

26 February 2021

EVO announces Results for FY 31 December 2020

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Evolve Education Group Limited (NSX/ASX: EVO) has released its audited results for the financial year ended 31 December 2020. As EVO changed its balance date from 31 March to 31 December during calendar year 2020, EVO's audited results for the financial year ended 31 December 2020 are for the 9 months from 1 April 2020 to 31 December 2020.

Key features of the results:

- Revenue of \$102.6m for FY 31 December 2020, i.e. 9 months to 31 December 2020 (FY 31 March 2020, i.e. 12 months to 31 March 2020, \$140.6m)
- Net profit after tax at \$7.6m for FY 31 December 2020 (FY 31 March 2020 loss of \$13.3m)
- Underlying EBITDA of \$15.7m for FY 31 December 2020 (FY 31 March 2020 \$8.2m)

A summary of comparatives is provided below:

	1 April 2020 – 31 December 2020 (audited) 9 months	1 April 2019 – 31 March 2020 (audited) 12 months	1 January 2020 – 31 December 2020 (unaudited, pro- forma) 12 months
Consolidated Revenue	\$102.6m	\$140.6m	\$136.8m
Underlying EBITDA *(pre-IFRS 16)	\$15.7m	\$8.2m	\$18.1m
Cash at end of period	\$59.1m	\$39.0m	\$59.1m

- Underlying EBITDA is a non-GAAP measure used by EVO to report its trading performance. It is calculated on a pre-IFRS 16 basis and excludes gains and losses on the sale or closure of businesses, acquisition and integration costs, impairment losses, restructuring costs and non-operational items.

Managing Director Chris Scott commented that 2020 was a challenging year with lockdowns and restrictions in New Zealand and Australia due to Covid-19. The confidence of our families, the support of the Governments of both countries for the sector, the dedication of our employees, the acquisition of Australian centres in late 2019 and action taken to improve operations in New Zealand all enabled EVO to record a better result in the 9 months to 31 December 2020 compared to the previous financial year.

Following a refresh of the EVO Board in September 2019, EVO has experienced a stabilisation in occupancy levels, the streamlining of support office functions, a reduction in Board fees

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and the curtailment of fee discounting. EVO has also expanded into Australia with the acquisition of 10 centres in the last quarter of 2019.

In December 2020, EVO issued A\$35m five-year notes – the proceeds of which were partly used to fully repay bank facilities from ASB and the remainder has been earmarked for future acquisitions in Australia.

“The results reaffirm our action plans in both New Zealand and Australia, and our healthy balance sheet positions us well for acquisitions in Australia while we continue to progress operational improvements in New Zealand”.

For any further inquiries please contact:

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NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA

Results announcement

(for Equity Security issuer)

Results for announcement to the market		
Name of issuer	Evolve Education Group Limited	
Reporting Period	9 months to 31 December 2020	
Previous Reporting Period	12 months to 31 March 2020	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$102,639	(27.0%)*
Total Revenue	\$102,639	(27.0%)*
Net profit/(loss) from continuing operations	\$7,570	156.9%*
Total net profit/(loss)	\$7,570	156.9%*
Interim/Final Dividend		
Amount per Quoted Equity Security	It is not proposed to pay any dividends.	
Imputed amount per Quoted Equity Security	N/A	
Record Date	N/A	
Dividend Payment Date	N/A	
	Current period	Prior comparable period (restated**)
Net tangible assets per Quoted Equity Security	(\$0.06)	(\$0.12)
A brief explanation of any of the figures above necessary to enable the figures to be understood	<p>Due to the nature of the Group's business, intangible assets are a major component of total assets. Accordingly, net assets per security is considered a more useful measure. At 31 December 2020 this was NZ\$0.78 (March 2020 restated**: NZ\$0.72).</p> <p>This results announcement should be read in conjunction with the audited financial statements and results presentation, which have been released along with this announcement.</p> <p>*The current reporting period is 9 months and the previous reporting period 12 months therefore percentage changes are not meaningful.</p> <p>** Comparatives have been adjusted for the effect of the share consolidation in the current period.</p>	
Authority for this announcement		
Name of person authorised to make this announcement	Edmund Mah, Chief Financial Officer	
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Date of release through MAP	26/02/2021	

Audited financial statements accompany this announcement.

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Evolve Education Group Limited

Consolidated Financial Statements
For the 9 months ended 31 December 2020

The Directors present the Consolidated Financial Statements of Evolve Education Group Limited, for the 9 months ended 31 December 2020.

The Consolidated Financial Statements presented are signed for and on behalf of the Board and were authorised for issue on 26 February 2021.



Hamish Stevens
Chair
26 February 2021



Adrian Fonseca
Chair of the Audit and Risk Committee
26 February 2021

Consolidated Statement of Comprehensive Income

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

		9 MONTHS TO 31 DECEMBER 2020	12 MONTHS TO 31 MARCH 2020
\$'000	Note		
Childcare fees	5	28,187	48,659
Government funding	5	74,452	91,948
Total revenue		102,639	140,607
Expenses			
Employee benefits expenses	6	(53,985)	(89,804)
Building occupancy expenses		(2,053)	(2,992)
Direct expenses of providing services		(10,487)	(14,783)
Acquisition expenses		-	(668)
Depreciation	10, 17c	(10,870)	(13,848)
Amortisation	13	(60)	(161)
Impairment reversal/(expense)	10, 14, 17a	17	(12,341)
Other expenses	6	(2,282)	(4,294)
Total expenses		(79,720)	(138,891)
Profit before net finance costs and income tax		22,919	1,716
Finance income	6	146	439
Finance costs	6, 17c	(12,703)	(19,585)
Net finance costs		(12,557)	(19,146)
Profit/(Loss) before income tax		10,362	(17,430)
Income tax (expense)/benefit	7	(2,792)	4,130
Profit/(Loss) after income tax attributable to the shareholders of the Company		7,570	(13,300)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		1,158	(1,174)
Total comprehensive income/(loss) attributable to the shareholders of the Company		8,728	(14,474)
All amounts are from continuing operations.			
Earnings per share		Cents	Cents
Basic and diluted earnings/(loss) per share attributable to the shareholders of the Company	22	5.4	(11.5)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

\$'000	Note	ISSUED SHARE CAPITAL	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED (DEFICIT)/ EARNINGS	TOTAL
As at 1 April 2019		159,598	-	(122,724)	36,874
Loss after income tax		-	-	(13,300)	(13,300)
Other comprehensive income		-	(1,174)	-	(1,174)
Issue of ordinary shares for cash, net of transaction costs	19	78,378			78,378
As at 31 March 2020		237,976	(1,174)	(136,024)	100,778
As at 1 April 2020		237,976	(1,174)	(136,024)	100,778
Profit after income tax		-	-	7,570	7,570
Other comprehensive income		-	1,158	-	1,158
As at 31 December 2020		237,976	(16)	(128,454)	109,506

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2020

\$'000	Note	AS AT 31 DECEMBER 2020	AS AT 31 MARCH 2020
ASSETS			
Current assets			
Cash and cash equivalents	8, 24	59,139	39,048
Current tax assets		-	1,381
Trade and other receivables	9	2,507	13,761
Total current assets		61,646	54,190
Non-current assets			
Property, plant and equipment	10	7,102	6,783
Right-of-use assets	17a	170,938	178,238
Deferred tax assets	7	13,022	11,926
Intangible assets	13, 14	117,697	117,082
Term deposits		4,066	-
Total non-current assets		312,825	314,029
Total assets		374,471	368,219
LIABILITIES			
Current liabilities			
Trade and other payables	15	7,124	19,173
Funding received in advance	16	4,639	11,804
Current tax liabilities		2,014	-
Lease liabilities	17b	8,028	10,495
Employee entitlements	18	6,827	6,330
Total current liabilities		28,632	47,802
Non-current liabilities			
Borrowings	24	36,137	17,666
Lease liabilities	17b	200,196	201,973
Total non-current liabilities		236,333	219,639
Total liabilities		264,965	267,441
Net assets		109,506	100,778
EQUITY			
Issued share capital	19	237,976	237,976
Foreign currency translation reserve		(16)	(1,174)
Retained deficit		(128,454)	(136,024)
Total equity		109,506	100,778

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

\$'000	Note	9 MONTHS TO 31 DECEMBER 2020	12 MONTHS TO 31 MARCH 2020
Cash flows from operating activities			
Receipts from childcare fees		28,187	54,998
Receipts from government funding		67,287	85,378
Government grants received (Wage subsidy & JobKeeper)		14,668	-
Payments to suppliers and employees		(84,014)	(117,125)
Income taxes paid		(491)	-
Interest received		146	439
Net cash flows from operating activities	25	25,783	23,690
Cash flows from investing activities			
Payments for purchase of businesses	12	(205)	(21,441)
Proceeds from sale of businesses		100	596
Proceeds from sale of property, plant and equipment		90	-
Payments for software, property, plant and equipment		(2,313)	(4,516)
Transfer to term deposits		(4,066)	-
Net cash flows from investing activities		(6,394)	(25,361)
Cash flows from financing activities			
Proceeds from issues of shares	19	-	83,097
Share issue costs	19	-	(4,719)
Proceeds from issue of notes	24	36,804	-
Note issue costs	24	(1,364)	-
Interest paid on borrowings		(428)	(1,842)
Repayment of bank borrowings	24	(17,359)	(38,000)
Lease interest payments	6, 24	(12,361)	(16,904)
Lease principal repayments		(5,622)	(6,187)
Net cash flows from financing activities		(330)	15,445
Net increase in cash and cash equivalents	24	19,059	13,774
Cash and cash equivalents at the beginning of the period	8, 24	39,048	25,274
Foreign currency translation adjustment		1,032	-
Cash and cash equivalents at the end of the period	8, 24	59,139	39,048

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

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Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

1. Reporting Entity

Evolve Education Group Limited (the "Company") is a company incorporated in New Zealand ("NZ"), registered under the Companies Act 1993 and listed on the New Zealand Exchange ("NZX") and the Australian Stock Exchange ("ASX"). The Company is a FMC Reporting Entity in terms of Part 7 of the Financial Markets Conduct Act 2013 ("the Act"). The registered office is located at Level 15, 16 Kingston Street, Auckland 1010, New Zealand.

The principal activities of the Company and its subsidiaries (the "Group") are to invest in the provision and management of high quality early childhood education centres (see Note 4, Segment Information). Further information on the Group's structure is provided in Note 11.

2. Basis of Preparation

Statement of Compliance

The consolidated financial statements (the "Group financial statements") have been prepared in accordance with the requirements of the NZX and ASX listing rules. The Group financial statements comprise the Company and its subsidiaries. In accordance with the Act, separate financial statements for the Company are not required to be prepared.

These Group financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). 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 "for-profit" entities. These financial statements also comply with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee interpretations.

The financial statements for the 9 months ended 31 December 2020 were approved and authorised for issue by the Board of Directors on 26 February 2021.

Going Concern

The financial statements have been prepared on a going concern basis.

The Board has considered the impact of Covid-19 on the financial position of the Group. This is commented on in more detail in Note 2(a). While operations were affected during the year as a result of the Government responses in both New Zealand and Australia, the supportive actions of both Governments mitigated these negative effects. Accordingly, the short-term financial position of the Group has not been adversely impacted by Covid-19 to a material degree.

The longer-term effects of Covid-19 are not clear at the present point in time. Acknowledging this inherent uncertainty, and the likely adverse impacts on economic conditions in both New Zealand and Australia, these financial statements have been prepared based on currently available information and the Board's best estimates.

During the year, the Group raised A\$35m million in senior secured fixed rate notes (see Note 23). This enabled repayment of all borrowings from ASB, as well as boosting cash resources (net available cash of \$23.0 million as at 31 December 2020).

The Group was profitable and operating cash flows remained positive for the period. Forecasts also indicate that debt covenants will continue to be met for the foreseeable future and the Group will have sufficient cash to discharge its liabilities as they fall due.

Having regard to the above, the Board has concluded that it is appropriate that these financial statements are prepared on a going concern basis, while acknowledging the uncertainties in forecasting in the current environment.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

2. Basis of Preparation (continued)

Basis of Measurement

The Group 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.

These Group financial statements have been prepared for the 9 month period ended 31 December 2020 to reflect the Group's change in reporting date from 31 March to 31 December. The comparatives reflect the previous financial reporting year being the 12 month period to 31 March 2020.

Functional and Presentation Currency

Items included in the Group financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in New Zealand Dollars (\$), which is the Company's functional currency and Group's presentation currency. Unless otherwise stated, financial information has been rounded to the nearest thousand dollars (\$'000).

Estimates and Judgements

The preparation of Group 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.

(a) Covid-19

The rapid global rise of Covid-19 has had a significant impact on global economies and financial markets; and asset prices have fluctuated and in some cases materially changed. The pandemic and the response to it by the New Zealand government resulted in closure of centres during alert level 4 which took place between 26 March 2020 and 27 April 2020. The Group's centres in New Zealand re-opened with limited capacity on 29 April 2020 under Covid-19 alert level 3 and were able to resume operating with full licenced capacity on 14 May 2020 when the country moved to Covid-19 alert level 2. Due to a further Covid-19 outbreak, Auckland moved to alert level 3 again from 12 August 2020 to 30 August 2020. No parental childcare fees were charged during alert levels 4 or 3, but resumed upon the move to level 2.

The NZ Ministry of Education maintained its funding at full levels throughout the funding period to 30 June 2020, including a 2.3% increase in subsidy rates from 1 July 2020. In addition, receipt of the Government wage subsidy enabled the Group to retain all staff on full pay.

In Australia, the Government's Early Childhood Education and Care Relief ("ECECR") package and JobKeeper payment ensured that the Group's centres continued operating throughout the period. Under the ECECR package, the Australian Government made weekly payments directly to early childhood education and care services in lieu of the Child Care Subsidy ("CCS") and Additional Childcare Subsidy ("ACCS") from 6 April 2020 to 12 July 2020. The weekly payment amount is essentially 50% of the total fees charged by a service during the fortnight commencing 17 February 2020 ("reference fortnight"). Under the ECECR package, families are not charged fees. In addition to CCS, the Government paid child care services a Transition Payment of 25% of their fee revenue (based on the reference fortnight) from 13 July to 27 September 2020. JobKeeper ceased on 20 July 2020.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

2. Basis of Preparation (continued)

Estimates and Judgements (continued)

(a) Covid-19 (continued)

Further relief measures were provided in response to the second stage 4 lockdown in Victoria from 3 August 2020 to 27 September 2020:

- 25% transition payment increased to 30% for centres in Melbourne (4 centres);
- Government temporarily provided an extra 30 allowable absence days, where the CCS continued to be paid to providers even if the children did not attend;

In addition, 25% payment of fee revenue (based on the reference fortnight) as part of the recovery package for child care services in Victoria (6 centres). This began 28 September 2020 and ended on 31 January 2021.

While there is uncertainty about the longer term impact of Covid-19 on both economies, the NZ Ministry of Education and Australian Government have been very supportive of the early learning services sectors and the role of early childhood education in the community.

The key components of the financial statements specifically impacted by Covid-19 are impairment of intangible assets, right-of-use assets, and property, plant and equipment. These areas rely upon forecasts of future profitability as a basis for the carrying value of assets, and therefore potential impairment. More detail on the sensitivities of assumptions is provided in Note 14.

(b) Impairment assessments

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether assets have suffered any impairment, in accordance with the accounting policy stated in Notes 3(h) and 3(m). Where impairment indicators exist for assets excluding indefinite useful life intangible assets, and annually for indefinite useful life intangible assets, the recoverable amounts of cash-generating units ("CGUs") or group of CGUs have been determined. This requires the use of key assumptions and estimates which require judgement. Further detail on the assumptions applied are included in Note 14.

(c) Identification of Cash Generating Units

In order to complete the impairment assessments referred to above, the Group must identify individual cash generating units ("CGUs") that best represent 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. 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 adopted the following:

Individual Early Childhood Education centres ("ECEs") are identified as CGUs. These CGUs have been tested for impairment where an indicator exists. Indefinite useful life intangible assets have not been allocated to individual ECEs and therefore the impairment assessment is performed for the New Zealand and Australian group of CGUs which is the same as the New Zealand and Australian operating segment. Refer to Note 14 for further information.

(d) Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences. Forecasts prepared for the purpose of impairment testing (refer Notes 2(b) and 14) indicate future taxable amounts will be available to utilise these temporary differences. The deferred tax assets are therefore considered to be recoverable.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

2. Basis of Preparation (continued)

New and Amended Standards Adopted by the Group

NZ IFRS 3: Business Combinations - definition of a business

The Group has adopted the amendments to NZ IFRS 3: Business Combinations prospectively from 1 April 2020.

The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

Adopting these amendments did not result in changes in disclosure for the Group's financial statements as no new centres were acquired in the period.

There are no other new standards, amendments or interpretations that have been adopted or are not yet effective that are applicable to the Group.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently in these consolidated financial statements, and have been applied consistently by all Group entities.

(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 of the identifiable assets acquired, the liabilities assumed, measured at fair value, and any non-controlling interest in the acquiree.

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

Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in Consolidated Statement of Comprehensive Income.

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.

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 if the related initial accounting is incomplete by the end of the reporting period. 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.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

3. Significant Accounting Policies (continued)

(a) Basis of Consolidation (continued)

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.

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 on the following method. 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.

The fair values of other intangible assets acquired in a business combination are 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 Group satisfies its performance obligations by providing early childhood education services to customers.

Childcare fees

The Group provides early childhood education services for children's various learning and care needs. Revenue from childcare fees are recognised as and when a child attends, or was scheduled to attend, a childcare facility. The performance obligations are satisfied over time as the child simultaneously receives and consumes the benefits.

Ministry of Education New Zealand ("MOE NZ") funding

MOE NZ funding relates to funding provided under the Education Act 1989 to eligible early childhood services subject to certain conditions so that they may provide early childhood education. It 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. This funding from the MOE NZ is presented separately from the related costs of providing services in the Statement of Comprehensive Income. Income receivable from the MOE NZ by way of a reconciliation payment is recognised as an asset, and is netted off against the income received in advance. There are no unfulfilled conditions or contingencies attached to the funding.

Australian Government funding

Australian Government funding relates to fees paid under the Child Care Subsidy and are recognised over time when there is reasonable assurance that the funding will be received. Australian Government funding is received in arrears.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

3. Significant Accounting Policies (continued)

(d) Taxation

Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in the Consolidated 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.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, 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,
- taxable temporary differences arising on the initial recognition of goodwill; and
- temporary differences related to investments in subsidiaries 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 Translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented in the statement of comprehensive income, on a net basis, within other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

3. Significant Accounting Policies (continued)

(e) Foreign Currency Translation (continued)

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate on the reporting date
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(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. Under Company Law in New Zealand, a distribution is authorised when it is approved by the Directors. A corresponding amount is recognised directly in equity.

(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 Consolidated Statement of Comprehensive Income.

Depreciation

Depreciation is charged based on the cost of an asset less its residual value. Depreciation is charged to the Consolidated 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 to 10 years
Office furniture & fittings	4 years
Leasehold improvements	4 to 10 years
Motor vehicles	5 years

The depreciation methods, useful lives and residual values are reviewed at the reporting date and adjusted if appropriate. Work in progress is not depreciated until the asset is available for use.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

3. Significant Accounting Policies (continued)

(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, or groups of 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 Note 3(m) - 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, as appropriate. Other intangible assets have been amortised on a straight-line basis over their estimated useful lives:

Customer lists	4 years
Management contracts	4 years
Software	4 years
Brands	Indefinite life

Subsequent expenditure

Subsequent expenditure, including expenditure on internally generated goodwill and brands, is recognised in the Consolidated Statement of Comprehensive Income as incurred.

(i) Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of useful life and the lease term.

Impairment of right-of-use assets

Right-of-use assets are reviewed at each reporting date to determine whether there is any indication of impairment. The assessment is conducted as described in Note 3(m).

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable and variable lease payments that depend on an index or a rate. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

3. Significant Accounting Policies (continued)

(i) Leases (continued)

Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date as the interest rate implicit in the lease is not readily determinable. The weighted average incremental borrowing rate applied to the lease liabilities is 8.14%. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short term leases of properties (i.e. those leases that have a lease term of 12 months or less from the date of transition).

The Group applies the low-value assets recognition exemption to leases of office equipment that are considered of low value (\$10,000 or less). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal options

The Group determines the lease term as being the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, less any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases, to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. It considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew. Assuming the exercise of a right of renewal results in an increase in both the lease liability and right-of-use asset.

(j) Financial Instruments

Non-derivative financial assets

The Group initially recognises financial assets on trade date, being the date on which the Group commits to purchase or sell the asset. It classifies financial assets based on its business model for managing such financial assets and the contractual terms of cash flows. The Group determines all financial assets during the reporting periods presented are measured at amortised cost.

Financial assets and liabilities are offset and the net amount presented in the Consolidated 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.

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, financial assets 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 which are classified as non-current assets.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

3. Significant Accounting Policies (continued)

(j) Financial Instruments (continued)

Financial assets at amortised cost (continued)

Financial assets at amortised cost comprise cash and cash equivalents, term deposits and trade and other receivables, included in other current assets.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and bank overdrafts.

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, lease liabilities 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.

(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) Reserves

Foreign Currency Translation Reserves

Exchange differences arising on translation of the foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to the consolidated statement of comprehensive income when the net investment is disposed of.

(m) Impairment

Non-derivative financial assets

The Group uses a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, it is estimated based on the degree of aging of the receivable beyond the date it was due to be paid and any negative change in the customers' ability to pay. The expected loss rates are based on the payment profiles of revenue and the corresponding historical credit losses experienced within the period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customer to settle the receivable. The amount of the expected credit loss is recognised in the Consolidated Statement of Comprehensive Income.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

3. Significant Accounting Policies (continued)

(m) Impairment (continued)

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-life intangible assets are further 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 (refer Note 14).

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs of disposal. 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.

(n) 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 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.

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

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.

The Group contributes to Kiwisaver in New Zealand and superannuation funds in Australia.

(o) Expenses

Direct costs of providing services

These are costs incurred in the provision of services by the Group's early childhood education centres, other than employee and property costs. The major components are classroom teaching materials, cleaning, food supplies and building operating costs. These costs are recognised in the Statement of Comprehensive Income as incurred.

Finance costs

Finance costs comprise interest expense on borrowings and establishment fees, as well as the interest calculated on lease liabilities. All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

3. Significant Accounting Policies (continued)

(o) Expenses (continued)

Government grants and subsidies

Government grants and subsidies which compensate the Group for expenses incurred are recognised in the Statement of Comprehensive Income on a straight-line basis over the period in which the related costs are recognised. Grants and subsidies are reported on a net basis in the same line as the related expense.

(p) Consolidated Statement of Cash Flows

The following are the definitions of the terms used in the Consolidated Statement of Cash Flows:

- Cash includes cash on hand, bank current accounts and any bank overdrafts.
- Operating activities include all transactions and other events that are not investing or financing activities.
- Investing activities are those activities relating to the acquisition, holding and disposal of businesses, 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. Lease payments are included as a financing activity.

(q) 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 Managing Director ("Group MD").

(r) 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.

(s) Share Based Payments

Certain senior managers formerly received remuneration in the form of share-based payment transactions, whereby employees rendered services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions with employees is measured by reference to the fair value at grant date.

(t) Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST) including items disclosed in the Consolidated Statement of Cash Flows, except for trade receivables, included within other current assets, and trade payables that are stated inclusive of GST in the Consolidated Statement of Financial Position.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

4. Segment Information

During the previous year ended 31 March 2020, the Group acquired ten childcare centres across Queensland and Victoria, Australia (refer Note 12). As a result of the acquisition of these centres, the Group reports operating segments by geographical location, namely New Zealand and Australia.

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

The Group accounting policies are applied consistently to each reporting segment.

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, operating expenses, earnings before interest, tax, depreciation and amortisation ("EBITDA") and Underlying EBITDA), as described below and as included in the internal management reports that are reviewed by the Group MD and the Board. Operating expenses, EBITDA and Underlying EBITDA are not defined by NZ GAAP, IFRS or any other body of accounting standards and the Group's calculation of this measure may differ from similarly titled measures presented by other companies.

Operating expenses and Underlying EBITDA excludes the effects of NZ IFRS 16: Leases, gains and losses on the sale or closure of businesses, acquisition and integration costs, impairment losses (or reversals of impairment losses), restructuring costs and non-operational items.

The above items can be driven by factors other than those that impact the underlying performance of the business. Operating expenses and Underlying EBITDA excludes the impact of these items to allow the Group MD and the Board to measure the financial performance trends of the underlying businesses from period to period and enable necessary decision-making.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

4. Segment Information (continued)

The segment information for the periods ended 31 December 2020 and 31 March 2020 is presented in the following tables respectively:

31 DECEMBER 2020		New Zealand ECE centres	Australia ECE centres	Support and Corporate functions	Consolidated
	Note	\$'000	\$'000	\$'000	\$'000
Childcare fees		24,550	3,637	-	28,187
Government funding		62,137	12,315	-	74,452
Total revenue	5	86,687	15,952	-	102,639
Operating expenses		(71,696)	(10,371)	(4,881)	(86,948)
Underlying EBITDA		14,991	5,581	(4,881)	15,691
NZ IFRS 16 rental expense adjustment		15,674	2,092	217	17,983
NZ IFRS 16 remeasurement gains	6	355	-	46	401
<i>Non-underlying or non-operational items:</i>					
Loss on sale or closure of businesses		(211)	-	-	(211)
Acquisition costs		-	(32)	-	(32)
Impairment reversal	10,14,17	-	-	17	17
EBITDA		30,809	7,641	(4,601)	33,849
Depreciation	10,17	(9,483)	(255)	(1,132)	(10,870)
Amortisation	13	-	-	(60)	(60)
Earnings before interest and income tax		21,326	7,386	(5,793)	22,919
Net finance costs	6	(9,915)	(2,446)	(196)	(12,557)
Profit/(Loss) before income tax from continuing operations		11,411	4,940	(5,989)	10,362
Total assets		240,725	59,131	74,615	374,471
Total liabilities		(135,307)	(80,368)	(49,290)	(264,965)

Total assets within the support and corporate functions segment are primarily cash and cash equivalents. Total liabilities within the support and corporate functions segment are primarily borrowings. This is reflective of the Group managing financing activities centrally rather than allocating this to operating segments.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

4. Segment Information (continued)

31 MARCH 2020		New Zealand ECE centres	Australia ECE centres	Support and Corporate functions	Consolidated
	Note	\$'000	\$'000	\$'000	\$'000
Childcare fees		44,752	9,656	-	54,408
Government funding		86,199	-	-	86,199
Total revenue	5	130,951	9,656	-	140,607
Operating expenses		(114,181)	(8,493)	(9,699)	(132,373)
Underlying EBITDA		16,770	1,163	(9,699)	8,234
NZ IFRS 16 rental expense adjustment		20,821	1,251	203	22,275
NZ IFRS 16 remeasurement gains	6	916	-	-	916
<i>Non-underlying or non-operational items:</i>					
Restructuring costs		-	-	(1,011)	(1,011)
Loss on sale or closure of businesses		(1,477)	-	-	(1,477)
Other items		-	(89)	(114)	(203)
Acquisition costs	12	-	(668)	-	(668)
Impairment expenses	10,13,14,17	(6,903)	(5,438)	-	(12,341)
EBITDA		30,127	(3,781)	(10,621)	15,725
Depreciation	10, 17	(13,153)	(648)	(47)	(13,848)
Amortisation	13	-	-	(161)	(161)
Earnings before interest and income tax		16,974	(4,429)	(10,829)	1,716
Net finance costs	6	(15,516)	(1,388)	(2,242)	(19,146)
Profit/(Loss) before income tax from continuing operations		1,458	(5,817)	(13,071)	(17,430)
Total assets		270,529	61,288	36,402	368,219
Total liabilities		(181,358)	(66,700)	(19,383)	(267,441)

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

4. Segment Information (continued)

Reconciliation of total expenses and operating expenses

	9 MONTHS TO 31 DECEMBER 2020	12 MONTHS TO 31 MARCH 2020
\$'000		
Total expenses per Statement of Comprehensive Income	79,720	138,891
Less:		
Depreciation	(10,870)	(13,848)
Amortisation	(60)	(161)
NZ IFRS 16 rental expense adjustment	17,983	22,275
NZ IFRS 16 remeasurement gains	401	916
<i>Non-underlying or non-operational items:</i>		
Restructuring costs	-	(1,011)
Loss on sale or closure of businesses	(211)	(1,477)
Other items	-	(203)
Acquisition costs	(32)	(668)
Impairment expenses	17	(12,341)
Operating expenses	86,948	132,373

5. Revenue

	9 MONTHS TO 31 DECEMBER 2020	12 MONTHS TO 31 MARCH 2020
\$'000		
Childcare fees	28,187	48,659
NZ Ministry of Education funding	62,137	86,199
Australian Child Care Subsidy	12,315	5,749
Total revenue	102,639	140,607

6. Disclosure of Items in the Consolidated Statement of Comprehensive Income

Other Expenses

		9 MONTHS TO 31 DECEMBER 2020	12 MONTHS TO 31 MARCH 2020
\$'000			
Included in other expenses are:	Note		
Audit fees	28	170	410
Directors' fees	27	305	415
NZ IFRS 16 remeasurement adjustments		(401)	(916)
Other items		2,208	4,385
Total other expenses		2,282	4,294

Other items includes corporate and support office costs not already disclosed separately.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

6. Disclosure of Items in the Consolidated Statement of Comprehensive Income (continued)

Employee benefits expense

	9 MONTHS TO 31 DECEMBER 2020	12 MONTHS TO 31 MARCH 2020
\$'000		
Wages and salaries	64,017	82,899
Kiwisaver contributions	1,393	1,959
Superannuation fund contributions	773	510
Payments to agency contractors	652	4,795
Share-based payment	-	18
New Zealand government wage subsidy	(10,959)	(801)
Australian JobKeeper payment	(2,908)	-
Other employee benefits expense	1,017	424
Total employee benefits expense	53,985	89,804

As the NZ ECE centres had to close during level 4 of the Covid-19 response, and had much reduced attendance during level 3, no revenue from parental fees was earned during this period. The Group therefore met all the qualification criteria for the Government wage subsidy scheme. A total subsidy of \$11.8 million was received, covering the period from 26 March to 17 June.

The Group also received \$2.9 million (A\$2.7 million) from the Australian government under the JobKeeper scheme covering the period from 6 April to 20 July.

All wage subsidies have been passed on to employees and has been recognised as a deduction from employee benefits expense on a straight-line basis over the period the subsidy covers. The Group continued to pay all employees in full during those periods. The Group did not meet the criteria for the subsidy extensions.

Net finance costs

	9 MONTHS TO 31 DECEMBER 2020	12 MONTHS TO 31 MARCH 2020
\$'000		
Interest received		
Bank deposits	146	439
Total finance income	146	439
Interest expense		
Interest on borrowings	(342)	(2,681)
Interest on lease liabilities	17c (12,361)	(16,904)
Total finance costs	(12,703)	(19,585)
Net finance costs	(12,557)	(19,146)

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

7. Taxation

Income tax expense

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

	9 MONTHS TO 31 DECEMBER 2020	12 MONTHS TO 31 MARCH 2020
\$'000		
Current income tax:		
Current income tax expense	3,919	541
Prior period adjustments	(60)	(660)
	3,859	(119)
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,112)	(4,074)
Prior period adjustments	45	63
	(1,067)	(4,011)
Total income tax expense/(benefit) on continuing operations	2,792	(4,130)

Reconciliation of tax expense

Tax expense is reconciled to accounting profit as follows:

	9 MONTHS TO 31 DECEMBER 2020	12 MONTHS TO 31 MARCH 2020
\$'000		
Profit/(Loss) before income tax from continuing operations	10,362	(17,430)
At the statutory income tax rate of 28%	2,901	(4,880)
Non-assessable income and non-deductible expenses for tax purposes:		
Difference in overseas tax rate	48	(116)
Impairment of goodwill	-	1,197
(Non-assessable income)/ non-deductible expenses	(142)	266
Prior year adjustments	(15)	(597)
Total income tax expense/(benefit) on continuing operations	2,792	(4,130)

Deferred tax

Deferred tax relates to the following:

	31 DECEMBER 2020		31 MARCH 2020	
	Consolidated Statement of Comprehensive Income	Consolidated Statement of Financial Position	Consolidated Statement of Comprehensive Income	Consolidated Statement of Financial Position
\$'000				
Property, plant and equipment	75	1,633	117	1,558
Intangible assets	8	(885)	(4)	(893)
Right-of-use assets	2,454	(48,634)	(3,567)	(50,681)
Lease liabilities	(1,608)	59,159	7,485	60,301
Employee entitlement provisions	209	1,273	218	1,053
Other temporary differences	(71)	476	(238)	588
Deferred tax benefit	1,067		4,011	
Net deferred tax assets		13,022		11,926

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

7. Taxation (continued)

Deferred tax (continued)

Deferred tax assets are expected to be utilised by the reversal of taxable temporary differences as well as the generation of taxable profits by the Group.

Foreign exchange movements on deferred tax of \$28,692 has been recognised during the period.

Imputation credits

Imputation credits available for use in subsequent reporting periods are \$11.8 million (March 2020: \$11.3 million), including imputation credits that will arise from the payment of the amount of the provision for income tax. No dividends are provided for or receivable that would affect the available imputation credits at 31 December 2020. There are no Australian franking credits available.

8. Cash and Cash Equivalents

	AS AT 31 DECEMBER 2020	AS AT 31 MARCH 2020
\$'000		
Cash at banks and on hand	32,596	15,064
Short-term deposits	26,543	23,984
Total cash and cash equivalents	59,139	39,048

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 three months, depending on the immediate cash requirements of the Group, and earn interest at the relevant short-term deposit rates.

Refer to Note 23 for details of notes issue during the period, which have impacted the amount of cash and cash equivalents held.

9. Trade and Other Receivables

	AS AT 31 DECEMBER 2020	AS AT 31 MARCH 2020
\$'000		
Trade receivables	1,076	1,138
Government wage subsidy receivable	-	12,009
Prepayments and sundry receivables	1,431	614
Total trade and other receivables	2,507	13,761

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

10. Property, Plant and Equipment

		Plant and Equipment	Office Furniture and Fittings	Leasehold Improvements	Motor Vehicles	Work in Progress	Total
31 DECEMBER 2020							
\$'000	Note						
Cost							
Opening balance		1,159	7,683	6,497	128	1,170	16,637
Additions/Transfers		320	526	2,289	3	1,556	4,694
Disposals/Transfers		(48)	(284)	(75)	(16)	(2,435)	(2,858)
Closing balance		1,431	7,925	8,711	115	291	18,473
Depreciation and impairment							
Opening balance		(654)	(5,700)	(3,361)	(69)	(70)	(9,854)
Depreciation for the period		(182)	(570)	(1,241)	(7)	-	(2,000)
Impairment reversal	14	8	47	31	-	70	156
Disposals		34	245	25	5	-	309
Closing balance		(794)	(5,978)	(4,546)	(71)	-	(11,389)
Foreign exchange movements		-	7	11	-	-	18
Net book value		637	1,954	4,176	44	291	7,102
31 MARCH 2020							
\$'000	Note						
Cost							
Opening balance		831	6,968	4,220	128	984	13,131
Additions/Transfers		361	772	2,406	96	827	4,462
Acquisition of businesses		-	205	-	-	-	205
Reclassified as no longer held for sale		42	79	238	-	-	359
Disposals/Transfers		(75)	(341)	(367)	(96)	(641)	(1,520)
Closing balance		1,159	7,683	6,497	128	1,170	16,637
Depreciation and impairment							
Opening balance		(450)	(5,081)	(1,697)	(79)	-	(7,307)
Depreciation for the year		(203)	(786)	(1,299)	(17)	-	(2,305)
Reclassified as no longer held for sale		(19)	(35)	(108)	-	-	(162)
Impairment expense	14	(27)	(79)	(333)	-	(70)	(509)
Disposals		45	281	76	27	-	429
Closing balance		(654)	(5,700)	(3,361)	(69)	(70)	(9,854)
Foreign exchange movements		-	-	-	-	-	-
Net book value		505	1,983	3,136	59	1,100	6,783

Disposals arise either when individual assets are no longer required or become obsolete, or when a centre has been closed or sold.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

11. Group Information

Information about subsidiaries

The consolidated financial statements of the Group include:

Name	Principal Activities	Country of Incorporation	Balance Date	Equity Interest
Evolve Group 1 Limited	ECE centre owner	NZ	31 December	100%
Evolve Group 2 Limited	ECE centre owner	NZ	31 December	100%
Evolve Group 3 Limited	ECE centre owner	NZ	31 December	100%
Evolve Group 4 Limited	ECE centre owner	NZ	31 December	100%
Evolve Group 5 Limited	ECE centre owner	NZ	31 December	100%
Evolve Group 6 Limited	Non-trading	NZ	31 December	100%
Evolve Management Group Limited	Investment Company	NZ	31 December	100%
Evolve ECEM Limited	Non-trading	NZ	31 December	100%
Lollipops Educare Holdings Limited	Investment company	NZ	31 December	100%
Lollipops Educare Limited	Evolve corporate office	NZ	31 December	100%
Lollipops Educare Centres Limited	ECE centre owner	NZ	31 December	100%
Lollipops Educare (Hastings) Limited	ECE centre owner	NZ	31 December	100%
Lollipops Educare (Birkenhead) Limited	ECE centre owner	NZ	31 December	100%
Evolve Home Day Care Limited	Investment company	NZ	31 December	100%
Au Pair (Evolve) Limited	Non-trading	NZ	31 December	100%
Evolve Early Education Pty Ltd	ECE centre owner	Australia	31 December	100%

12. Business Combinations

There have been no business combinations in the 9 months ending 31 December 2020.

Contingent Consideration

In the previous year ended 31 March 2020, the Group acquired ten ECE centres from four separate vendors across Queensland and Victoria, Australia. As part of the purchase agreements entered into with previous owners, a portion of the consideration was determined to be contingent, based on the performance of the acquired businesses.

The following table outlines the additional amounts payable to the previous owners if the specified performance conditions are met.

	31 DECEMBER 2020		31 MARCH 2020	
	Total potential contingent consideration payable	Carrying value	Total potential contingent consideration payable	Carrying value
\$'000				
Acquisition of centres				
<i>Condition - Performance hurdles based on EBIT</i>	-	-	1,950	205

The potential contingent consideration payable in cash is recognised in the carrying value if the conditions for the additional amount were met as at period end. As at 31 December 2020, the assessment period for the remaining potential contingent consideration ended and no performance hurdles were met.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

12. Business Combinations (continued)

Movement in Contingent Consideration

A reconciliation of the fair value of the contingent consideration liability is provided below.

	9 MONTHS TO 31 DECEMBER 2020
\$'000	
Financial liability for contingent consideration as at 1 April 2020	205
Contingent consideration paid	(205)
Total contingent consideration payable as at 31 December 2020	-

13. Intangible Assets

31 DECEMBER 2020	Customer Lists	Management Contracts	Software	Brands	Goodwill	Total
\$'000						
Cost						
Opening balance	141	372	1,392	3,104	225,952	230,961
Additions	-	-	31	-	-	31
Disposals	-	-	(656)	-	-	(656)
Closing balance	141	372	767	3,104	225,952	230,336
Amortisation and impairment						
Opening balance	(141)	(372)	(1,279)	-	(112,087)	(113,879)
Amortisation expense	-	-	(60)	-	-	(60)
Disposals	-	-	656	-	-	656
Closing balance	(141)	(372)	(683)	-	(112,087)	(113,283)
Foreign exchange movement	-	-	-	-	644	644
Net book value	-	-	84	3,104	114,509	117,697
31 MARCH 2020						
\$'000						
Note						
Cost						
Opening balance	141	372	1,338	3,104	203,381	208,336
Additions	-	-	54	-	-	54
Acquisition of businesses	-	-	-	-	22,571	22,571
Closing balance	141	372	1,392	3,104	225,952	230,961
Amortisation and impairment						
Opening balance	(141)	(372)	(1,118)	-	(108,095)	(109,726)
Amortisation expense	-	-	(161)	-	-	(161)
Impairment expense	-	-	-	-	(3,992)	(3,992)
Closing balance	(141)	(372)	(1,279)	-	(112,087)	(113,879)
Foreign exchange movement	-	-	-	-	-	-
Net book value	-	-	113	3,104	113,865	117,082

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

14. Impairment

Impairment assessment of CGUs excluding indefinite useful life intangible assets

The impairment assessment of CGUs concluded that indicators for both impairment and reversals of impairment losses recognised in prior periods existed as at 31 December 2020. The various CGUs were tested by calculating the recoverable amount. CGUs which were loss-making were impaired. Impairment reversals were recognised for CGUs that were previously impaired and now had an estimated recoverable amount exceeding their carrying value. The discount rate used to perform the assessment was a pre-tax rate of 13.9%.

	9 MONTHS TO 31 DECEMBER 2020	12 MONTHS TO 31 MARCH 2020
\$'000		
Impairment expense - right-of-use assets	139	7,840
Impairment reversal - property, plant and equipment	(156)	509
	(17)	8,349

Impairment assessment of indefinite useful life intangible assets

The New Zealand and Australia indefinite useful life intangible assets balance of \$98.4 million and \$19.2 million has been tested for impairment as at 31 December 2020.

The recoverable amount of the group of NZ and Australian CGUs, to which indefinite useful life intangible assets have been allocated, was determined using a value-in-use discounted cash flow methodology using Board approved cash flow forecasts covering a five-year period. Forecasts have been revised to reflect the uncertainty arising from the Covid-19 pandemic and its aftermath.

No impairment has been recognised in the period ended 31 December 2020.

	AS AT 31 DECEMBER 2020	AS AT 31 MARCH 2020
\$'000		
Goodwill	114,509	113,865
Brands with indefinite useful lives	3,104	3,104
	117,613	116,969

Foreign exchange movement of \$0.6 million was recognised during the period.

NZ ECE Centres - Goodwill

Key assumptions used in value-in-use calculations

The key "base" assumptions used in the calculation of value-in-use for NZ ECE Centres are:

- Revenue growth through the forecast period
- Wages growth through the forecast period
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

Notes to the Consolidated Financial Statements
FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

14. Impairment (continued)

NZ ECE Centres - Goodwill (continued)

Key assumptions used in value-in-use calculations (continued)

The table below sets out the key assumptions for ECE NZ Centres:

	31 DECEMBER 2020 New Zealand	31 MARCH 2020 New Zealand (Restated)
Revenue growth attributable to parental fee pricing (% per annum on average)	2.4%	0.4%
Revenue growth attributable to MOE funding rates (% per annum on average)	1.1%	1.4%
Revenue growth attributable to increase in occupancy (% per annum on average)	0.8%	0.1%
Total revenue growth (% per annum on average)	4.3%	1.9%
Wages growth (% per annum on average)	4.7%	1.4%
Pre-tax discount rates (%)	11.1%	11.4%
Long-term growth rate (%)	1.5%	1.5%

Revenue - Price: Revenue is received from the NZ Ministry of Education and parents/caregivers. It is assumed the Ministry of Education NZ continues to support early childhood education to the value of approximately 66% (March 2020: 66%) of ECE revenue earned. If the NZ Government were to reduce its funding of the sector, this would lead to an increased requirement for parents and caregivers to make up the difference. If NZ Government funding were to decrease, the Group would need to initiate appropriate responses to maintain profitability. The assumptions reflect the impact of future increases in funding that have been announced by the NZ Government (1.6% from 1 January 2021), with subsequent annual increases in line with past experience (1.6% per year). Parental fees are assumed to increase by 5% from March 2021 then by 1.6% per year, in line with wage increases. As discussed in note 2a, no parental fees were charged during alert levels 4 or 3 in 2020. This has increased the revenue growth attributable to parental fee pricing over the forecast period.

Revenue - Occupancy: Occupancy refers to the number of full-time equivalent children attending centres. A number of initiatives are in place to increase occupancy, involving both attracting new children as well as retaining existing ones and optimising their attendance. There has been a focus on improving the quality of education provided, increased investment in the physical amenities of centres, targeted local advertising, and closure or sale of poor performing centres.

Wages: Wages growth of 4.7% disclosed in the table above includes the effects of the government wage subsidy received in the current period. Excluding this, wages are assumed to increase at an average of 1.0% per year.

Pre-tax discount rates: The discount rates represent the current market assessment of the risks specific to the group of CGUs, 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 industry segment the Group is engaged in, and is derived from its weighted average cost of capital (WACC). The WACC takes into account both the cost of debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors using the capital asset pricing model. The cost of debt takes into account borrowing rates for both the Group and the market. The overall discount rate is independent of the Group's capital structure and the way the Group might finance the purchase of a business. 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.

Long-term growth rate: This rate is based on current inflation rates in New Zealand and forecast or assumed increases in revenues from parents/caregivers and the Government.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

14. Impairment (continued)

Sensitivity to changes in key assumptions

The most sensitive assumption in the calculation of value-in-use for the NZ ECE Centres CGU is revenue growth, followed by wage costs. The following summarises the amounts by which the key assumptions would need to change, with all other assumptions remaining constant, for the recoverable amount to equal the carrying amount:

\$'000	Headroom/ (Impairment)
Base assumption	41,438
Occupancy	-0.87%
Childcare fee growth	-2.63%
Ministry of Education funding growth	-1.32%
Wages growth	1.58%
Pre-tax discount rate	1.27%
Long-term growth rate	-2.17%

The following summarises the impairment or headroom that would have resulted had the noted changes in the "base" assumptions been made, with all other assumptions remaining constant:

\$'000	Headroom/ (Impairment)
Base assumption	41,438
Occupancy at 70% at the end of the forecast period	27,586
Occupancy at 65% at the end of the forecast period	(118)
MOE funding rate growth +0.5% above base	53,840
MOE funding rate growth -0.5% below base	29,206
Childcare fees growth +1.0% above base	53,095
Childcare fees growth -1.0% below base	30,055
Wages growth +1.0% above base	15,166
Wages growth -1.0% below base	66,779

Australian ECE Centres - Goodwill

Key assumptions used in value in use calculations

The key "base" assumptions used in the calculation of value-in-use for the Australian ECE Centres CGUs are:

- Revenue growth through the forecast period
- Wages growth through the forecast period
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

14. Impairment (continued)

Australian ECE Centres - Goodwill (continued)

Key assumptions used in value in use calculations (continued)

The table below sets out the key assumptions for Australian ECE centres CGUs:

	31 DECEMBER 2020 Australia	31 MARCH 2020 Australia (Restated)
Revenue growth attributable to price (% per annum on average)	5.7%	2.0%
Revenue growth attributable to increase in occupancy (% per annum on average)	0.0%	0.0%
Total revenue growth (% per annum on average)	5.7%	2.0%
Wages growth (% per annum on average)	8.8%	2.0%
Pre-tax discount rates (%)	11.9%	13.1%
Long-term growth rate (%)	1.5%	1.5%

Revenue: As discussed in note 2a, families were not charged fees under the ECECR package. This has increased the revenue growth attributable to pricing over the forecast period.

Wages: Wages growth of 8.8% disclosed in the table above includes the effects of the government wage subsidy received in the current period. Excluding this, wages are assumed to increase at an average of 3.5% per year.

Sensitivity to changes in key assumptions

The most sensitive assumption in the calculation of value-in-use is revenue growth, followed by wage costs. Revenue growth will be achieved through pricing, as occupancy is not assumed to grow, given the centres currently have good occupancy levels. The following summarises the amounts by which the key assumptions would need to change, with all other assumptions remaining constant, for the recoverable amount to equal the carrying amount:

\$'000	Headroom/ (Impairment)
Base assumption	7,796
Revenue growth	-1.10%
Wages growth	1.93%
Pre-tax discount rate	1.92%
Long-term growth rate	-1.98%

The following summarises the impairment or headroom that would have resulted had the noted changes in the "base" assumptions been made, with all other assumptions remaining constant:

\$'000	Headroom/ (Impairment)
Base assumption	7,796
Revenue growth +2.0% above base	22,573
Revenue growth -2.0% below base	(6,193)
Wages growth +2.0% above base	(310)
Wages growth -2.0% below base	15,469

The changes used are based on an assessment of reasonably-likely variations in the assumptions.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

15. Trade and Other Payables

\$'000	Note	AS AT 31 DECEMBER 2020	AS AT 31 MARCH 2020
Trade payables		1,807	504
Goods and services tax payable		2,850	3,642
Wage subsidy relating to the following financial period	6	-	11,208
Other payables		2,467	3,819
Total trade and other payables		7,124	19,173

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amount of trade and other payables are considered to be the same as their fair value, due to their short-term nature.

16. Funding Received in Advance

Funding from NZ Ministry of Education

Represents NZ 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. Funding is received three times a year on 1 March, 1 July and 1 November. Each funding round includes 75% of the estimated funding for the four months ahead, as well as payment of the remaining 25% payable for the previous funding period, adjusted for any changes in occupancy and other criteria. At 31 December 2020 funding received in advance relates to January and February 2021. Funding receivable relates to the remaining 25% of funding, adjusted for any changes in occupancy and other criteria, in respect of November and December 2020.

\$'000	AS AT 31 DECEMBER 2020	AS AT 31 MARCH 2020
Funding received in advance	8,942	14,956
Funding receivable	(4,303)	(3,152)
Total funding received in advance	4,639	11,804

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

17. Right-of-use Assets and Lease Liabilities

a) Right-of-use assets

31 DECEMBER 2020	Leased properties	Leased motor vehicles	Total
\$'000			
Opening net book value	177,960	278	178,238
Additions	2,045	98	2,143
Depreciation and impairment	(8,857)	(152)	(9,009)
Lease remeasurements	(1,908)	-	(1,908)
Foreign exchange movements	1,474	-	1,474
Closing net book value	170,714	224	170,938
Cost	198,030	547	198,577
Accumulated depreciation	(19,283)	(323)	(19,606)
Impairment	(8,033)	-	(8,033)
As at 31 December 2020	170,714	224	170,938

Included in accumulated depreciation is a reversal of \$0.5 million for lease termination.

31 MARCH 2020	Leased properties	Leased motor vehicles	Total
\$'000			
Adjustment on adoption of NZ IFRS 16	167,643	359	168,002
Additions	29,192	104	29,296
Depreciation and impairment	(18,875)	(185)	(19,060)
Closing net book value	177,960	278	178,238
Cost	196,835	463	197,298
Accumulated depreciation	(11,035)	(185)	(11,220)
Impairment	(7,840)	-	(7,840)
As at 31 December 2020	177,960	278	178,238

b) Lease liabilities

	AS AT 31 DECEMBER 2020	AS AT 31 MARCH 2020
\$'000		
Current lease liabilities	8,028	10,495
Non-current lease liabilities	200,196	201,973
Total lease liabilities	208,224	212,468

The Group leases childcare centres, motor vehicles and office equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. As at 31 December 2020, the Group's leases had a weighted average remaining lease term of 18.6 years.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

17. Right-of-use Assets and Lease Liabilities (continued)

c) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	9 MONTHS TO 31 DECEMBER 2020	12 MONTHS TO 31 MARCH 2020
\$'000		
Depreciation charge of right-of-use assets		
Properties	8,718	11,358
Motor vehicles	152	185
	8,870	11,543
Interest expense (included in finance cost)	12,361	16,904
Expense relating to short-term leases (included in building occupancy expenses)	252	171
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in direct expenses of providing services)	110	270

The total cash outflow for leases during the period was \$18.0 million (March 2020: 23.1 million)

d) Impairment testing of right-of-use assets

As detailed in Notes 3(i) and 3(m), non-financial assets including right-of-use assets are reviewed annually for indicators of impairment. Where there is an indicator of impairment, the carrying value of the asset is compared to its recoverable amount. Refer to Note 14.

18. Employee Entitlements

	AS AT 31 DECEMBER 2020	AS AT 31 MARCH 2020
\$'000		
Employee leave provisions	4,328	3,159
Accrued wages and salaries	2,162	2,897
Other employee entitlements	337	274
Total employee entitlements	6,827	6,330

19. Issued Capital

Authorised shares

	31 DECEMBER 2020		31 MARCH 2020	
	Number	\$'000	Number	\$'000
Ordinary shares authorised, issued and fully paid				
Opening balance	1,118,603,993	237,976	180,278,557	159,598
Issue of ordinary shares, net of transaction costs	-	-	938,325,436	78,378
Share consolidation	(978,778,354)	-	-	-
Closing balance	139,825,639	237,976	1,118,603,993	237,976

On 15 December 2020, the Group completed a share consolidation where every eight shares held were consolidated into one share. As a result, the total number of shares on issue were reduced from 1,118,603,993 to 139,825,639, after rounding of fractional entitlements. There were no changes in the fair value of total issued capital as a result of this consolidation.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

20. 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, accumulated net earnings/deficits of the Group, as well as available cash and cash equivalents and borrowings. 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.

Dividend Policy

The current dividend policy of the Group is to pay dividends between 40% and 60% of net profit after tax of the preceding period, but at the Board's discretion based on the Group's available financial resources.

Financial Covenants

The Group's capital management policy, amongst other things, aims to ensure that it meets its financial covenants attached to any interest bearing loans and borrowings that support capital structure requirements. The specific covenants relating to financial ratios the Group is required to meet are:

Senior secured notes - issued 4 December 2020 (refer Note 23)

- Gearing ratio (i.e. core debt to equity)
- Fixed cover charges ratio (i.e. EBITDA to total interest excluding lease interest)
- Total leverage ratio (i.e. debt less cash to EBITDA)
- Debt leverage ratio (i.e. debt less lease liabilities to Underlying EBITDA)

ASB senior revolving and acquisition facilities - cancelled 3 December 2020 (refer Note 23)

- Gearing ratio (i.e. core debt to equity)
- Fixed cover charges ratio (i.e. EBITDA to total interest less lease interest)

Breaches of the financial covenants could permit the lender to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowings in the current or prior period.

21. Dividends

Dividends paid during the current period

No dividend was paid during the period ended 31 December 2020 (31 March 2020: Nil).

Policies

Dividends are paid in cash in accordance with the dividend policy of the Group.

Dividend reinvestment plan

Under the Company's dividend reinvestment plan, holders of ordinary shares may elect to reinvest the net proceeds of cash dividends payable or credited to acquire further fully paid ordinary shares in the Company.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

22. Earnings Per Share (EPS)

Basic and diluted EPS amounts are calculated by dividing the profit or loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. The number of shares outstanding for the current and previous periods are adjusted for the effect of the share consolidation during the current period (refer Note 19). The following reflects the income and share data used in the basic and diluted EPS computations:

	9 MONTHS TO 31 DECEMBER 2020	12 MONTHS TO 31 MARCH 2020 (Restated)
Profit/(loss) after income tax attributable to the shareholders of the Company (\$'000s)	7,570	(13,300)
Weighted average number of ordinary shares for basic and diluted EPS	139,825,639	115,509,891
Basic and diluted EPS attributable to the shareholders of the Company (cents per share)	5.4	(11.5)

There have been no other transactions involving ordinary shares or potential ordinary shares during the current or previous periods.

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 not significant and risk management is carried out by senior finance executives and the Board of Directors.

Market risk

Foreign currency risk

The Group is exposed to foreign currency risk associated with the Australian dollar ("AUD"). Foreign currency risk arises from future commercial transactions and from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

The foreign currency risk associated with the Australia operations is managed through a natural hedge as the cash flows from the Australian operations are denominated in Australian dollars.

The carrying amount of the Group's financial assets and liabilities that are denominated in other foreign currencies are set out below.

	AS AT 31 DECEMBER 2020
\$'000	AUD
Cash and cash equivalents	40,206
Term deposit	1,468
Other current assets	372
Trade payables	(426)
Borrowings	(33,911)
	7,709

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23. Financial Assets and Liabilities (continued)

Market risk (continued)

Foreign currency risk (continued)

Sensitivity

As shown in the table above, as at 31 December 2020, the Group has financial assets and liabilities that are denominated in AUD. However, these AUD financial assets and liabilities are denominated in the functional currency of the foreign subsidiary. Any translation gains or losses arising from changes in NZD/AUD exchange rates are recognised in the foreign currency translation reserve within equity, and not profit or loss.

Price risk

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

Interest rate risk

The Group's main interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The weighted average effective interest rate for the current period is 3.7% (March 2020: 7.7%). The effective interest rate has decreased in the current period as a result of a decrease in ASB lending rates. Bank borrowings were fully repaid in the current period and A\$35 million, five year senior secured notes issued with a fixed interest rate of 7.5% per annum. The effect of an increase or decrease of $\pm 1\%$ in interest rates on the fair value interest rate risk will result in a $\pm \$27,000$ (March 2020: $\pm \$0$) movement on profit or loss before tax. The Group is no longer exposed to cash flow interest rate risk after the repayment of floating rate bank borrowings in the current period.

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. Exposure to interest rate risk is reduced by investing surplus cash in on-call savings accounts or term deposits.

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 Consolidated Statement of Financial Position and Notes to the Consolidated Financial Statements. The Group has no significant credit risk exposure. The Standard & Poors credit ratings of the banks where the Group holds cash are all AA- (sources: www.rbnz.govt.nz and Standard & Poors).

Liquidity risk

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.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

23. Financial Assets and Liabilities (continued)

Market risk (continued)

Financing arrangements

The Group's financing arrangements comprise the following facilities:

- **Senior secured notes ("notes")** - A\$35 million five year notes issued on 4 December 2020 with a fixed interest rate of 7.50% per annum, payable quarterly in arrears. The notes are secured by way of a first ranking general security agreement over all present and future assets and undertakings of the Group, together with an all obligations cross guarantee and indemnity. Proceeds from the issue has been used to repay ASB debt and for future acquisitions.
- **Lease guarantee facility** - provided by ASB for \$2.5 million for guarantees required for certain leasehold properties. This facility is cash-backed by a term deposit held with ASB.
- **Lease guarantee facility** - provided by NAB for A\$1.4 million for guarantees required for certain leasehold properties in Australia. This facility is cash-backed by a term deposit held with NAB.

The below facilities were repaid in full and cancelled during the current period:

- **Senior revolving facility** - provided by ASB totalling \$8.5 million for general corporate and working capital purposes.
- **Acquisition facility** - provided by ASB totalling \$17.4 million for funding of acquisitions.

The Group was in compliance with all covenants throughout the current and previous periods.

Remaining contractual maturities

The contractual maturity for the Group's financial instrument liabilities (that is, trade payables) is disclosed in Note 15. The principal amount (A\$35 million) of the notes is repayable in December 2025 and interest payments are A\$2.625 million per annum for the next five years.

As at period end, the Group has a lease liabilities balance of \$208.2 million (refer Note 17b). Including renewal rights expected to be exercised, the maturities of these leases are spread over the period to November 2054.

Fair value of financial instruments

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

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FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

24. Net Debt Reconciliation

Movements on net debt comprise:

31 DECEMBER 2020	Cash and cash equivalents	Borrowings	Lease liabilities	Total
\$'000				
Net debt as at 1 April 2020	39,048	(17,666)	(212,468)	(191,086)
Notes issued, net of transaction costs	-	(35,440)	-	(35,440)
Bank borrowings repaid	-	17,359	-	17,359
Amortisation of modification loss	-	307	-	307
Additions	-	-	(1,153)	(1,153)
Interest on lease liabilities	-	-	(12,361)	(12,361)
Repayment of lease liabilities	-	-	17,983	17,983
Other movements on lease liabilities	-	-	1,318	1,318
Cash flows	19,059	-	-	19,059
Foreign exchange movements	1,032	(697)	(1,543)	(1,208)
Net debt as at 31 December 2020	59,139	(36,137)	(208,224)	(185,222)
Due within one year	59,139	(232)	(8,028)	50,879
Due in more than one year	-	(35,905)	(200,196)	(236,101)
	59,139	(36,137)	(208,224)	(185,222)

Certain terms of the ASB borrowing facilities were renegotiated and amended in May 2019, resulting in a modification loss of \$0.3 million being recognised in the previous year. This was fully amortised on repayment of the facilities and recognised within finance costs in the current period.

31 MARCH 2020	Cash and cash equivalents	Borrowings	Lease liabilities	Total
\$'000				
Net debt as at 1 April 2019	25,274	(55,359)	-	(30,085)
Adoption of NZ IFRS 16	-	-	(189,841)	(189,841)
Bank borrowings repaid	-	38,000	-	38,000
Modification loss	-	(307)	-	(307)
Additions	-	-	(43,953)	(43,953)
Interest on lease liabilities	-	-	(16,828)	(16,828)
Repayment of lease liabilities	-	-	22,814	22,814
Other movements on lease liabilities	-	-	15,340	15,340
Cash flows	13,774	-	-	13,774
Net debt as at 31 March 2020	39,048	(17,666)	(212,468)	(191,086)
Due within one year	39,048	-	(10,495)	28,553
Due in more than one year	-	(17,666)	(201,973)	(219,639)
	39,048	(17,666)	(212,468)	(191,086)

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

25. Reconciliation of Profit/(Loss) After Tax to Net Operating Cash Flows

	9 MONTHS TO 31 DECEMBER 2020	12 MONTHS TO 31 MARCH 2020
\$'000		
Profit/(Loss) after income tax	7,570	(13,300)
Adjustments for non cash items:		
Depreciation and amortisation	10,930	14,009
Impairment (reversal)/expense	(17)	12,341
(Gain)/loss on disposal of property, plant and equipment	(10)	144
Remeasurement of lease liabilities	(401)	(916)
(Gain)/loss on sale of businesses	(62)	483
Deferred tax	(1,067)	(9,781)
Employee benefits expense - share-based payments	-	18
Adjustments for items classified as investing or financing activities:		
Finance costs	12,703	19,585
Working capital movements relating to operating activities:		
Increase/(decrease) in funding received in advance	(7,165)	(821)
(Increase)/decrease in other current assets	11,254	(10,751)
Increase/(decrease) in trade and other payables	(12,049)	12,453
Increase/(decrease) in current income tax payables	3,395	(152)
Increase in employee entitlements	497	378
Other items:		
Business combination completion payment classified as investing	205	-
Net cash flows from operating activities	25,783	23,690

26. Commitments and Contingencies

Operating lease commitments - Group as lessee

Future minimum rentals of office equipment not subject to NZ IFRS 16 at 31 December 2020 are:

	AS AT 31 DECEMBER 2020	AS AT 31 MARCH 2020
\$'000		
Within one year	210	370
After one year but not more than five years	213	338
Total	423	708

Guarantees

A total of \$2.3 million (March 2020: \$2.3 million) of the lease guarantee facility disclosed in Note 23 has been utilised.

For the Australian operation, a total of A\$1.2 million (March 2020: A\$1.2 million) of bank lease guarantees have been utilised.

Contingencies

There are no material contingent liabilities not already disclosed as at 31 December 2020.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

27. Related Party Transactions

Identity of Related Parties

Related parties of the Group are:

- The Board of Directors comprising Hamish Stevens, Adrian Fonseca, Chris Scott, Chris Sacre, and Kim Campbell.
- Timothy Wong, Chief Executive Officer of the New Zealand operations of the Group.
- J 47 Pty Limited, a company of which Chris Scott is the sole director and shareholder.
- Upton124 Pty Limited, a company of which Chris Sacre is a director.
- Sovana Child Care Pty Limited, a company of which Adrian Fonseca is the sole director and shareholder, and is a trustee of Sovana Child Care Trust.
- Vasona Pty Limited, a company of which Adrian Fonseca is a director and sole shareholder.
- Lai Wong Pty Limited, a company which Timothy Wong has the ability to control.

Related party transactions arising during the period:

- Transactions between the Company and its Directors, members of its key management and certain employees can be summarised as follows:
 - **Directors' remuneration** - The Directors' fees pool is currently \$500,000 per annum (plus GST, if any), with the amount of fees paid during the period disclosed in the table below. The Board elected to take a 16.7% reduction in Directors' fees, from December 2019 to December 2020, as a contribution to the Group's efforts to improve profitability. 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.

	9 MONTHS TO 31 DECEMBER 2020	12 MONTHS TO 31 MARCH 2020
\$'000		
Hamish Stevens	86	78
Chris Scott	50	75
Chris Sacre	50	75
Kim Campbell	56	43
Adrian Fonseca	63	38
Alistair Ryan	-	28
Norah Barlow	-	40
Grainne Trout	-	38
Total Directors' Remuneration	305	415

- **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:**
 - During the period, Sovana Child Care Pty Limited transferred 17,250,000 shares in the Company to Vasona Pty Limited.
 - On 23 December 2020, AUD \$0.2 million was paid to Sovana Child Care Pty Limited, based on the performance of centres acquired by the Group in September and October 2019. There are no further amounts potentially payable with respect to these centres.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

27. Related Party Transactions (continued)

Related party transactions arising during the period (continued):

- Compensation of key management personnel of the Group:

	9 MONTHS TO 31 DECEMBER 2020	12 MONTHS TO 31 MARCH 2020
\$'000		
Short-term employee benefits	514	1,624
Share-based payments	-	18
Total compensation paid to key management personnel	514	1,642

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

Contingent consideration:

The total potential contingent consideration of \$1.95 million disclosed in the previous year (refer Note 12) relate to centres acquired from Sovana Child Pty Limited and Cubby Care Pty Limited, an entity of which Timothy Wong is a minority shareholder.

Shareholding interests of Directors and key management of the Company:

	AS AT 31 DECEMBER 2020	AS AT 31 MARCH 2020 (Restated)
Units of shares		
Chris Scott	26,227,514	26,227,514
Chris Sacre	8,128,332	8,128,332
Adrian Fonseca	2,156,250	2,156,250
Kim Campbell	3,750	3,750
Timothy Wong	875,000	875,000
	37,390,846	37,390,846

The Group completed a share consolidation during the period where every eight shares held were consolidated into one share (refer Note 19).

28. Auditor's Remuneration

During the period the following fees were paid or payable for services provided by the Group's auditor, Grant Thornton (March 2020: PricewaterhouseCoopers):

	9 MONTHS TO 31 DECEMBER 2020	12 MONTHS TO 31 MARCH 2020
\$'000		
Assurance services:		
<i>Audit and review of the consolidated financial statements:</i>		
Grant Thornton for the financial period ending 31 December 2020	170	-
PricewaterhouseCoopers for the financial period ending 31 March 2020	-	410
Total assurance services	170	410
Other services provided by auditor:		
Taxation compliance services performed by PricewaterhouseCoopers	-	43
Other non-assurance services performed by PricewaterhouseCoopers	-	7
Total other services	-	50

Other non-assurance services in the previous year related to benchmarking of Directors' fees.

Notes to the Consolidated Financial Statements

FOR THE 9 MONTHS ENDED 31 DECEMBER 2020

29. Events After the Reporting Period

Covid-19 impact

As discussed in Note 2a, Covid-19 has had a significant global impact. While the short-term financial position of the Group has not been materially impacted, there remains inherent uncertainty regarding the longer-term impact. Victoria moved to alert level 4 again from 13 to 17 February and Auckland to alert level 3 from 15 to 17 February. At the time of approving these financial statements, there are no known material adverse impacts on the Group.

Independent Auditor's Report

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To the Shareholders of Evolve Education Group Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Evolve Education Group Limited (the "Company") and its subsidiaries (the "Group") on pages 2 to 44 which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the nine month period then ended, and notes to the financial statements, including a summary of significant accounting policies

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020 and its consolidated financial performance and cash flows for the nine month period then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)") issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Why the audit matter is significant	How our audit addressed the key audit matter
<p>Impairment of non-financial assets</p> <p>As at 31 December 2020, the Group had the following non-financial assets:</p> <ul style="list-style-type: none"> • Goodwill of \$114.5m (note 13); • Brands of \$3.1m (note 13); • Right-of-use-assets of \$170.9m (note 17); and • Property, plant and equipment of \$7.1m (note 10). <p>The accounting standards require non-financial assets to be assessed for indicators of impairment or whether there is an indication that previously recognised impairment losses no longer exist on an annual basis. The Group has performed an evaluation of these indicators and identified specific assets or cash generating units (“CGU”) which require an impairment assessment.</p> <p>Indefinite life intangible assets, such as goodwill and brands are tested for impairment at least on an annual basis irrespective of whether impairment indicators exist. Consequently the Group has also performed an impairment assessment for goodwill and brands.</p> <p>In relation to the impairment assessments performed, the Group recognised a net impairment reversal of \$17,000 which is made up of an impairment expense of \$139,000 and an impairment reversal of \$156,000 (refer note 14).</p> <p>We included the impairment of non-financial assets as a key audit matter due to the high level of judgement required in determining the value of the recoverable amounts of assets or CGUs.</p>	<p>To address the risk associated with impairment of assets, the following audit procedures were carried out:</p> <ul style="list-style-type: none"> • Gained an understanding, evaluated and validated management's internal controls related to the impairment assessment process; • Assessed the reasonability of the methodology used by the Group based on industry / market practice; • Obtained management's future cash flow forecasts, tested the mathematical accuracy of the underlying calculations and agreed them to the Board approved budgets; • Compared historical actual results to those budgeted to assess the quality of management's forecasts; • Assessed reasonableness of key assumptions used in the calculations by discussing with management and evaluated management's basis for determining such assumptions; • Engaged auditor's valuation expert to assist in the assessment of reasonableness of management's judgements by determining our own point estimate; • Tested the sensitivity analysis prepared by management to ascertain that adverse changes to key assumptions would not cause, individually or in aggregate, the carrying amount to exceed the recoverable amount; and • Reviewed consolidated financial statement disclosure to determine their compliance with the requirements of the accounting standards.
<p>Revenue recognition – Ministry of Education New Zealand</p> <p>The Group has recognised revenue of \$62m (note 5) from the Ministry of Education in New Zealand.</p> <p>Revenue from the Ministry of Education in New Zealand is a key focus area due to the high volume of transactions occurring and its significance to operations.</p> <p>This is a Key Audit Matter due to the following:</p> <ul style="list-style-type: none"> • Funding received from Ministry of Education New Zealand (MOE NZ) is regulated under the Education Act 1989 which contains numerous complex requirements to determine the eligibility of funds; • The complexity involved in collating and summarising the information from manual timesheets and other records across a large number of centres. 	<p>To address the risk associated with revenue recognition, the following audit procedures were carried out:</p> <ul style="list-style-type: none"> • Evaluated the design and operational effectiveness of management's internal controls related to revenue recognition. • Reviewed revenue recognition policies for appropriateness and compliance with relevant accounting standards. • Performed predictive analytical procedures using recorded hours of child attendance and prescribed fee structures to determine the accuracy of the revenue recognised. • Performed analytical reviews on revenue figures to identify large or unusual movements and reviewing industry trends as well as the impact of Covid-19. • Selected a sample of transactions and inspected supporting documentation, cash received and assessed whether all criteria related to government funding has been met before being recognised as revenue.

Other Matter

The consolidated financial statements of the Group for the year ended 31 March 2020 was audited by another auditor who expressed an unmodified opinion on those statements on 26 June 2020.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Directors are responsible for the annual information. The other information comprises the annual report. The annual report is expected to be made available to use after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to report that fact.

Directors' responsibilities for the Consolidated Financial Statements

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/>

Restriction on use of our report

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders, as a body 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 opinion we have formed.

Grant Thornton New Zealand Audit Limited



Ryan Campbell
Auckland

26 February 2021

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