

8 February 2021

## Mayfield Childcare Limited Financial Results for the Full Year ended 31 December 2020

Mayfield Childcare Limited (ASX:MFD) is pleased to announce its results for the Calendar Year 2020.

Statutory revenue was \$25.1m (down 30.0%). With the addition of the various Industry Support Packages and JobKeeper Wage Subsidies totalling \$12.4m, revenue was \$37.5m (up 4.7%), delivering a reported Net Profit After Tax (NPAT) of \$3.7m (up 11.7%).

Reversing the application of AASB 16 *Leases*, Underlying Results are as follows:

### CY 2020 Underlying Results from continuing operations:

	CY 2020	PCP Variance %
<b>Revenue</b>	<b>\$24.7m</b>	<b>(31.1%)</b>
<i>Industry Support Packages &amp; JobKeeper Wage Subsidy</i>	\$12.4m	
<b>Total Revenue</b>	<b>\$37.1m</b>	<b>+3.6%</b>
<b>Centre EBITDA</b>	<b>\$9.3m</b>	<b>+12.6%</b>
<b>Group EBIT</b>	<b>\$6.2m</b>	<b>+8.3%</b>
<b>NPAT</b>	<b>\$4.5m</b>	<b>+17.9%</b>

### COVID-19 and Federal Government Support

The unprecedented events of the COVID-19 pandemic, coupled with the extensive and ever evolving social and economic restrictions imposed to combat the various outbreaks, have characterised the performance of the sector and Mayfield over the course of CY 2020. Notwithstanding the operational challenges faced by the business, the various Federal Government funding initiatives have clearly validated the sector fundamentals and the essential nature of early childhood education to our community and the economy.

To recap:

#### Early Childhood Education and Care (ECEC) Relief Package - \$4.3m

The first in a series of support payments, the ECEC Relief Package announced on 2 April, capped revenue for providers at 50% of their pre-COVID-19 fee levels, removed Child Care Subsidy (CCS) with the suspension of the CCS system, and provided fee relief to parents in the form of free childcare.

### Transition Payment - \$1.8m

Announced on 8 June, the ECEC Relief Package was reviewed and updated with a Transition Phase Package of support from 13 July to 27 September, which represented 25% of pre-COVID-19 fee levels and was paid in addition to the normal CCS and co-parent payments.

As the situation in Victoria worsened, the Federal Government moved to increase the Transition Payment by a further 5%, from 6 August to 13 September, while providing families with an additional 30 days of allowable absences.

### Recovery Payment - \$2.0m

With COVID-19 cases escalating and the extension of Stage 4 restrictions in Victoria inevitable, the Federal Government announced on 20 September the Recovery Payment package. Again representing 25% of pre-COVID-19 fee levels and paid in addition to the normal CCS and co-parent payments, the payments ran from 28 September to 31 January 2021.

### JobKeeper Wage Subsidy - \$4.3m

Running in tandem with the initial ECEC Relief Package the early childhood education sector was eligible for the Federal Government's JobKeeper Wage Subsidy program, from 6 April to 19 July, providing the necessary funds at the time to meet, in part, the significant labour and other operational costs of the sector, whilst ensuring continued employment of staff.

## **CY 2020 in Review**

The 2020 year has been a roller-coaster, as the business and our families have responded to the extraordinary and rapidly changing social and economic restrictions and evolving guidelines around access to childcare, as the country has sought to successfully combat the pandemic.

As a solely Victorian based business, Victoria has been under constant and varying levels of COVID-19 restrictions since April, with restrictions to this day controlling return to work levels for private office and public service workers. During which time the business has navigated its way through periods of free childcare, restricted childcare access, curfews & permitted worker schemes, while executing the JobKeeper Wage Subsidy and ensuring compliance with the various conditions imposed by the specific industry support packages. All of which is a testament to the resilience of the business and our people, and our unwavering commitment to the support and protection of the health and well being of the children we care for and educate every day.

The principle focuses for the business throughout 2020 have been a protective strategy, to both the health needs of our children and our team of educators, while safeguarding the economics of the business and continuity of operations.

While occupancy levels have been depressed throughout the year as a result of the pandemic, attendance rates at the centres have swung sharply, reflecting the swift impact that changes in restrictions have had on parents' participation and the financial performance of the business.

The Government's swift and financially significant response at every hurdle to support the sector was impressive, and succeeded in ensuring the viability of the sector during this health crisis. The industry support packages reinforced the essential role our sector plays in the economy, in addition to the important role we play in the cognitive, social and emotional development of children.

## CY 2020 Key Underlying Operational Results

- |                              |  |
|------------------------------|--|
| <b>Occupancy: 67.2%</b>      | <ul style="list-style-type: none"> <li>Down 2.3% vs pcp, as normal 2<sup>nd</sup> half occupancy gains were impacted by the breadth and duration of Victorian Stage 4 restrictions</li> </ul>    |
| <b>Revenue: \$37.1m</b>      | <ul style="list-style-type: none"> <li>Overall, up 3.6% vs pcp, though mix of revenue changed significantly with contribution from industry support packages and JobKeeper of \$12.4m</li> </ul> |
| <b>Wages: \$19.9m</b>        | <ul style="list-style-type: none"> <li>Down 1.2% vs pcp, through optimisation of team rostering</li> <li>Total wages costs compared to revenue improved by 1.2% to 55.1%</li> </ul>              |
| <b>Rent: \$3.7m</b>          | <ul style="list-style-type: none"> <li>Engagement with landlords generated \$0.4m reduction in property lease costs</li> </ul>   |
| <b>EBIT: \$6.2m</b>          | <ul style="list-style-type: none"> <li>Up 8.3% vs pcp reflecting improvements in centre operating margins of 2.0% to 25.0%</li> </ul>  |
| <b>NPAT: \$4.5m</b>          | <ul style="list-style-type: none"> <li>Up 17.9% vs pcp, reflecting flow through of EBIT performance and controlled financing costs</li> </ul>  |
| <b>Net Debt: \$8.4m</b>      | <ul style="list-style-type: none"> <li>Down \$3.8m or 31.5%, with cash holdings of \$1.6m and available loan facilities of \$8.7m</li> </ul>   |
| <b>Net Assets: \$31.0m</b>   | <ul style="list-style-type: none"> <li>Up \$2.0m or 6.9%</li> </ul>  |
| <b>ACECQA Quality Rating</b> | <ul style="list-style-type: none"> <li>90% of services rated Meeting or Exceeding the National Quality Framework</li> </ul>  |

## CY 2021 Outlook

The Mayfield Board remains cautiously optimistic about the prospects for 2021. Early indications show increased enquiries and bookings. Notwithstanding, the economic recovery of the country and Victoria in particular will have its challenges along with the cessation of the Job Keeper program in March 2021.

In anticipation of improved operating conditions, the Board will reverse its decision not to declare or pay a dividend in respect of the CY2020, and will in turn provide shareholders with a fully franked dividend of 2.00 cents per share (cps) payable in March 2021. The Board recommends your consideration of the Dividend Reinvestment Plan (DRP). Shareholders who elect to take shares instead of cash under the DRP will receive shares at a discount of 5% to the VWAP share price over the pricing period.

Mayfield Childcare Chief Executive Officer Dean Clarke said “With a strong balance sheet and facilities at hand, Mayfield Childcare is actively exploring acquisition opportunities across the Victorian, South Australian and New South Wales markets. In addition, we are establishing a base of greenfield developments within Victoria, that meet stringent performance metrics, and acceptable development timelines. This acquisitive and greenfield growth will supplement the core childcare business and our burgeoning Managed Services business of third-party childcare services.”

## Please direct any further enquiries to:

**Dean Clarke**  
 Chief Executive Officer  
 dclarke@mayfieldchildcare.com.au  
 +61 3 9576 3156

**Glenn Raines**  
 Chief Financial Officer  
 graines@mayfieldchildcare.com.au  
 +61 3 9576 3156

**Andrew Angus**  
 Investor Relations  
 andrewangus@overlandadvisers.com.au  
 +61 402 823 757

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# ***ASX Preliminary Final Report***

***Year ended 31 December 2020***

Lodged with the ASX under Listing Rule 4.3A

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## Company details

Name of reporting entity:	Mayfield Childcare Limited ("Mayfield", "Company")
ABN:	53 604 970 390
Reporting period:	Year ended 31 December 2020
Previous corresponding reporting period (pcp):	Year ended 31 December 2019

## Results for announcement to the market

	<i>Movement</i>	<i>%</i>	<i>\$</i>
<b>Revenue</b> from ordinary activities	Up	4.7	37,536,185
<b>Profit</b> after tax attributable to members	Up	11.7	3,738,719
<b>Net Profit</b> for the period attributable to members	Up	11.7	3,738,719

<i>Dividend type</i>	<i>Amount per security (cents)</i>	<i>Franked amount per security (cents)</i>
Final dividend	2.0	2.0
Interim dividend	None	Not applicable

### **Dividend reinvestment plan**

The Company has a Dividend Reinvestment Plan ('DRP'), shareholder participation in which is optional. The Board has determined that the DRP will apply to the final dividend declared today. Shares issued under the DRP in relation to this final dividend will be issued at a 5% discount to the volume weighted average market price for the 10 trading days commencing 15 February 2021.

## Brief explanation of results

Please refer to the accompanying announcement.

	<b>31 Dec 2020 (cents)</b>	<b>31 Dec 2019 (cents)</b>
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### ***Net tangible assets***

Net tangible asset backing per ordinary share	<b>(111.74)</b>	(116.38)
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### ***Control over other entities***

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

### ***Associates and joint venture entities***

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

### ***Compliance statement***

This report is based on accounts which are in the process of being audited.

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**Mayfield Childcare Limited**

**ABN: 53 604 970 390**

# ***Preliminary Financial Report***

***Year ended 31 December 2020***

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**PRELIMINARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the year ended 31 December 2020**

	<i>Note</i>	<b>2020</b> <i>(unaudited)</i> \$	2019 \$
Revenue	2	<b>37,536,185</b>	35,865,867
Net loss on closure of centre		<b>(272,369)</b>	-
Employees		<b>(21,939,717)</b>	(21,991,880)
Centre operations		<b>(2,132,988)</b>	(1,918,746)
Facilities		<b>(1,616,096)</b>	(1,160,844)
Administration		<b>(905,749)</b>	(799,615)
Acquisition costs		-	(15,047)
Depreciation and amortisation of plant and equipment	3	<b>(542,055)</b>	(352,104)
Depreciation charge on right-of-use assets	6	<b>(3,907,186)</b>	(3,721,096)
Finance costs		<b>(1,284,918)</b>	(1,428,255)
Profit before income tax		<b>4,935,107</b>	4,478,280
Income tax expense		<b>(1,196,388)</b>	(1,131,769)
Profit after income tax for the year entirely attributable to the owners of Mayfield Childcare Limited		<b>3,738,719</b>	3,346,511
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year entirely attributable to the owners of Mayfield Childcare Limited		<b>3,738,719</b>	3,346,511
	<i>Note</i>	<i>Cents</i>	<i>Cents</i>
Basic and diluted earnings per share	8	<b>11.72</b>	10.58

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



**PRELIMINARY STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2020**

	<i>Note</i>	<b>2020</b> <i>(unaudited)</i> \$	2019 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,569,464	648,960
Trade and other receivables		1,034,217	1,019,902
Prepayments		268,588	547,378
Other		-	5,153
<b>Total current assets</b>		<b>2,872,269</b>	<b>2,221,393</b>
<b>Non-current assets</b>			
Plant and equipment	3	2,558,724	2,151,207
Intangibles	4	39,638,275	39,740,835
Right-of-use assets	6	25,409,674	25,231,685
Deferred tax		923,941	652,022
<b>Total non-current assets</b>		<b>68,530,614</b>	<b>67,775,749</b>
<b>Total assets</b>		<b>71,402,883</b>	<b>69,997,142</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		1,323,465	1,331,347
Contract liabilities		907,917	212,388
Borrowings	5	1,599,000	1,295,208
Leases	6	3,441,626	3,359,988
Current tax liabilities		781,933	52,801
Provisions		1,682,373	1,136,667
<b>Total current liabilities</b>		<b>9,736,314</b>	<b>7,388,399</b>
<b>Non-current liabilities</b>			
Borrowings	5	8,297,400	11,492,800
Leases	6	23,159,028	22,478,309
Provisions		106,206	79,443
<b>Total non-current liabilities</b>		<b>31,562,634</b>	<b>34,050,552</b>
<b>Total liabilities</b>		<b>41,298,948</b>	<b>41,438,951</b>
<b>Net assets</b>		<b>30,103,935</b>	<b>28,558,191</b>
<b>EQUITY</b>			
Contributed equity	7	24,100,720	23,839,313
Retained earnings		6,003,215	4,718,878
<b>Total equity</b>		<b>30,103,935</b>	<b>28,558,191</b>

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

**PRELIMINARY STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2020**

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$
<b>2019</b>			
Balance as at 1 January 2019	23,000,856	4,149,890	27,150,746
Profit after income tax expense for the year	-	3,346,511	3,346,511
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	3,346,511	3,346,511
<i>Transactions with owners in their capacity as owners</i>			
Contributions of equity (via DRP), net of transaction costs	838,457	-	838,457
Dividend paid		(2,777,523)	(2,777,523)
Balance as at 31 December 2019	23,839,313	4,718,878	28,558,191
<b>2020 (unaudited)</b>			
Profit after income tax expense for the year	-	<b>3,738,719</b>	<b>3,738,719</b>
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	<b>3,738,719</b>	<b>3,738,719</b>
<i>Transactions with owners in their capacity as owners</i>			
Contributions of equity (via DRP), net of transaction costs	<b>261,407</b>	-	<b>261,407</b>
Dividend paid		<b>(2,454,382)</b>	<b>(2,454,382)</b>
<b>Balance as at 31 December 2020</b>	<b>24,100,720</b>	<b>6,003,215</b>	<b>30,103,935</b>

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

**PRELIMINARY STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2020**

	<b>2020</b> <b>(unaudited)</b> \$	2019 \$
<b>Cash flows from operating activities</b>		
Receipts from customers, including government funding	<b>37,726,243</b>	35,595,535
Payments to suppliers and employees	<b>(25,324,684)</b>	(25,252,296)
	<b>12,401,559</b>	10,343,239
Other receipts	<b>20,156</b>	17,836
Interest paid on lease liabilities	<b>(825,684)</b>	(770,846)
Net interest paid on borrowings	<b>(402,723)</b>	(659,737)
Net income tax paid	<b>(739,175)</b>	(2,098,951)
<b>Net cash inflow from operating activities</b>	<b>10,454,133</b>	6,831,541
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	<b>(1,010,711)</b>	(1,247,804)
Centre closure costs	<b>(65,120)</b>	-
Proceeds from the disposal of plant and equipment	<b>636</b>	-
Payments for purchases of businesses plus associated costs	-	(901,592)
Proceeds from return of security deposit	-	5,844
<b>Net cash outflow from investing activities</b>	<b>(1,075,195)</b>	(2,143,552)
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	<b>(3,373,851)</b>	(3,126,768)
Repayment of borrowings	<b>(2,891,608)</b>	(750,000)
Dividend paid	<b>(2,190,152)</b>	(1,933,964)
Share issue costs	<b>(2,823)</b>	(5,100)
<b>Net cash outflow from financing activities</b>	<b>(8,458,434)</b>	(6,586,678)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>920,504</b>	(1,127,843)
Cash and cash equivalents at the beginning of the year	<b>648,960</b>	1,776,803
<b>Cash and cash equivalents at the end of the year</b>	<b>1,569,464</b>	648,960

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

## NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS For the year ended 31 December 2020

### Note 1. Summary of Significant Accounting Policies

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

There have been no material changes to the Company's application of its significant accounting policies as presented in the Company's financial statements for the year ended 31 December 2019, hence readers of this preliminary report should refer to Note 1 *Summary of significant accounting policies* in the Company's financial statements for the year ended 31 December 2019 for details of those accounting policies.

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

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

#### **Going concern**

Current liabilities exceed current assets at reporting date by \$6.9 million. The ongoing application of AASB 16 *Leases* has required the recognition within the statement of financial position of a current lease liability of \$3.4 million as at reporting date without a concomitant current asset (the right-of-use leased asset being mandated as non-current), however this continues to have no impact upon the economic position of the Company. Despite the 'underlying' (pre-AASB 16) net shortfall in current assets of \$3.4 million, the Company continues to generate positive operational cash flows and continues to be profitable. The Company had up to \$5.2 million (at reporting date) available to be drawn down from its lending facility for working capital requirements and it closely monitors its cash resources.

The COVID-19 pandemic resulted in the federal government effectively capping the Company's income through its ECEC Relief Package scheme. With childcare fees having been reintroduced from 13 July 2020 and federal government Relief Package funding expected to continue through to 31 January 2021, the Company is confident that its financial position will continue to improve as the effects of the pandemic diminish.

In considering the pandemic and its expected impact upon the future cash flows of the Company, the directors have assumed that funding will continue to be received from both the federal (CCS) and state (Kindergarten) governments in a timely manner, and in accordance with currently legislated funding models and that occupancy, after the usual dip in late January as our oldest cohort move on to commence primary school, will gradually recover and then grow over the course of 2021. Whilst uncertainties in forecasting do and always will exist (and are greater than would normally be the case), they do not constitute material uncertainty in relation to going concern. Therefore, having regard to all of the above, the directors believe it appropriate to prepare the preliminary financial statements on a going concern basis.

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

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

#### **New Accounting Standards and Interpretations published but not yet adopted**

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

**NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS**  
**For the year ended 31 December 2020**

	<b>2020</b> <i>(unaudited)</i>	2019
	\$	\$
<b>Note 2. Revenue</b>		
Childcare services	<b>32,786,428</b>	35,848,310
JobKeeper wages subsidy	<b>4,336,500</b>	-
Property rent reductions	<b>348,630</b>	-
Early termination of property leases	<b>46,207</b>	-
Other net income	<b>18,420</b>	17,557
	<b><u>37,536,185</u></b>	<u>35,865,867</u>

**Note 3. Non-current assets – Plant and equipment**

Plant and equipment – at cost	<b>3,615,858</b>	2,715,665
Less: Accumulated depreciation	<b>(1,057,134)</b>	(564,458)
Net book amount	<b><u>2,558,724</u></b>	<u>2,151,207</u>

*Reconciliation*

Opening net book amount at beginning of year	<b>2,151,207</b>	1,324,485
Net additions through business combinations	-	5,000
Adjustments from finalised prior period business combinations	<b>2,511</b>	(2,178)
Additions	<b>1,036,961</b>	1,247,803
Disposals	<b>(89,900)</b>	(278)
Reclassification as right-of-use assets	-	(71,521)
Depreciation expense	<b>(542,055)</b>	(352,104)
Closing net book amount at end of year	<b><u>2,558,724</u></b>	<u>2,151,207</u>

**Note 4. Non-current assets – Intangibles**

Goodwill – at cost	<b><u>39,638,275</u></b>	<u>39,740,835</u>
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*Reconciliation*

Balance at beginning of year	<b>39,740,835</b>	38,855,655
Additions through business combinations	-	883,002
Adjustments from prior period business combinations	<b>(2,511)</b>	2,178
Closure of centre	<b>(100,049)</b>	-
Balance at end of year	<b><u>39,638,275</u></b>	<u>39,740,835</u>

**NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS**  
**For the year ended 31 December 2020**

	<b>2020</b> <i>(unaudited)</i> \$	2019 \$
<b>Note 5. Current &amp; Non-current liabilities – Borrowings</b>		
Current	<b>1,599,000</b>	1,295,208
Non-current	<b>8,297,400</b>	11,492,800
	<b><u>9,896,400</u></b>	<u>12,788,008</u>
<b>Bank Loans</b>		
Balance at beginning of year	<b>12,550,000</b>	13,300,000
Net (repayments)/borrowings	<b>(2,653,600)</b>	(750,000)
Balance at end of year	<b><u>9,896,400</u></b>	<u>12,550,000</u>
<b>WorkCover Premium Funding</b>		
Balance at beginning of year	<b>238,008</b>	-
Net borrowings	-	238,008
Net (repayments)/borrowings	<b>(238,008)</b>	(750,000)
Balance at end of year	<b><u>-</u></b>	<u>238,008</u>
<b>Financing arrangements</b>		
<b>Bank loans</b>		
The bank loans are secured on the assets and undertakings of the Company.		
<i>Facility at end of year</i>		
Total bank loan facility	<b>18,571,400</b>	19,100,000
Less amount used	<b>(9,896,400)</b>	(12,550,000)
Unused facility	<b><u>8,675,000</u></b>	<u>6,550,000</u>
Of the \$8.7 million unused, \$3.5 million is only available for future acquisitions and there are specific criteria which need to be met prior to any draw-down. There have been no events of default on the financing arrangements of the Company during the year.		
<b>Note 6. Leases</b>		
<b>A. Expenses</b>		
Expenses from transactions not recognised as leases:		
Rental expense relating to leases of low-value assets	<b>54,378</b>	50,015
<b>B. Cash flows</b>		
Total cash outflow for leases	<b>4,199,535</b>	3,897,614

**NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS**  
**For the year ended 31 December 2020**

**Note 6. Leases (continued)**

**C. Right-of-use assets**

*(unaudited)*

	Property \$	Motor Vehicles \$	Total \$
Right-of-use assets	32,430,764	101,006	32,531,770
Less: Accumulated depreciation	(7,058,941)	(63,155)	(7,122,096)
Net book amount at 31 December 2020	<b>25,371,823</b>	<b>37,851</b>	<b>25,409,674</b>
<i>Reconciliation</i>			
Opening net book amount at beginning of year	25,176,999	54,686	25,231,685
Additions	2,767,022	-	2,767,022
Increase due to addition of next further term	1,938,386	-	1,938,386
Increase due to remeasurement of lease liabilities upon increase of variable lease payments	1,111,419	-	1,111,419
Decrease due to early termination of leases	(1,731,652)	-	(1,731,652)
Depreciation charge	(3,890,351)	(16,835)	(3,907,186)
Closing net book amount at end of year	<b>25,371,823</b>	<b>37,851</b>	<b>25,409,674</b>

**D. Lease Liabilities**

	\$
Current	3,441,626
Non-current	23,159,028
Total at 31 December 2020	<b>26,600,654</b>

**Additional information**

*Unavoidable future payments*

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

*Weighted average property lease term*

The average unavoidable property lease term, weighted for the number of licensed places, is 6.2 years (Dec 2019: 7.2 years).

Including all further terms, the weighted average term increases to 22.5 years (Dec 2019: 21.7 years).

*Motor vehicle leases*

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

**NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS**  
**For the year ended 31 December 2020**

**Note 7. Contributed equity**

**(a) Share capital**

The share capital account of Mayfield Childcare Limited (the Company) consists of 32,100,662 fully paid up, ordinary shares as at 31 December 2020.

**(b) Movements in ordinary share capital**

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

<b>Date</b>	<b>Details</b>	<b>Number of shares</b>	<b>Amount \$</b>
1 Jan 2019	Opening balance	30,964,116	23,000,856
28 Mar 2019	Issued under Dividend Reinvestment Plan	869,647	843,557
	Less: Share issue transaction costs, net of tax		(5,100)
31 Dec 2019	Closing balance	31,833,763	23,839,313
<b>(unaudited)</b>			
25 Sep 2020	Issued under Dividend Reinvestment Plan	266,899	264,230
	Less: Share issue transaction costs, net of tax		(2,823)
<b>31 Dec 2020</b>	<b>Closing balance</b>	<b>32,100,662</b>	<b>24,100,720</b>

**Note 8. Earnings per share**

	<b>2020 (unaudited) Cents</b>	<b>2019 Cents</b>
Basic and diluted earnings per share	<b>11.72</b>	10.58
	<b>Number</b>	<b>Number</b>
<b>Weighted average number of shares</b>		
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	<b>31,905,228</b>	31,628,860
	<b>\$</b>	<b>\$</b>
<b>Earnings used in calculating basic and diluted earnings per share</b>		
Profit after tax attributable to the ordinary equity holders of the Company	<b>3,738,719</b>	3,346,511

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