
Less share issue costs incurred relating to the initial public offering	-	(12,376)
Closing balance	**177,082,724**	**156,926**

400 shares in the Company were initially issued to Kern Group (Licensing) Pty Ltd. These shares were transferred on 17 June 2014 to Kern Group NZ Limited, and were split into 1,666,800 shares on 31 October 2014. 618,569 further shares were issued by the Company on 14 November 2014.

320 shares in the Company were initially issued to Era Education Group Pty Limited and 80 shares in the Company were initially issued to GG Super Investments Pty Ltd. These 400 Shares were transferred on 15 July 2014 to Wraith Capital Group NZ Limited, and were split into 1,666,800 Shares on 31 October 2014. 618,569 further shares were issued by the Company on 14 November 2014.

On incorporation 400 shares were issued to Stuart and Gillian James as trustees of the S.B. James Superannuation Fund. These shares were split into 1,666,800 shares on 31 October 2014. 618,569 further shares were issued by the Company on 14 November 2014.

At balance date of the shares issued:

- 36,209,901 were issued to the vendors of the Lollipops Educare acquisition, including 21,347,382 to interests of Mark Finlay, an Executive Director of the Company.
- 2,285,369 were issued to Kern Group NZ Limited, an entity related to Greg Kern, a director of the Company.
- 2,285,369 were issued to Wraith Capital Group NZ Limited.
- 2,285,369 were issued to Stuart and Gillian James as trustees of the S.B. James Superannuation Fund.
- 1,250,000 were issued to certain directors and senior management.
- 449,438 were issued to Hayes Knight Business Services (QLD) Pty Limited (or its nominees) in consideration for the provision of management assistance in connection with the acquisition of certain ECE centres.

21. Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital and accumulated losses of the Group as well as cash and cash equivalents. The Board of Directors monitors the return on capital as well as the level of cash and dividends to ordinary shareholders.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of any financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Dividend Policy

The dividend policy of the Group is to pay dividends between 40% and 60% of net profit after tax in respect of the preceding half year period subject to the discretion of the Board. The first dividend is not expected to be paid until December 2015, in respect of the period ended 30 September 2015.

Financial Covenants

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets its financial covenants attached to any interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants could permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

22. Earnings Per Share (EPS)

Basic and diluted EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	PERIOD ENDED 31 MARCH 2015
Loss attributed to ordinary equity holders of the parent ($'000s)	**(8,058)**
Weighted average number of ordinary shares for basic and diluted EPS	62,392,887
Basic (and diluted) earnings per share (expressed as cents per share)	(12.9)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

23. Financial Assets and Liabilities

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall level of financial risk is minimal and risk management is carried out by senior finance executives and the Board of Directors.

Market risk

Foreign currency risk
The Group is not exposed to any significant foreign currency risk.

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

Interest rate risk
The Group's main interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. At the reporting date the Group had no borrowings.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents as well as the use of loans.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provision 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.

The Group has no significant credit risk exposure.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

The Group's financing arrangements comprise the following facilities:

- **Senior revolving facility -** provided by ASB totalling $30 million for general corporate and working capital purposes. The facility expires on 30 April 2018 (but is able to be extended by 12 months on each anniversary of the financing arrangements with ASB's consent),
- **Acquisition facility -** provided by ASB totalling $60 million for funding of future acquisitions. It expires on 30 April 2018 (but is able to be extended by 12 months on each anniversary of the financing arrangements with ASB's consent), and

23. Financial Assets and Liabilities (continued)

- **Lease guarantee facility -** provided by ASB for $3 million for bonds required for certain leasehold properties.

The facilities are secured by way of a first ranking general security agreement over all present and future shares and assets and undertakings of the Group, together with an all obligations cross guarantee and indemnity.

With the exception of the lease guarantee facility (Note 25), there are no drawn facilities at balance date.

Remaining contractual maturities

The contractual maturity for the Group's financial instrument liabilities is disclosed at Note 17. The contractual maturities are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

Fair value of financial instruments

The carry value of financial assets and financial liabilities presented represent a reasonable approximation of fair value.

24. Reconciliation of Loss After Tax to Net Operating Cash Flows

$'000s	PERIOD ENDED 31 MARCH 2015
Loss after tax	(8,058)
Adjustments for:	
Depreciation and amortisation	439
Share-based payments	775
Fair value movement in contingent consideration	(518)
Expenses paid on behalf of the Group (Note 26)	1,040
Net finance expense	1,662
Deferred tax	(450)
Share of profits in joint venture	(21)
Changes in operating assets and liabilities:	
Working capital movements:	
Increase in funding received in advance	2,674
Decrease in other current assets	1,023
Increase in trade and other payables	5,032
Increase in current income tax liabilities	674
Increase in employee entitlements	955
Other items:	
Completion payment classified as investing	(1,057)
Contingent consideration unpaid classified as investing	(1,638)
Net cash from operating activities	**2,532**

The other items specified above relate to accruals classified as working capital on the Statement of Financial Position but as they relate to the acquisition of businesses they are investing activities for the purposes of the Statement of Cash Flows.

25. Commitments and Contingencies

Operating lease commitments – Group as lessee

The Group has entered into commercial leases on its premises. Future minimum rentals payable under non-cancellable leases at balance date are:

$'000s	31 MARCH 2015
Within one year	14,612
After one year but not more than five years	49,099
More than five years	38,491
Total	**102,202**

Guarantees

$2,042,000 of the lease guarantee facility disclosed at Note 23 has been utilised.

There are no other material commitments or contingencies.

26. Related Party Transactions

Parent entity

Evolve Education Group Limited is the parent entity.

Identity of Related Parties

Related parties of the Group are:

- The Board of Directors, comprising Norah Barlow, Alistair Ryan, Mark Finlay, Greg Kern, Alan Wham and formerly Russell Daly (who resigned as director on 13 November 2014).
- Executives and senior managers of the Group, including Alan Wham as Chief Executive Officer.
- Kern Group (Paddington) Pty Limited and Kern Group NZ Limited, companies associated with Greg Kern.
- LEP Limited, a company associated with Mark Finlay.
- Wraith Capital Group NZ Limited, one of the Company's shareholders.
- Stuart Bruce James and Gillian Doreen James as trustees of the S.B. James Superannuation Fund, one of the Company's shareholders.

Related party transactions arising during the period:

- The following transactions with persons or entities related to the Group arose as part of the Company's initial public offering ("IPO") and acquisition of the initial portfolio of ECE centre acquisitions:

    - ERA Education Management Pty Limited ("ERA"), a company related to a former shareholder of the Company, received AUD$1,000,000, representing funding disclosed in Note 24 from S.B. James Superannuation Fund (see below). The funds were held on behalf of the Group in an AUD bank account by ERA and were used to pay AUD$900,000 of the Group's creditors for expenses recognised in the Statement of Comprehensive Income. The remaining balance of the ERA AUD bank account was repaid to the Company prior to year end.

26. Related Party Transactions (continued)

- Kern Group (Paddington) Pty Ltd (a company of which Greg Kern is a director and shareholder) received AUD$1,000,000 in their capacity as financial advisers to the Company in relation to the IPO. This amount is included in the share issue costs in Note 20.
- Wraith Capital Group NZ Limited received AUD$300,000 for the provision of consultancy services to the Company in connection with the acquisition of the initial portfolio of ECE centres. This amount is included in the acquisition costs in the Statement of Comprehensive Income.
- Following completion of the Lollipops Educare Acquisition, the Company became party to a centre management agreement whereby the Group will initially manage five ECE Centres for LEP Limited and its related companies.
- LEP Limited is the landlord of the Group's head office and it is the landlord of four of the Lollipops Educare Owned ECE Centres acquired by the Group. Rent of $220,620 has been paid by the Group to LEP Limited during the period. A further commitment to make future rent payments of $4,834,000 over the next 3 to 8 years (depending on the term of each lease) is included in Note 25.
- The Group entered into various loan agreements with Stuart Bruce James and Gillian Doreen James as trustees of the S.B. James Superannuation Fund, Kern Group NZ Limited and with Wraith Capital Group NZ Limited. The lenders agreed to provide unsecured loans to the Company of AUD$1,600,000 in aggregate (being AUD$1,200,000 from Stuart Bruce James and Gillian Doreen James as trustees of the S.B. James Superannuation Fund, AUD$200,000 from Kern Group NZ Limited and AUD$200,000 from Wraith Capital Group NZ Limited). The loans were repaid in December 2014. In addition to the obligation to repay the loans, the Group paid an additional AUD$1,600,000 (NZ$1,748,000) in aggregate by way of interest following the successful listing and this is included in interest on other borrowings at Note 8.
- Refer to Note 20 regarding share transactions.

- Transactions between the Company and its Directors and members of its Senior Management team and certain employees can be summarised as follows:

  - **Directors' remuneration -** The Directors' fees pool is currently $500,000 per annum, with the amount of fees paid during the period disclosed in the table below. The Directors are also entitled to be paid for reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at Board or Shareholder meetings, or otherwise in connection with the Group's business. Alan Wham, the Group's Chief Executive Officer, does not receive directors' fees but does receive a salary and this is included in the compensation of key management personnel table below. Mark Finlay also has a consultancy agreement with the Group, with the fees associated with this included in the table below. These fees are unpaid at balance date and there is a commitment of a further $40,000 in the next financial year. Norah Barlow, Alan Wham and Alistair Ryan received share based payments, with the amount paid to Alan Wham being included in the key management personnel table below. A summary of Directors remuneration follows:

26. Related Party Transactions (continued)

$'000s	DIRECTORS FEES	OTHER	PERIOD ENDED 31 MARCH 2015
Norah Barlow	51	63	114
Alistair Ryan	34	63	97
Mark Finlay	26	40	66
Greg Kern	26	-	26
Russell Daly	-	-	-
Total Directors Remuneration	**137**	**166**	**303**

- **Directors' indemnity and insurance –** the Company has entered into a Deed of Indemnity and Access by Deed Poll under which it has granted indemnities in favour of, and maintains insurance for, its present and future Directors (and directors of related companies) and certain employees of the Company, in each case to the extent permitted by the Companies Act 1993, the Securities Act 1978 and the Financial Markets Conduct Act 2013.
- **Other transactions with parties related to the Directors' of the Group –** Heath Finlay and Anna Finlay, the brother and sister-in-law respectively of Mark Finlay, are centre directors at two centres owned by the Group. In addition, Heath Finlay is a shareholder in the Company via his interest in the Heath Finlay Investment Trust.
- **Compensation of key management personnel of the Group –** as per the table below:

$'000s	PERIOD ENDED 31 MARCH 2015
Short-term employee benefits	1,285
Share-based payment transactions	475
Total compensation paid to key management personnel	**1,760**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

- **Other transactions with key management personnel of the Group -** rent of $102,960 was paid to entities related to Jenny Yule, the Chief Executive Officer of the Porse group of entities. The Group has a commitment to pay a further $2,825,550 rent over the next 8 – 9 years and this is included in the lease commitments disclosed in Note 25.
- **Shareholding interests of Directors and Senior Management/Employees of the Company are:**

Shareholder	No of Shares
Mark Finlay	21,347,382
Kern Group NZ Limited	2,285,369
Alan Wham	550,000
Vivek Singh	300,000
Norah Barlow	80,000
Alistair Ryan	80,000
David Smith	80,000
Beverley Gordon	80,000
Paula Hawkings	80,000
	24,882,751

26. Related Party Transactions (continued)

Shares were issued to Mark Finlay as partial settlement of the Lollipops acquisition as disclosed in Note 14. The shares issued to Alan Wham, Vivek Singh, Norah Barlow, Alistair Ryan, David Smith, Beverley Gordon and Paula Hawkings were issued pursuant to the share-based payment plan as disclosed above. The shares fully vested on 31 March 2015.

27. Auditor's Remuneration

During the period the following fees were paid or payable for services provided by the Group's auditor, PricewaterhouseCoopers:

$'000s	PERIOD ENDED 31 MARCH 2015
Audit services:	
Consolidated financial statements for the period ended 31 March 2015	230
Audit of special purpose financial statements as at 31 August 2014	15
Total audit services	**245**
Other services:	
Due diligence services	523
Integration services	1,444
Taxation services	55
Total other services	**2,022**
Total payments to auditor	**2,267**

The audit of the special purpose financial statements was a condition of listing.

Fees paid in respect of due diligence services relate to the listing of the Company and Group. The integration services relate to the subsequent integration requirements (for example, creating new employment contracts, centralising supplier relationships) of the acquired businesses. These fees were incurred relevant to the listing and immediately subsequent to listing, as set out in the Company's Prospectus and Investment Statement.

Taxation services relate to compliance services and general tax advice.

28. Comparison to Prospective Financial Information (PFI)

Consolidated Statement of Comprehensive Income

$'000s	ACTUAL 31 MARCH 2015	PROSPECTUS FORECAST 31 MARCH 2015
Revenue	**32,940**	**29,028**
Share in equity accounted investees profit	123	55
Other income	518	-
Expenses		
Employee benefits expense	(20,013)	(17,492)
Building occupancy expenses	(4,384)	(3,789)
Direct expenses of providing services	(3,659)	(3,852)
Acquisition expenses	(5,033)	(4,126)
Integration expenses	(1,494)	-
Listing costs	(1,308)	-
Depreciation	(302)	(339)
Amortisation	(137)	(121)
Other expenses	(3,524)	(6,138)
Total expenses	**(39,854)**	**(35,857)**
Results from operating activities	**(6,273)**	**(6,774)**
Net finance expense	(1,662)	(2,117)
Loss before income tax	**(7,935)**	**(8,891)**
Income tax expense	(123)	(607)
Loss after income tax attributed to the owners of the Company	**(8,058)**	**(9,498)**
Other comprehensive income	-	-
Total comprehensive loss attributed to the owners of the Company	**(8,058)**	**(9,498)**

Due to the timing of acquisitions and improved occupancy rates revenue is ahead of PFI. As a consequence expenses and in particular employee expenses are also higher than PFI but less than the increase in revenue.

Acquisition expenses reflects additional due diligence costs not originally anticipated in order to achieve acquisition of the initial portfolio of centres.

Integration expenses and listing costs were included in other expenses in the PFI.

28. Comparison to Prospective Financial Information (PFI) (continued)

Non-GAAP measures - Underlying Earnings

$'000s	ACTUAL 31 MARCH 2015	PROSPECTUS FORECAST 31 MARCH 2015
Net loss after tax	**(8,058)**	**(9,498)**
Net finance expense	1,662	2,117
Income tax expense	123	607
Earnings before interest and tax (EBIT)	**(6,273)**	**(6,774)**
Depreciation	302	339
Amortisation	137	122
EBITDA including one-off acquisition, integration and listing related costs	**(5,834)**	**(6,313)**
Acquisition expenses	5,033	4,126
Integration expenses	1,494	1,430
Listing costs	1,308	1,253
Other	(198)	320
Total adjustments for one-off items	**7,637**	**7,129**
Underlying EBITDA excluding one-off acquisition, integration and listing related costs	**1,803**	**816**

EBITDA excluding non-recurring items reflects the pass through (net of expenses) of the higher revenues disclosed above. EBITDA and Underlying EBITDA have been defined in Note 4.

28. Comparison to Prospective Financial Information (PFI) (continued)

Consolidated Statement of Movements in Equity

ACTUAL $'000s	CONTRIBUTED EQUITY	ACCUMULATED LOSSES	TOTAL
Balance at 20 May 2014	-	-	-
Loss for the period	-	(8,058)	(8,058)
Other comprehensive income for the period	-	-	-
Total comprehensive income	**-**	**(8,058)**	**(8,058)**
Issue of share capital (net of costs)	156,926	-	156,926
Balance as at 31 March 2015	**156,926**	**(8,058)**	**148,868**

PROSPECTUS FORECAST $'000s	CONTRIBUTED EQUITY	ACCUMULATED LOSSES	TOTAL
Balance at 20 May 2014	-	-	-
Loss for the period	-	(9,498)	(9,498)
Other comprehensive income for the period	-	-	-
Total comprehensive income	**-**	**(9,498)**	**(9,498)**
Issue of share capital (net of costs)	156,945	-	156,945
Balance as at 31 March 2015	**156,945**	**(9,498)**	**147,447**

28. Comparison to Prospective Financial Information (PFI) (continued)

Consolidated Statement of Financial Position

$'000s	ACTUAL 31 MARCH 2015	PROSPECTUS FORECAST 31 MARCH 2015
Current assets		
Cash and cash equivalents	4,610	22,822
Other current assets	1,087	3,188
Total current assets	**5,697**	**26,010**
Non-current assets		
Property, plant and equipment	5,054	5,657
Investments	1,521	1,832
Deferred tax asset	450	-
Intangible assets	168,525	163,803
Total non-current assets	**175,550**	**171,292**
Total assets	**181,247**	**197,302**
Current liabilities		
Trade and other payables	10,968	8,197
Current income tax liabilities	674	-
Funding received in advance	15,646	12,285
Employee entitlements	5,091	5,060
Lease liabilities	-	589
Other current liabilities	-	2,364
Total current liabilities	**32,379**	**28,495**
Non-current liabilities		
Deferred tax liability	-	1,340
Bank borrowings	-	20,000
Finance lease liability	-	20
Total non-current liabilities	**-**	**21,360**
Total liabilities	**32,379**	**49,855**
Net assets	**148,868**	**147,447**
Equity		
Issued shared capital	156,926	156,945
Accumulated losses	(8,058)	(9,498)
Total equity	**148,868**	**147,447**

28. Comparison to Prospective Financial Information (PFI) (continued)

The decrease in cash and cash equivalents and borrowings reflects the funding of business acquisitions from cash flows as opposed to through borrowings. Further, no debt was drawn at balance date as forecast in the PFI. The increase in intangibles reflects the higher price paid and more resulting goodwill for certain acquisitions than allowed for in the PFI.

Trade receivables is lower compared to PFI due to debtors days outstanding being significantly lower than assumed in the PFI. Other current liabilities, as per the PFI, has been reclassified to trade and other payables above.

The deferred tax asset is caused by the recognition of acquisition provisions for employee entitlements and fair value adjustments relating to property, plant and equipment acquired.

Funding received in advance is higher than PFI due to improved funding cycles in respect of certain acquired entities.

Consolidated Statement of Cash Flows

$'000s	ACTUAL 31 MARCH 2015	PROSPECTUS FORECAST 31 MARCH 2015
Cash flows from operating activities		
Receipts from customers (including Ministry of Education funding)	37,117	33,503
Payments to suppliers and employees	(34,107)	(31,921)
Taxes paid	(478)	(303)
Net cash flows from operating activities	**2,532**	**1,279**
Cash flows from investing activities		
Payments for purchase of businesses	(130,445)	(115,680)
Cash acquired from purchase of businesses	15,523	-
Payments for property, plant and equipment	(240)	(682)
Interest received	191	-
Net cash flows from investing activities	**(114,971)**	**(116,362)**
Cash flows from financing activities		
Proceeds from issue of shares	132,317	132,317
Share issue costs	(12,376)	(12,356)
Interest paid on borrowings and pre-listing funding	(1,853)	(2,056)
Bank borrowings drawn	10,000	20,000
Bank borrowings repaid	(10,000)	-
Pre-listing funding received	704	1,798
Pre-listing funding repaid	(1,743)	(1,798)
Net cash flows from financing activities	**117,049**	**137,905**
Net cash flows	**4,610**	**22,822**
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at the end of period	**4,610**	**22,822**

28. Comparison to Prospective Financial Information (PFI) (continued)

Increases in receipts from customers and payments to suppliers can be explained by the higher revenues and expenses previously disclosed above under the heading Consolidated Statement of Comprehensive Income.

Payments for the purchase of businesses has been discussed above under the heading Consolidated Statement of Financial Position, and should be read in conjunction with cash acquired from the purchase of businesses.

Net finance costs paid are less than PFI due to less reliance on bank borrowings to fund acquisitions. As already disclosed the Group had no borrowings at balance date.

29. Events after the Reporting Period

During April 2015 the Group acquired a further eight ECE centres for consideration of $8.23m. The acquisitions are a continuation of the Group's strategy to form a nationwide group of centrally-owned and managed early childhood education providers. The goodwill acquired comprises the value of expected synergies arising from the acquisitions including those that occurred during the reporting period. The purchase price was funded by borrowings.

A summary of the provisional net assets acquired is below. Acquisition costs of approximately $120,000 were incurred.

	$'000s
Assets	
Other current assets	46
Property, plant and equipment	321
	367
Liabilities	
Funding received in advance	(402)
Employee entitlements	-
Other current liabilities	(14)
	(416)
Total identifiable net assets at fair value	**(49)**
Goodwill arising on acquisition	8,279
Purchase consideration transferred	**8,230**
Purchase consideration	
Cash	8,230
Total consideration	**8,230**

In April and May 2015 the Group also entered into agreements to acquire a further 4 ECE centres for $4.8m total consideration. At the date of signing these financial statements, three of these contracts remain conditional and one is unconditional and for settlement on 26 June 2015.

Independent Auditor's Report

to the shareholders of Evolve Education Group Limited

Report on the Financial Statements

We have audited the Group financial statements of Evolve Education Group Limited ("the Company") on pages 28 to 71, which comprise the statement of financial position as at 31 March 2015, the statement of comprehensive income, the statement of movements in equity and the statement of cash flows for the period then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information for the Group. The Group comprises the Company and the entities it controlled at 31 March 2015 or from time to time during the financial period.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

We are independent of the Group. Our firm has carried out other services for the Group in the areas of other assurance, advisory and tax services. Appropriate safeguards were applied to reduce the threats to independence from the provision of these other services to an acceptable level. The provision of these other services has not impaired our independence as auditor of the Group.

Independent Auditor's Report

Evolve Education Group Limited

Opinion

In our opinion, the financial statements on pages 28 to 71 present fairly, in all material respects, the financial position of the Group as at 31 March 2015, and its financial performance and cash flows for the period then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards.

Restriction on Use of our Report

This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1993. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants — Auckland
25 May 2015

Corporate Governance and Statutory Information

Corporate Governance

Evolve Education is a New Zealand based and incorporated owner and provider of early childhood education services whose fully paid ordinary shares are listed on the NZX Main Board and ASX. Evolve Education trades under the ticker EVO on both the NZX and ASX.

The Company is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001. The acquisition of securities in Evolve Education may be limited under New Zealand law by the Takeovers Code (which restricts the acquisition of control rights of more than 20% of Evolve Education other than via a takeover offer under the Code) or the effect of the Overseas Investment Act 2005 (which restricts the acquisition of New Zealand assets by overseas persons).

The Evolve Education Board is committed to upholding the highest standards in corporate governance, business behaviour and accountability in order to promote investor confidence. Consistent with this, the Board has adopted the Corporate Governance Best Practice Code set out in the NZX Listing Rules, and, from listing, has approved various corporate governance policies and charters. These corporate governance policies and charters reflect the principles and recommendations outlined in the third edition of the Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council ("Recommendations").

The main policies and practices adopted by Evolve Education, which took effect from listing, are summarised below. In addition, many governance elements are contained in Evolve Education's Constitution. Evolve Education's code of conduct outlines the standards of conduct expected of its business and personnel in a range of circumstances. In particular, the code articulates the high standards of honesty, integrity, ethical and law-abiding behaviour expected of Directors, senior management and employees. Details of Evolve Education's key policies and the charters for the Board and each of its committees is available at www.evolveeducation.co.nz.

Evolve Education is listed on the ASX. The ASX Corporate Governance Council has developed and released corporate governance recommendations for Australian-listed entities in order to promote investor confidence and to assist companies to meet stakeholder expectations. The Recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, Evolve Education is required to provide a statement in its annual report disclosing the extent to which it has followed the Recommendations in the reporting period. Where Evolve Education does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it. Other than as noted in this corporate governance section, Evolve Education has not departed from the Recommendations; however, it may do so in the future if the Board considers that such a departure would be reasonable.

This section sets out the Company's commitment to good corporate governance and addresses the Company's compliance with the eight fundamental principles of the ASX Recommendations. In doing so, the Company's compliance with the NZX Code is also addressed.

This corporate governance statement is current as at 25 May 2015, and has been approved by the Board.

Corporate Governance and Statutory Information

Principle 1 – Lay Solid Foundations for Management and Oversight

Companies should establish and disclose the respective roles and responsibilities of the Board and management

Role of the Board

The Board has ultimate responsibility for ensuring that Evolve Education is properly managed and to protect and enhance Shareholders' interests. The Board's key responsibilities include setting and overseeing the execution of Evolve Education's strategy and supervising management in the operation of Evolve Education's business. In addition to this, the Board is engaged in:

- monitoring the financial performance of Evolve Education, including approving dividend policies and financial forecasts;
- monitoring Evolve Education's compliance and risk management systems;
- providing a specific governance focus on risks relating to Evolve Education's physical operations, health and safety policy, and risk mitigation programmes;
- adopting reporting and disclosure policies and procedures, and monitoring the integrity of such procedures;
- establishing and overseeing succession plans for senior management; and
- providing timely and complete communications to Shareholders.

Board Charter

The Board has adopted a Board Charter which sets out the Board's Code of Ethics, encompassing conflicts of interest, corporate information and property, compliance with laws, NZX Listing Rules, ASX Listing Rules, regulations and policies and Directors' obligations. The Board Charter is to be read in conjunction with the constitution of the Company, the Companies Act 1993, the NZX Listing Rules and the ASX Listing Rules.

The Board Charter specifies that the Board is the ultimate decision-making body of the Company and it will set the tone which determines the culture to permeate the Company's relationships with Shareholders, investors, employees, customers, suppliers and the local and business communities. Further, the Board is responsible for setting the strategic direction of the Company and it is responsible for selecting a Senior Management Team which is charged with operating the business. The Board acts as advisor, overseer and counsellor to Senior Management and ultimately monitors performance of the Company on behalf of all Shareholders.

The Board Charter provides guidance on a number of areas for the Board, including values, Board responsibilities and delegated authorities, responsibilities of individual Directors, conflicts of interest, independent advice and compliance with laws and policies.

Delegation

The Board has delegated authority for the operations and administration of the Company to the Chief Executive Officer ("CEO"), assisted by Senior Management. The CEO manages in accordance with the strategy, plans and delegations approved by the Board.

The Board will ensure at all times it has implemented appropriate procedures to assess Senior Management's performance. All policies and delegated limits of authority are reviewed on a regular basis.

Performance Management

The Board has established a Governance and Remuneration Committee which is responsible for evaluating the performance of the CEO. The Committee also oversees compensation and performance management for Senior Management.

Performance management is measured against set criteria including the performance of the business, the accomplishment of strategic objectives and other non-quantitative objectives as agreed.

Principle 2 – Structure of the Board to Add Value

Companies should have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties

Composition of the Board

The Company's constitution provides for the Board to consist of a minimum of three Directors and a maximum of eight Directors. The current composition of the Board is disclosed under the Board of Director profiles on pages 20-21.

Selection and Role of Chairperson

The Chair of the Board will be appointed by the Directors from time to time, and the terms of office will be at the Board's discretion. The Chair must be an Independent Director.

The role and responsibilities of the Chair include:

- providing leadership to the Board and to the Company;
- ensuring the efficient organisation and conduct of the Board;
- monitoring Board performance annually;
- facilitating Board discussions to ensure core issues facing the Company are addressed;
- briefing all Directors in relation to issues arising at Board meetings;
- facilitating the effective contribution and on-going development of all Directors;
- promoting consultative and respectful relations between Board members and between the Board and management; and
- chairing Board and shareholder meetings.

Director Independence

The Company's constitution specifies the minimum number of Independent Directors to be two or, if there are eight or more Directors, three or one-third of the total number of directors.

Norah Barlow and Alistair Ryan are Independent Directors, within the meaning of the NZX Listing Rules and the ASX Listing Rules. Mark Finlay, Greg Kern and Alan Wham are not independent within the meaning of the NZX Listing Rules and the ASX Listing Rules.

With regard to the NZX Listing Rules and the indicators of independence set out in the Recommendations Mark Finlay is not considered independent given his shareholding in Evolve Education on completion of the initial public offering, Greg Kern is not considered independent given his association with Kern Group NZ Limited, a shareholder in the company and Alan Wham is currently CEO of Evolve Education, and is therefore not independent.

Corporate Governance and Statutory Information

While the Board believes that all boards need to exercise independent judgement, it also recognises (as does Recommendation 2) that the need for independence is to be balanced with the need for relevant skills, industry experience and a workable board size. The Board believes it has recruited members with the skill, experience and character necessary to discharge its duties and that the appointment of additional Independent Directors to ensure the Board is comprised of a majority of independent directors is not warranted at this time.

Conflicts of Interest

Evolve Education's Conflict of Interest Policy provides guidance regarding the impartial conduct of Directors, and identifying and impartially managing any conflicts of interest. Where there is a conflict of interest, there is an obligation to disclose that conflict to the Board and enter it in the interests register in accordance with the Board Charter. The policy also addresses the extent to which an interested Director may participate in and be present at meetings when the conflict matter is being dealt with.

Nomination and Appointment

The procedures for the appointment and removal of Directors are ultimately governed by the Company's constitution. The Board has established a Governance and Remuneration Committee whose role is to identify and recommend to the Board individuals for nomination as members of the Board taking into account such factors as it deems appropriate, including experience, qualifications, judgement and the ability to work with other Directors.

Board Committees

The Board has established two sub-committees to assist with the execution of the Board's responsibilities – the Audit and Risk Committee and the Governance and Remuneration Committee. These committees review and analyse detailed information, policies and strategies which fall within their areas of responsibility and, where appropriate, make recommendations to the full Board. The Committees do not take action or make decisions on behalf of the Board unless specifically authorised to do so by the Board.

The Board has not separately constituted a Nomination Committee because the duties and responsibilities that are normally delegated to a Nomination Committee have been delegated to the Governance and Remuneration Committee.

The Board may establish additional committees of Directors as required.

- Audit and Risk Committee

  The Audit and Risk Committee is responsible for overseeing the risk management, treasury, insurance, accounting and audit activities of Evolve Education, reviewing the adequacy and effectiveness of internal controls, reviewing the performance of external auditors, reviewing the consolidated financial statements, and making recommendations on financial and accounting policies.

  If Evolve Education is included in the S&P/ASX 300 Index in the future it will comply with the Recommendations in relation to the composition and operation of the Audit and Risk Committee.

  The current members of the Audit and Risk Committee are Alistair Ryan (Chair), Norah Barlow and Greg Kern. While the Board acknowledges the Recommendation that an audit committee should be comprised exclusively of independent directors, it is of the belief that the Audit and Risk Committee is appropriately constituted having regard to the scale and complexity of Evolve Education's business and the particular expertise and experience of each current member. In this light, the Board is of the view therefore that the appointment of an additional Independent Director to the Board for the purpose of that additional director also being appointed to the Audit and Risk Committee is not warranted at this time.

- Governance and Remuneration Committee

  The Governance and Remuneration Committee is responsible for considering new appointments to the Board, overseeing management succession planning, establishing employee incentive plans, reviewing and approving remuneration arrangements for employees, recommending to the Board the remuneration of Directors and seeing that Evolve Education and the Board have in place, and follow, policies, procedures and practices with the objective that all laws, rules and requirements applicable to the company and the Directors are complied with.

  If Evolve Education is included in the S&P/ASX 300 Index in the future it will continue to ensure that the Governance and Remuneration Committee complies with Recommendation 8.1, among others.

  The current members of the Governance and Remuneration Committee are Norah Barlow (Chair), Mark Finlay and Alistair Ryan.

Retirement and Re-election

The Board acknowledges and observes the relevant Director rotation/retirement rules under the NZX and ASX Listing Rules.

Director Remuneration

Information regarding Directors fees is disclosed under Director and Employee Remuneration below.

Board Access to Information and Advice

The Company Secretary of the Company, who may also be the Chief Financial Officer, is directly accountable to the Board through the Chair on all matters to do with the proper functioning of the Board.

All Directors have access to the Senior Management Team to discuss issues or obtain information on specific areas in relation to items to be considered at Board meetings or other areas as considered appropriate. Key executives and managers are invited to attend and participate in appropriate sessions at Board meetings. Directors have unrestricted access to Evolve Education's records and information.

Directors are entitled to have access to internal and external auditors, without management present to seek explanations or additional information and to seek independent professional advice with the Chair's consent, which will not be unreasonably withheld or delayed, and which will be at the Company's expense to assist them carrying out their duties.

Director Education

All Directors are responsible for ensuring they remain current in understanding their duties as Directors.

Directors' Share Ownership

Evolve Education's Securities Trading Policy and Guidelines detail Evolve Education's policy on, and rules for dealing in, shares and other securities in Evolve Education and applies regardless of whether those securities are quoted on NZX or ASX. The fundamental rule is that insider trading is prohibited at all times. The policy applies to all Directors, officers and employees of Evolve Education, with further more specific and stringent rules also applying to trading in Evolve Education's securities by Directors and certain senior employees, or employees performing certain functions. The policy, which reflects the requirements of ASX Listing Rule 12.7, also prescribes certain 'black-out' periods in which it is not permissible, subject to a limited number of exceptions, for any Evolve Education officer or employee to deal in Evolve Education securities.

The table of Directors' shareholdings is included in the Disclosures section below.

Indemnities and Insurance

Evolve Education has entered into a Deed of Indemnity and Access by Deed Poll under which it has granted indemnities in favour of, and maintains insurance for, its present and future Directors (and Directors of related companies) and certain employees of Evolve Education, in each case to the extent permitted by the Companies Act 1993, the Securities Act 1978 and the Financial Markets Conduct Act 2013.

Board Meetings

The Board has established a regular schedule of board meetings in order to carry out its obligations under its Board Charter. A summary of attendances, to the date of approving the financial statements (that is, 25 May 2015), compared to the number of scheduled meetings (in brackets) is shown in the table below.

	Board	**Audit and Risk Committee**	**Governance and Remuneration Committee****
Norah Barlow	6(6)	1(1)	-
Mark Finlay	6(6)	-	-
Greg Kern	6(6)	1(1)	-
Alistair Ryan	6(6)	1(1)	-
Alan Wham	6(6)	-	-
Russell Daly*	1(6)	-	-

*Russell Daly resigned 13 November 2014.
**The first meeting of the Governance and Remuneration Committee is scheduled for 1 July 2015.

Principle 3 – Promote Ethical and Responsible Decision Making

Companies should actively promote ethical and responsible decision making

Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal code of conduct to be followed by all Directors, Senior Management and employees. The key aspects of this code are to:

- act with honesty, integrity and fairness and in the best interests of Evolve Education and in the reasonable expectations of Shareholders;
- act in accordance with all applicable laws, regulations, policies and procedures;
- have responsibility and accountability for individuals for reporting and investigating reports of unethical practices; and
- use Evolve Education’s resources and property properly.

The code of conduct sets out Evolve Education’s policies on various matters including ethical conduct, business conduct, compliance, privacy, security of information and integrity.

Diversity Policy

Evolve Education has adopted a diversity policy which obligates the Board to set measurable objectives in achieving diversity. The Board intends to establish appropriate measurable objectives and to report progress against them in future annual reports. The Company is committed to being an inclusive workplace that embraces and values diversity while always upholding the principle of meritocracy.

The Company's commitment to diversity at all levels forms part of its merit-based organisational culture dedicated to the recruitment and retention of the best available talent at all levels, up to and including the Board.

The Board believes that embracing diversity in its workforce contributes to the achievement of its corporate objectives (including optimising financial performance in a competitive labour market) and enhances its reputation. It assists the Company to recruit and retain the right people from a diverse pool of talented candidates, which in turn should assist the Company to:

- make more informed and innovative decisions, drawing on the wide range of ideas, experiences, approaches and perspectives that employees from diverse backgrounds, with differing skill sets, bring to their roles; and
- better represent the diversity of its stakeholders and markets.

The Board is committed to achieving the goals of providing access to equal opportunities at all levels of work based on merit and fostering a corporate culture that embraces and values diversity.

The Company is an equal opportunity employer and welcomes people from a diverse set of backgrounds.

In order to have a properly-functioning diverse workplace, discrimination, harassment, vilification and victimisation will not be tolerated within the Company.

Gender Diversity

As noted above, the Board is responsible for monitoring the Company's performance in meeting objectives set out in the Diversity Policy. As at 31 March 2015, being the balance date, information relating to the current representation of women employees of the Company, including holding senior executive positions and on the Board is as follows:

Position	**Proportion of Women as Percentage (%)**
Board	20%
Senior Executives (including Executive Directors)	50%
Company-wide	>95%

Principle 4 – Safeguard Integrity in Financial Reporting

Companies should have a structure to independently verify and safeguard the integrity of their financial reporting

Risk management

Identification and mitigation of Evolve Education's risks are priorities for the Board. The Board is responsible for overseeing the risk management and compliance systems put in place by Evolve Education management. The Audit and Risk Committee assists the Board in fulfilling its risk management responsibilities. The Audit and Risk Committee's role in assisting the Board is detailed in the Audit and Risk Committee Charter, which is available on Evolve Education's website (www.evolveeducation.co.nz).

The objectives of the Audit and Risk Committee are to assist the Board in fulfilling its responsibilities relating to risk management and internal control, financial reporting, legislative and NZX and ASX Listing Rule compliance, internal policies and industry standards, the external and internal audit functions, tax management, treasury management, and includes, among other things:

- promoting a culture of compliance;
- providing a forum for communication between the Board and the Company's Senior Management in relation to audit and compliance matters affecting the Company; and
- reviewing and commenting on Senior Management's plans for managing the material financial and reporting risks faced by the Company.

In performing its duties, the Committee will maintain effective working relationships with the Board, management, and external and internal auditors. To perform their role effectively, each Committee member must develop and maintain their skills and knowledge, including an understanding of the Committee's responsibilities and of the Company's business, operations and risks.

The Audit and Risk Committee reports to the Board annually (and has done so in respect of the period ending 31 March 2015). Furthermore, the Board, before it approves the financial statements for a particular financial period, requires that it receives a declaration from the CEO and CFO, that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with New Zealand accounting standards and give a true and fair view of the financial position and performance of the Company and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. The Board confirms that it received such a declaration in respect of the period ending 31 March 2015.

In combination with the establishment of the Audit and Risk Committee the Board has approved a Risk Management Policy because the Company views effective risk management as key to achieving and maintaining its operational and strategic objectives. The Risk Management Policy is available on the Company's website (www.evolveeducation.co.nz).

Principle 5 – Make Timely and Balanced Disclosure

Companies should promote timely and balanced disclosure of all material matters concerning the company

Shareholder communications

The Board recognises the importance of keeping investors informed by communicating information in a timely, clear and accurate way, whether positive or negative.

Evolve Education is committed to providing a high standard of communication to its Shareholders so that they have available sufficient information in order to make informed assessments of Evolve Education's value and prospects. The Board has adopted a Shareholder Communications Policy to promote effective communication with Shareholders and encourage effective participation at general meetings.

The Shareholder Communications Policy requires the Company to:

- ensure its website (www.evolveeducation.co.nz) is maintained and updated within a reasonable timeframe;
- ensure shareholder communications are distributed in accordance with the Companies Act 1993 and the listing rules of ASX Limited and NZX Limited; and
- ensure it will use available channels and technologies to communicate widely and promptly to Shareholders.

The Shareholder Communications Policy outlines specific requirements and guidelines relating to the communication of and access to the Company's annual meetings including access to the external auditor, annual report, share registry access, communication of full-year and half-year results, corporate governance, media releases, and investor and analyst briefings.

Being quoted on the NZX Main Board and on ASX, Evolve Education is required to comply with the NZX Listing Rules, ASX Listing Rules and the disclosure requirements of securities and other laws in New Zealand and Australia. The Board has adopted a Continuous Disclosure Policy to seek to ensure that timely and balanced disclosures are communicated to the market.

Both the Shareholder Communications Policy and Continuous Disclosure Policy can be found on the Company's website (www.evolveeducation.co.nz).

Principle 6 – Respect the Rights of Shareholders

Companies should respect the rights of shareholders and facilitate the effective exercise of those rights

The Company's Shareholder Communications Policy (as referred to under Principle 5) is designed to ensure that communications with Shareholders and all other stakeholders are managed efficiently.

Principle 7 – Recognise and Manage Risk

Companies should establish a sound system of risk oversight and management and internal control

The Company views effective risk management as key to achieving and maintaining its operational and strategic objectives.

The Directors of the Company are responsible for reviewing and ratifying the risk management structure, processes and guidelines which are to be developed, maintained and implemented by management. The active identification of risks and implementation of mitigation measures is also the responsibility of management.

To assist the Board in discharging its financial responsibility in relation to risk management, the Board has delegated certain activities to the Audit and Risk Committee (as referred to under Principle 4 above). In addition, the Company's Risk Management Policy (as also referred to above) further defines the roles the Board, Audit and Risk Committee and Senior Management have in identifying, reporting, managing and monitoring financial and non-financial risk.

Senior Management must report at each board meeting on risk management to the Board and the Audit and Risk Committee. The reporting must identify the Company's material risks and the extent to which:

- the Company's ongoing risk management program effectively identifies all areas of potential risk, including with respect to licensing and regulatory issues;
- adequate policies and procedures have been designed and implemented to manage identified risks;
- a regular program of audits is undertaken to test the adequacy of, and compliance with, prescribed policies; and
- proper remedial action is undertaken to redress areas of weakness.

The Company does not have an internal audit function, but through the steps outlined above the Board ensures the company is reviewing, evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Company considers that it does not have any material exposure to environmental, economic or social sustainability risks however through the adoption and compliance with the Risk Management Policy exposure to risks may change over time as the external environment changes and as the Company expands its operations. The risk management process requires the regular review of the Company's existing risks and the identification of new and emerging risks facing the Company, including financial and non-financial matters. It also requires the management, including mitigation where appropriate, of these risks.

Principle 8 – Remunerate Fairly and Responsibly

Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear

The Board has a Governance and Remuneration Committee (as referred to in Principle 1 above and under Director and Employee Remuneration below). One of that Committee's principal functions is to oversee the remuneration strategies and policies of the Company.

The Company distinguishes the structure of non-executive Directors' remuneration from that of executive Directors.

Director and Employee Remuneration

Overall Remuneration Philosophy

The Board is committed to an executive remuneration framework that is focused on achieving a high performance culture and linking executive pay to the achievement of the Company strategy and business objectives which, ultimately, create sustainable long-term value for shareholders.

As part of ensuring management is motivated to create and deliver sustainable Shareholder wealth, the Board utilises a Governance and Remuneration Committee which operates under the delegated authority of the Board. The role and membership of the Committee is set out above.

The Committee ensures rewards for executives are strongly aligned to the performance of the Company. The Company is committed to ensuring clarity and transparency about its remuneration policy and practice.

The objectives of the Committee are to:

- establish a clear framework for oversight and management of the Company's remuneration structures, policies, procedures and practices;
- considering and recommending new appointments to the Board and overseeing management succession planning;
- fairly and responsibly reward Directors and Senior Managers and other employees of the Company having regard to the performance of the Company, the performance of these officers and employees and the general external pay environment; and
- ensure the Company and the Board have in place and adheres to policies, procedures and practices to ensure compliance with all laws, rules and regulations applicable to the Company and the Directors, including the Companies Act 1993 (Companies Act), the Constitution, the NZX Listing Rules, the ASX Listing Rules and the Board Charter.

Director and Senior Management remuneration and incentive policies and practices must be performance-based and aligned with the Company's vision, values and overall business objectives. The performance of all Directors and Senior Management is reviewed periodically in accordance with the terms of the Governance and Remuneration Committee Charter. The first review of Director and Senior Management performance will take place during the 2016 financial year in accordance with the Charter.

Corporate Governance and Statutory Information

In its annual report, meeting documents, ASX and NZX announcements and on its website, Evolve Education has provided fulsome disclosure in relation to the skills, experience and diversity of its Board and as such it does not consider that a separate 'skills matrix' (as suggested by Recommendation 2.2) will enhance the Company's disclosure in relation to these matters.

The Board does not consider it necessary, in light of the size of the Board and relatively low turnover of Directors, to have a separate induction program for new Directors (as suggested by Recommendation 2.6). All new Directors will of course be given sufficient support from the Board in order to familiarise themselves with the Company and its governance protocols.

Director Remuneration

Norah Barlow, as Chairperson, receives $135,000 per annum. The non-executive Directors each receive $80,000 per annum. Alistair Ryan, as Chairperson of the Audit and Risk Committee, receives an additional $10,000 per annum. Alan Wham as Chief Executive Officer does not receive additional remuneration in his capacity as a Director. The Directors fees currently total $385,000 per annum.

However, Evolve Education has set the Director fee pool for all Directors at $500,000 per annum in aggregate in order to accommodate the appointment of an additional director if required and to allow further payments to be made to Directors should additional work be required. The Directors are also entitled to be paid for reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at Board or Shareholder meetings, or otherwise in connection with Evolve Education's business.

Executive Remuneration

Evolve Education's total remuneration policy for the Senior Management Team provides the opportunity for them to be paid, where performance merits, in the upper quartile for equivalent market-matched roles. In determining an executive's total remuneration, external benchmarking is undertaken to ensure comparability and competitiveness, along with consideration of an individual's performance, skills, expertise and experience.

The Governance and Remuneration Committee reviews and approves annual performance appraisal outcomes for all members of the Senior Management Team reporting to the Chief Executive and utilises market information and trends when considering and confirming remuneration arrangements. External benchmarking may be conducted independently and provides industry specific data to assist the Governance and Remuneration Committee in approving appropriate levels of remuneration for these executives.

The annual remuneration review process requires "one over one" approval. That means the approval of the Board is required for any changes to the Chief Executive's remuneration, as recommended by the Governance and Remuneration Committee. Further, recommendations from the Chief Executive in relation to remuneration of the Senior Management Team require Governance and Remuneration Committee approval.

Executive total remuneration may incorporate fixed and variable components. Executive remuneration may contain any or all of the following:

- fixed remuneration;
- performance-based remuneration;
- equity-based remuneration; and
- termination payments.

Evolve Education has not currently adopted a long-term executive incentive scheme but the Board will give consideration to developing such a scheme in the future. Evolve Education considers that the shares issued to Senior Management prior to the date of the initial public offering provide sufficient incentive to management in relation to the performance of the business.

Chief Executive Remuneration

The Chief Executive Officer ("CEO") has a base salary of $450,000 per annum (gross) and is entitled to the use of a mobile telephone, laptop and car park. Evolve Education reimburses the CEO for any expenses reasonably incurred by him in the performance of his duties under his employment agreement. There is no prescribed limit on the expenses that can be reimbursed to the CEO, but all expenses must be incurred in accordance with expense policies authorised by the Board. Alan Wham has also been issued 550,000 Shares in Evolve Education.

Director Remuneration Statement

The Company's Directors holding office during the period are listed below. Pursuant to section 211(f) of the Companies Act 1993, the total amount of remuneration and other benefits received by each Director during the period ended 31 March 2015 are provided below. For annualised directors fees, please refer to the statements above.

($000's)	Directors Fees	Cash Salary and Other Payments	(Share-based Payments)	Total
Norah Barlow	51	-	63	**114**
Alistair Ryan	34	-	63	**97**
Greg Kern	26	-	-	**26**
Mark Finlay	26	40	-	**66**
Alan Wham	-	256	442	**698**
Russell Daly (resigned 13 November 2013)	-	-	-	**-**
Total	**137**	**296**	**568**	**1,001**

Subsidiary Companies Directors

The remuneration of employees acting as Directors of subsidiaries is disclosed in the relevant banding of remuneration set out under the heading "Employee Remuneration" below. Employees did not receive additional remuneration for acting as Directors during the period.

Employee Remuneration

The number of employees or former employees (including employees holding office as Directors of subsidiaries, but not including the Chief Executive who is a Director of Evolve Education) who received remuneration and other benefits (including share based payments) valued at or exceeding $100,000 during the financial period ended 31 March 2015 are specified below.

Remuneration Band	Total
$120,001 - $130,000	1
$150,001 - $160,000	1
$160,001 - $170,000	1
$520,001 - $530,000	1
Total	4

The analysis above relates to remuneration and benefits paid since the Company's incorporation date and in the case of businesses acquired, from the date the Company acquired those businesses.

Disclosure of Directors Interests

Section 140(1) of the New Zealand Companies Act 1993 requires a director of a company to disclose certain interests. Under subsection (2) a director can make disclosure by giving a general notice in writing to the company of a position held by a director in another named company or entity. The following are particulars included in the Company's Interests Register as at 31 March 2015:

Director	Position	Company
Norah Barlow	Non-executive Director/Shareholder	Summerset Group Holdings Limited
	Director	Cigna Life Insurance New Zealand Limited
	Director/Shareholder	Cooks Global Food Limited
	Director/Shareholder	Ingenia Communities Limited, Australia
	Director/Shareholder	Methven Limited
	Director/Shareholder	Estia Health Limited, Australia
	Director/Shareholder	Vigil Monitoring Limited
	Independent Director	Lifetime Design Limited
	Board Member	Netball Central Zone
	Ministerial appointee	The National Advisory Council for the Employment of Women
Mark Finlay	Director and Indirect Shareholder	LEP Limited
	Director and Indirect Shareholder	LEDC Limited
	Director and Indirect Shareholder	LEP Construction Limited
	Director and Indirect Shareholder	Wildfire Consultants Ltd
	Director and Indirect Shareholder	Birkenhead Properties Limited
	Director	Lollipops Educare Birkenhead Limited
	Director	Lollipops Educare Halfmoon Bay Ltd
Greg Kern	Managing Director	Kern Group
Alistair Ryan	Chairman/Shareholder	Kingfish Limited
	Chairman/Shareholder	Barramundi Limited
	Chairman/Shareholder	Marlin Global Limited
	Director, Shareholder and Audit and Risk Committee Chair	Metlifecare Limited
	Director and Audit and Risk Committee Chair (resigned 28 January 2015)	Moa Group Limited
	Board Member and Chair	The Audit and Risk Committee of the New Zealand Racing Board
	Director	Christchurch Casinos Limited
	Director/Shareholder	Lewis Road Creamery Limited
	Member	Auditor Regulation Advisory Group
Alan Wham	Director/Shareholder	Wham's Limited
	Advisor	Windhaven Investments for Ultimate Care Group Limited

Disclosure of Directors' Interests in share transactions

Directors disclosed the following acquisitions and disposals of relevant interests in shares during the period to 31 March 2015:

Norah Barlow:

- Issue of 80,000 shares by the Company on 31 October 2014 as part of the initial public offer.

Mark Finlay:

- Issue of 21,347,382 shares by the Company as partial settlement of the Lollipops Educare acquisition on 5 December 2014.

Greg Kern:

- Issue of 400 shares by the Company to Kern Group (Licensing) Pty Limited on 20 May 2014.
- Transfer of 400 shares by Kern Group (Licensing) Pty Limited to Kern Group NZ Limited on 17 June 2014.
- Issue of 1,666,400 shares (following share split) by the Company to Kern Group NZ Limited on 31 October 2014.
- Issue of 618,969 shares by the Company to Kern Group NZ Limited on 14 November 2014.
- On market purchase of 10,500 shares to Gregory James Kern on 10 December 2014.

Alistair Ryan:

- Issue of 80,000 shares by the Company on 31 October 2014 as part of the initial public offer.

Alan Wham:

- Issue of 550,000 shares by the Company on 31 October 2014 as part of the initial public offer.

Disclosure of Directors' Interests in Shares

Directors disclosed the following relevant interests in Shares as at 31 March 2015:

Director	Number of Shares in which a relevant interest is held
Norah Barlow	80,000
Mark Finlay	21,347,382
Greg Kern	2,295,869
Alistair Ryan	80,000
Alan Wham	550,000

Of the shares held by Mark Finlay:

- 20,138,542 ordinary shares were issued to Mark Finlay and Geoffrey Hosking as trustees of the Mark Finlay Investment No.2 Trust, and
- 1,208,840 fully-paid ordinary Shares were issued to Mark Finlay and Mark Dobson Trustee Company Limited as trustees of the HR Finlay Family Trust.

Mark Finlay is a beneficiary of the Mark Finlay Investment No.2 Trust but is not a beneficiary of the HR Finlay Family Trust.

Of the shares held by Greg Kern:

- 2,285,369 ordinary shares were issued under the interest of the Kern Group NZ Limited, and
- 10,500 shares were issued under the interest of Gregory James Kern.

Corporate Governance and Statutory Information

Company Disclosures

Stock Exchange Listings

Evolve Education is listed on both the New Zealand and Australian stock exchanges.

Use of Cash and Cash Equivalents

In accordance with ASX Listing Rule 4.10.19 the Board has determined that the Group has used the cash and cash equivalents that it had at the time of admission to the ASX and as raised through the Company's initial public offering in a way consistent with its business objectives.

Dividend Policy

Dividends and other distributions with respect to the Shares are made at the discretion of the Board and depend on a number of factors, including:

- current profitability;
- current and medium-term capital expenditure requirements;
- working capital requirements;
- current capital structure, having regard to the risks presented by short and medium term economic and market conditions and estimated financial performance; and
- available imputation credits.

The payment of dividends is not guaranteed and Evolve Education's dividend policy may change. No guarantee can be given about future dividends or the level of imputation of such dividends (if any) as these matters will depend upon future events including the profitability, growth opportunities, and financial and taxation position of Evolve Education, and the Board's discretion.

Donations

The Company made no donations during the period ended 31 March 2015.

Credit Rating

The Company has no credit rating.

NZX and ASX Waivers

NZX has granted a waiver from NZX Main Board Listing Rule 10.4.2 relating to the requirement by the Company to deliver to NZX and make available to shareholders a half-year report for the six month period ending 30 September 2014, on or before 31 December 2014. As at 30 September 2014 the Company had not listed and acquired the ECE businesses as contemplated in the Company's Prospectus dated 14 November 2014.

As part of its application to list on the ASX, Evolve Education applied for and was granted waivers from the ASX Listing Rules that are standard for a New Zealand company listed on both the NZX Main Board and the ASX:

- A waiver from listing rule 6.10.3 to the extent necessary to permit the Company to set the "specified time" to determine whether a shareholder is entitled to vote at a shareholders' meeting in accordance with the requirements of the relevant New Zealand legislation.

- A waiver from listing rule 7.1 to the extent necessary to permit the Company to issue more than 15% of its shares without shareholder approval on the following conditions:

  - The Company remains subject to, and complies with, the NZSX Listing Rules of NZX Limited ("NZX") with respect to the issue of new securities.
  - The Company certifies to ASX on an annual basis (on or about 30 June each year) that it remains subject to, has complied with, and continues to comply with, the NZSX Listing Rules with respect to the issue of new securities.
  - If the Company becomes aware of any changes to the application of the NZSX Listing Rules with respect to the issue of new securities, or that the Company is no longer in compliance with the NZSX Listing Rules with respect to the issue of new securities, it must immediately advise ASX.

- Without limiting ASX's right to vary or revoke its decision under listing rule 18.3, ASX reserves the right to revoke the waiver from listing rule 7.1 above if:

  - the Company fails to comply with any of the above conditions; or
  - there are changes to the NZSX Listing Rules in respect of the issue of new securities such that, in ASX's opinion, the regulation of the issue of new securities under those NZSX Listing Rules ceases to be comparable to the regulation of the issue of new securities under the ASX Listing Rules.

- A waiver from listing rule 15.7 to the extent necessary to permit the Company to permit announcements simultaneously to both ASX and NZX.

- A waiver from listing rules 15.13, 15.13A and 15.13B to the extent necessary to permit the Company to divest shareholders of less than a minimum holding in accordance with the requirements of the NZSX Listing Rules and the procedures set out in the Company's constitution.

Annual Meeting

The Company's Annual Meeting of Shareholders will be held in Auckland on 3 September 2015 at 10 am. A notice of Annual Meeting and Proxy Form will be circulated to Shareholders in August 2015.

Shareholder Information

Shares on Issue

The total number of ordinary shares on issue as at 31 March 2015 and at 30 April 2015 was 177,082,724. Each share confers on its holder the right to attend and vote at a meeting of Evolve Education, including the right to cast one vote in a poll on any resolution.

Analysis of Shareholding at 30 April 2015

Size of holding	Number of Shareholders	%	Number of Shares	Holding Quantity %
1 to 1,000	31	8.42%	22,935	0.01%
1,001 to 5,000	105	28.53%	404,206	0.23%
5,001 to 10,000	98	26.63%	868,208	0.49%
10,001 to 100,000	105	28.53%	3,591,472	2.03%
100,001 and over	29	7.88%	172,195,903	97.24%
Total	**368**	**100.00%**	**177,082,724**	**100.00%**

Twenty Largest Shareholders at 30 April 2015

The 20 largest shareholders of fully paid ordinary shares as at 30 April 2015 were:

Name	Number of Shares	% of Shares
New Zealand Central Securities Depository Limited*	42,061,696	23.75%
National Nominees Limited	21,707,759	12.26%
Mark Finlay & Geoffrey Hosking as trustees of the Mark Finlay Investment No.2 Trust	20,138,542	11.37%
Citicorp Nominees Pty Limited	15,732,825	8.88%
JBWERE (Nz) Nominees Limited	13,697,828	7.74%
Forsyth Barr Custodians Limited	11,335,106	6.40%
Russell Thompson & Geoffrey Hosking	8,257,069	4.66%
JPMorgan Nominees Australia Limited	7,227,743	4.08%
Scottfin Ece Limited	6,605,450	3.73%
HSBC Custody Nominees (Australia) Limited	4,861,638	2.75%
Brispot Nominees Pty Ltd	3,751,695	2.12%
RBC Investor Services Australia Nominees Pty Limited	2,760,621	1.56%
Wraith Capital Group NZ Limited	2,285,369	1.29%
Stuart Bruce James & Gillian Doreen James	2,285,369	1.29%
Kern Group NZ Limited	2,285,369	1.29%
UBS Nominees Pty Ltd	1,461,385	0.83%
Mark Finlay & Mark Dobson Trustee Company Limited as trustees of the HR Finlay Family Trust	1,208,840	0.68%
Investment Custodial Services Limited	921,500	0.52%
BNP Paribas Noms Pty Ltd	842,114	0.48%
Alan Wham	550,000	0.31%
Total - twenty largest shareholders	**169,977,918**	**95.99%**
Total number of shares on issue	**177,082,724**	

* New Zealand Central Securities Depository Limited (NZCSD) provides a custodian depository service that allows electronic trading of securities to its members and does not have a beneficial interest in these shares. As at 30 April 2015, the shareholdings in the Company held through NZCSD were:

Shareholder Information

Name	Number of Shares Held by NZCSD	% of NZCSD Shares
Accident Compensation Corporation	7,651,515	18.19%
BNP Paribas Nominees NZ Limited	1,148,699	2.73%
BT NZ Unit Trust Nominees Ltd	1,171,994	2.79%
Citibank Nominees (NZ) Ltd	313,685	0.75%
Cogent Nominees Limited	3,583,362	8.52%
Guardian Nominees Ltd A/C	3,077,000	7.32%
HSBC Nominees (New Zealand) Limited	8,650,000	20.57%
JPMorgan Chase Bank	850,109	2.02%
National Nominees New Zealand Limited	13,268,400	31.55%
New Zealand Superannuation Fund Nominees Limited	2,001,321	4.76%
Public Trust RIF Nominees Limited	192,364	0.46%
Tea Custodians Limited	153,247	0.36%
Total - Shares held by NZCSD	**42,061,696**	**100.00%**

Substantial Shareholders

According to notices given under Section 293 of the Financial Markets Conduct Act 2013, the following persons were substantial shareholders in the Company at balance date in respect of the number of voting securities set opposite their names.

Name	Number of Shares	% of Shares
Geoffrey Hosking **	28,395,611	16.04%
Mark Finlay*	21,347,382	12.06%
Milford Asset Management Limited	12,222,099	6.90%
Westpac Banking Corporation	12,015,840	6.79%
Commonwealth Bank of Australia	11,537,800	6.52%
Total	**85,518,732**	**48.29%**
Total number of shares on issue	**177,082,724**	

According to notices given under ASX Listing Rule 4.10.4, the following persons were substantial shareholders in the Company at 4 June 2015 being a date on or after the entity's balance date and not more than 6 weeks before the annual report is given to ASX.

Name	Number of Shares	% of Shares
Geoffrey Hosking **	28,395,611	16.04%
Mark Finlay*	21,347,382	12.06%
Paradice Investment Management Pty Limited	10,505,000	5.93%
Milford Asset Management Limited	14,222,099	8.03%
Westpac Banking Corporation	13,813,830	7.80%
Commonwealth Bank of Australia	13,386,708	7.56%
Total	**101,670,630**	**57.41%**
Total number of shares on issue	**177,082,724**	

*Mark Finlay as trustee of the Mark Finlay Investment No. 2 Trust together with the other trustee (Geoffrey Hosking) are the registered holders and beneficial owners of 20,138,542 shares. Mark Finlay as trustee of the HR Finlay Family Trust together with the other trustee (Mark Dobson Trustee Company Limited) are the registered holders and beneficial owners of 1,208,840 shares.

Shareholder Information

** Geoffrey Hosking as trustee of the Mark Finlay Investment No. 2 Trust together with the other trustee (Mark Finlay) are the registered holders and beneficial owners of 20,138,542 shares. Geoffrey Hosking as trustee of the 111 Investment Trust together with the other trustee (Russell Thompson) are the registered holders and beneficial owners of 8,257,069 shares.

Restricted Securities

44,765,446 shares, representing 25.28% of the total shares on issue, are subject to escrow arrangements whereby the respective shareholders have agreed not to sell, transfer or otherwise dispose of their Shares until at least the day that is two years after the date of commencement of quotation and trading of shares on the NZX Main Board (being 5 December 2014). See pages 60 - 61 of Evolve Education's Investment Statement dated 14 November 2014 for further information.

Shareholders Holding Less Than a Marketable Parcel

As at 30 April 2015, there was one shareholder holding between one and 99 shares in Evolve Education (less than a minimum holding number according to the NZX Main Board Listing Rules) and, based on the market price of A$1.00, there were five holders that held less than a marketable parcel of A$500 of Evolve Education shares under the ASX Listing Rules.

Subsidiary Company Directors

The following persons held office as Directors of the subsidiaries incorporated by Evolve Education Group Limited during the period or, in the case of acquired subsidiaries, from the date of acquisition:

Company Name	Directors
Evolve Group 1 Limited	Greg Kern Vivek Singh David Smith Alan Wham Russell Daly (ceased 13 November 2014)
Evolve Group 2 Limited	Greg Kern Vivek Singh David Smith Alan Wham Russell Daly (ceased 13 November 2014)
Evolve Group 3 Limited	Greg Kern Vivek Singh David Smith Alan Wham Russell Daly (ceased 13 November 2014)
Evolve Group 4 Limited	Greg Kern Vivek Singh David Smith Alan Wham Russell Daly (ceased 13 November 2014)
Evolve Group 5 Limited	Greg Kern Vivek Singh David Smith Alan Wham Russell Daly (ceased 13 November 2014)
Evolve Management Group Limited	Greg Kern David Smith Alan Wham Russell Daly (ceased 13 November 2014)
ECE Management Limited	Vivek Singh David Smith Alan Wham
Lollipops Educare Holdings Limited	Mark Finlay Vivek Singh Alan Wham
Lollipops Educare Limited	Mark Finlay Vivek Singh Alan Wham
Lollipops Educare Centres Limited	Mark Finlay Vivek Singh Alan Wham

Subsidiary Company Directors

Lollipops Educare (Hastings) Limited	Mark Finlay Vivek Singh Alan Wham
Lollipops Educare (Birkenhead) Limited	Mark Finlay Russell Warren Thompson
Lollipops Educare (Halfmoon Bay Limited) (50%)	Mark Finlay Kristin Colthurst
Evolve Home Day Care Limited	Greg Kern Vivek Singh David Smith Alan Wham Russell Daly (ceased 13 November 2014)
Au Pair Link Limited	Vivek Singh David Smith Alan Wham
Porse In-home Childcare (NZ) Limited	Vivek Singh Alan Wham Jenny Lee Yule
Porse Franchising (NZ) Limited	Vivek Singh Alan Wham Jenny Lee Yule
Porse Education & Training (NZ) Limited	Vivek Singh Alan Wham Jenny Lee Yule
For Life Education & Training (NZ) Limited	Vivek Singh Alan Wham Jenny Lee Yule

Subsidiary Company Directors

Disclosure of Subsidiary Directors Interests

Section 140(1) of the New Zealand Companies Act 1993 requires a director of a company to disclose certain interests. Under subsection (2) a director can make disclosure by giving a general notice in writing to the company of a position held by a director in another named company or entity.

In addition to the directorships in the Company and in fellow subsidiary companies (as applicable) referred to above, the following are particulars that were included in the Interests Registers of the Company's subsidiaries as at 31 March 2015. These particulars represent entries made since each subsidiary was incorporated (being a date after the Company was incorporated) or in the case of subsidiaries acquired, from the date the subsidiary was acquired, as appropriate.

Director	Position	Company
Greg Kern	Managing Director Director Director Lead Advisor and Promoter	Kern Group NZ Limited Base Education Limited Maestri Property Group Limited Listing of Affinity Education Group Limited
Russell Daly (resigned 13 November 2014)	Director Director Director	Base Education Limited Maestri Property Group Limited Kern Group (Paddington) Pty Limited
Vivek Singh	Director and Shareholder Director	Azcon Properties Limited Maharaja Trading Limited
Alan Wham	Director and Shareholder	Whams Limited

Corporate Directory

Evolve Education Group Limited Registered Office

Level 2
54 Fort Street
Auckland 1010
New Zealand
Phone: +64 9 377 8700

Contact Details in Australia

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Level 40, Governor Macquarie Tower
1 Farrer Place
Sydney, New South Wales 2000
Phone: +61 2 9921 8888

Directors

Norah Barlow (Chairperson)
Mark Finlay
Greg Kern
Alistair Ryan
Alan Wham

Senior Management

Alan Wham – Chief Executive Officer
Vivek Singh – Chief Financial Officer and Company Secretary
David Smith – Chief Operating Officer
Rachel Nottingham – Acquisitions and Property Manager
Paula Hawkings – General Manager, Lollipops Educare
Jenny Yule – CEO, Porse
Mark Finlay – Executive Director
Beverley Gordon – Financial Controller

Solicitor

Minter Ellison Rudd Watts
Level 20, Lumley Centre
88 Shortland Street
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Phone: +64 9 333 9700

Auditor

PricewaterhouseCoopers
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Auckland 1142
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New Zealand Share Registrar

Link Market Services Limited
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Phone: +64 9 375 5998

Australian Share Registrar

Link Market Services Limited
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Phone: +61 1300 554 474

Banker and Lender

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