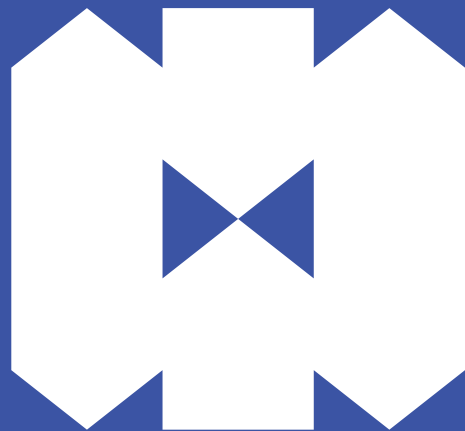


MACARTHUR NATIONAL LTD

Financial Report

For the year ended
30 June 2024





MACARTHUR NATIONAL LTD
ABN: 77 633 180 346

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Our Business

Section

01

About Macarthur National

Macarthur creates Social Infrastructure communities for families that seek to improve the lives of those who bring its spaces to life.

ZEST LIVING

RESIDENTIAL LAND LEASE COMMUNITIES

For over 55s



Montessori
Beginnings

EARLY CHILDHOOD EDUCATION AND CARE COMMUNITIES

For 0 - 6 years

**DEVELOP
THE COMMUNITY**

➤

**ESTABLISH
THE COMMUNITY**

➤

**OPERATE
THE COMMUNITY**

As an owner, developer and operator of Social Infrastructure communities Macarthur is focused on two identified Social Infrastructure sectors being:

Communities for Grandparents
Residential Land Lease Communities

Communities for Children
Early Learning and Childcare

ZEST LIVING



Macarthur is actively pursuing the strategic development of our residential land lease community housing division which operates under the Zest Living brand. We are focused on managing this expansion internally and to systematically increasing the scale of Zest Living in this growing market.

Macarthur remains committed to building on Montessori Beginnings proven track record and expertise in the Early Learning and Childcare sector. We are dedicated to advancing our presence and impact within this industry.



Toddler exploring and learning through block play

Established in 2018, Montessori Beginnings provides long day care childcare services utilising the ‘Montessori’ philosophy in teaching young children. The Montessori method, which is widely used in Western Europe and the USA, provides distinct choice for parents, enabling Montessori Beginnings to distinguish itself within the early learning and childcare sector.

Applying the ethos of child centered learning, which for the child is ‘help me do it myself’, Montessori Beginnings offers full or part-time learning and care services for children aged 6 weeks to 6 years. All children participate in a course of learning within age-specific groupings at Montessori Beginnings’ purpose-built facilities.



Montessori Beginnings Malvern



Montessori teacher demonstration



Montessori learning activity



Outside view of the new Brunswick centre

ZEST LIVING



Artists impression of Zest Living Yarrowonga

Established to service either semi-retired or retired people wishing to downsize or liberate equity and stored wealth in their current home to fund their lifestyle aspirations. Zest Living aims to provide a financially viable solution to residential living in retirement by separating home and land ownership, a model popular overseas but is in its infancy in Australia.

At Zest Living, residents purchase a house at a price typically less than the median home price and lease the underlying house lot from Zest Living for an annual fee on a long-term basis. This realises cash savings from excluding the land purchase component while also offering community living benefits such as broad companionship and access to exclusive communal recreational facilities within a gated community setting.



Enjoying local wines with great cheese pairings together



Residents enjoying the modern lawn bowls facilities



Cheering on the teams during the recent AFL Finals screening



Picturesque lakeside view at Zest Living Yarrowonga

Chief Executive Officer's Review

Review of business operations

During the financial year, the consolidated entity continued to implement its' strategic plans to expand its social infrastructure businesses with the aim to grow its value for the benefit of shareholders. At the date of this report the Group's social infrastructure businesses had grown to comprise:

Brand	Montessori Beginnings	Zest Living
Social infrastructure sector	Early learning and childcare	Residential land lease communities
Operating	10	0
Under construction	1	1
Pipeline	2	0
Total	13	1

In the past year, we brought a further 3 Montessori Beginnings services to maturity and welcomed first residents to the Company first land lease community, Zest Living Yarrowonga. Both of these achievements reflect the ongoing execution of the Company strategy to expand its social infrastructure businesses. During this period, the growth in Montessori Beginnings and Zest Living was supported with the first full year of operations of MNL communications and marketing team and Malaysian corporate support team which will provide a solid platform for future growth. This effort enabled us to efficiently allocate resources where needed most.

The Group revenue increased by 30% to \$24.8m in FY24 up from \$19m in the previous year which is mainly attributable to the robust childcare operation performance of the group and first contributions from Zest Living. In this regard, Operational EBITDA increased to \$1.5m in FY24 from \$0.9m in FY23.



Learning for all ages through a hands-on approach



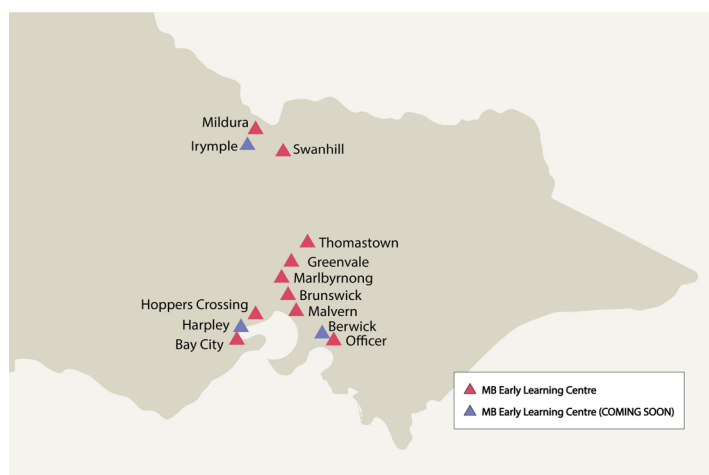
The view of completed homes at Zest Living Yarrowonga

A summary of the Group’s main operating segments is detailed below.

ELC Operations: Mature ELC’s (5 ELCs)

Generated \$19.7 million revenue (2023 \$11.7 m) for the consolidated entity in the year ended 30 June 2024.

Our childcare operations have maintained strong performance and have further solidified the Montessori Beginnings brand in the market. During FY24 the groups portfolio grew in both profitability with the total number of profitable centres growing to 8 and number of centres with the opening of Montessori Beginnings 10th service, Montessori Beginnings Brunswick. To support the growing number of both children entrusted to our care and educators working in our services, the Ugenius professional development programs were launched with the aim to improve our learning program delivery and child experiences.



ELC Investments (including 4 ELCs & development / investment segments)

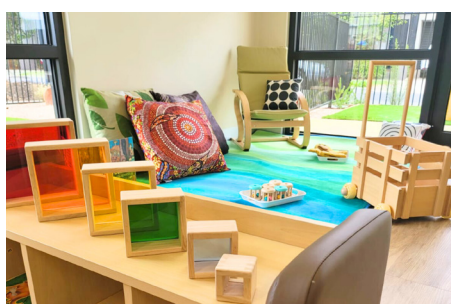
Generated \$2.2 million revenue (2023 \$7.6m) for the consolidated entity in the year ended 30 June 2024.

This segment comprises 3 components:

- a) ELC services: 2 operating ELC services being incubated that will be transferred to ELC Operations segment once mature. The trigger to transfer these services to ELC operations is at the time when the “sunk” investment made by the consolidated entity into each service has been fully repaid to the Group from operating earnings of the service. This segment also includes the ELC operational platform and centre support services.
- b) New early learning centres: At the date of this report Montessori Beginnings had 1 centre under construction and a pipeline of a further 2 centres in pre-development. Of the latter group, development permits for 1 centre has been obtained. Completion of construction and opening of these services in future years will see the total ELC services operated by the Group grow to 13.
- c) MNL Property Trust: Owner of ELC properties developed by the Group held for long term rental income generation. At 30 June 2024 Macarthur held an 80.10% unitholding in the trust.

Our bright & spacious new learning rooms:

Montessori Beginnings Brunswick welcomes you



Where exploration meets fresh air:

Montessori Beginnings outdoor learning adventure



Welcome to the Montessori journey:

Our latest addition now open in Brunswick



Safe exploration & joyful learning in our beautifully designed infant space



Zest Living

At 30 June 2024 Zest Living was focussed on its inaugural community in Yarrowonga. As at the date of this report Zest Living Yarrowonga had 7 residents living in the community with further homes being constructed for future residents who will move in across the coming year. Sales activity continues to progress however the rate of resident move in has and continues to be hampered by the broader market with future residents typically requiring to sell their current family home prior to being able to move to their new Zest Living home.

Zest Living Yarrowonga Community Centre and built homes



The timing of the development of the Zest Living Yarrowonga community and the future recognition of development profits and rental income will be subject to the rate at which residents move into the estate.

Likely developments and outlook

The group will maintain its emphasis on continual improvement of its services, bringing to maturity its development assets and ongoing expansion. Anticipated financial performance during the platform's growth phase is expected to be conservative as the business invests in building out both of its brands, Montessori Beginnings and Zest Living. As Macarthur builds out its social infrastructure businesses it intends to implement its stated objectives;

- a) Growth: Businesses owned by Macarthur will provide income streams from which Macarthur intends to utilise the earnings to re-invest into these businesses;
- b) Dividends: Properties owned by Macarthur will generate rental income which Macarthur intends to utilise to pay dividends to shareholders; and
- c) Seek an ASX listing of Macarthur.

Henry Townsing Jnr
Chief Executive Officer
16 October 2024



Z

Directors' Report

Section

02

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity' or 'Macarthur') consisting of Macarthur National Ltd (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Henry Townsing

Chairman

Dip Val (Royal Melbourne Institute of Technology)

Mr Townsing brings over 35 years' experience in investment management across real estate, private equity investment in early-stage companies and corporate finance. His real estate career has spanned residential, commercial and agricultural sectors. His recent residential real estate experience has focussed on the creation of new residential communities within established metropolitan areas where he has led large scale in-fill urbanisation and high-rise residential projects.

He is Chairman of Vita Life Sciences a company listed on the ASX.

Dr Les Fitzgerald

Director

RN., RM., Dip Teach Nurs., BEd., MNursStud., PhD

Dr Fitzgerald has over 38 years of education experience in the higher education and health sectors. He has extensive experience in curriculum design, development and professional accreditation of undergraduate and postgraduate courses. Currently he leads the development and implementation of a Montessori based education curriculum for the ELC business and a training program for staff.

Dr Fitzgerald has been appointed as an independent Director and the Board considers that he is free from any relationship that could materially interfere with the independent exercise of his judgement.

Mr Dennis Wilkie

Director

MBA

Mr Wilkie has extensive experience in local and international capital markets gained over a career exceeding 35 years. He possesses a broad range of expertise across many industries, including private equity, property, financing, and renewable energy.

He is a co-founder and current CEO of HydroFiji

Mr Wilkie has been appointed as an independent Director and the Board considers that he is free from any relationship that could materially interfere with the independent exercise of his judgement.

Mr Surinder Sidhu

Company Secretary

B.Bus (Acctg), Master of Applied Valuation & Investment, CPA

Mr Sidhu is a seasoned financier with over 20 years' experience in the Australian and UK markets. He was a London based asset manager overseeing a large portfolio of European assets where he was closely involved with operational and strategic management, debt funding and restructuring. His experience also spans across a broad range of industries having concluded leverage and acquisition finance transactions and restructuring mandates across many different jurisdictions.

Director's Interests

The following table sets out each Director's relevant interest in shares of the Company as at the date of this report.

Directors	Shareholdings as at Directors' report date	
	Beneficial interest	Non-Beneficial interest
Mr Henry Townsing	-	55,606,090
Dr Les Fitzgerald	250,000	200,000
Mr Dennis Wilkie	25,160	-

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

Directors	Board Meetings		Remuneration Committee	
	Held by members	Attended	Held by members	Attended
Mr Henry Townsing	9	9	n/a	n/a
Dr Les Fitzgerald	9	9	n/a	n/a
Mr Dennis Wilkie	9	9	1	1

Note that held represents the number of meetings held during the time the director held office or was a member of the relevant committee. The Remuneration Committee convened to discuss and approve the 2024 remuneration package for senior management and staff.

Dividends

No dividend was declared or paid during the financial year.

Principal activities

Macarthur is an owner, developer and operator of social infrastructure communities.

Review of operations

For the year to 30 June 2024, Macarthur recorded a loss of \$1.81m after tax (2023 \$1.25m loss) which is reflective of the underlying growth strategy of the business and offset by the growth in Revenue from \$18.8m (2023) to \$22.71m (2024). The ELC Operations business contributed positively to earnings \$4.93m (2023 \$3.6m) EBITDA, while the ELC Investments, Zest Living and Corporate segments provides the business with the platform for future growth.

Significant changes in the state of affairs

There was no other significant change in affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

The Company undertook a capital raising exercise in July 2024 where a Convertible Note of \$3.5m was issued. The Convertible Note conversion price is 32c per share and carries a coupon of 8.0% p.a. paid quarterly over a 3 year term.

Berwick ELC property was contracted to purchase in October 2023 was settled in July 2024 for \$1.8m.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulations

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the consolidated entity, or to intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or part of those proceedings.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium to insure the directors and executives of the company. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Rounding of amounts

The consolidated entity is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

RSM Australia continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001

On behalf of the directors



Henry Townsing
Chairman
16 October 2024

Auditor's Independence Declaration



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F +61 (0) 3 9286 8199
www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Macarthur National Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to be 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to be 'BY Chan'.

B Y CHAN
Partner

Dated: 16 October 2023
Melbourne, Victoria



Financial Report 2024

Section

03

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Notes	30 June 2024 \$	30 June 2023 \$
Revenue	6	22,706,848	18,774,007
Share of profits of associates	7	155,398	122,250
Other income	8	531,227	152,720
Expenses			
Employee benefit expenses		(15,980,701)	(13,451,985)
Occupancy expenses		(1,658,345)	(909,431)
Direct expenses		(2,598,759)	(1,057,717)
Administrative expenses		(1,055,675)	(1,210,311)
Depreciation and Amortisation	9	(2,440,850)	(2,154,185)
Other expenses	9	(456,914)	(2,159)
Finance costs		(2,659,865)	(1,375,711)
Loss before income tax expense		(3,457,636)	(1,112,522)
Income tax benefit (expense)	10	1,645,769	(133,103)
Loss after income tax expense for the year		(1,811,867)	(1,245,625)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign controlled entities		10,491	(5,533)
Gain (loss) on the revaluation of properties at fair value through other comprehensive income, net of tax	32	(137,540)	385,544
Other comprehensive income (loss) for the year, net of tax		(127,049)	380,011
Total comprehensive income (loss) for the year, net of tax		(1,938,916)	(865,614)
Loss for the year is attributable to:			
Non-controlling interest		96,942	165,495
Owners of Macarthur National Ltd	33	(1,908,809)	(1,411,120)
		(1,811,867)	(1,245,625)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		69,527	241,637
Owners of Macarthur National Ltd		(2,008,443)	(1,107,251)
		(1,938,916)	(865,614)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

For the year ended 30 June 2024

	Notes	30 June 2024 \$	30 June 2023 Restated \$
Assets			
Current Assets			
Cash and cash equivalents	11	2,113,609	850,743
Trade and other receivables	12	711,608	802,987
Income tax receivable	25	13,520	-
Inventories	13	4,368,211	3,568,479
		7,206,948	5,222,209
Non-current assets classified as held for sale	14	-	2,728,167
Total Current Assets		7,206,948	7,950,376
Non-current Assets			
Investment in Associate	15	2,705,960	2,670,562
Investment in Properties	16	17,981,384	16,495,271
Other Investments		67,551	-
Property, plant and equipment	17	15,685,353	25,577,084
Right-of-use assets	18	23,936,592	13,102,672
Intangibles	19	18,645,490	18,645,490
Other Assets	20	2,159,645	1,975,802
Total Non-current Assets		81,181,975	78,466,881
Total Assets		88,388,923	86,417,257
Liabilities			
Current Liabilities			
Trade and other payables	21	2,247,668	1,607,761
Employee benefit provision	22	2,232,449	1,976,100
Borrowing	23	13,160,085	4,069,000
Lease liabilities	24	1,481,066	1,065,901
Provision for income tax	25	-	7,752
Other liabilities	26	2,397,477	1,601,251
Total Current Liabilities		21,518,745	10,327,765
Non-current Liabilities			
Lease liabilities	27	23,959,789	12,720,646
Deferred tax liabilities	28	2,332,506	4,129,143
Borrowing	20	7,100,000	23,532,500
Other non-current liability	30	289,128	243,230
Total Non-current Liabilities		33,681,423	40,635,519
Total Liabilities		55,200,168	50,963,285
Net Assets		33,188,755	35,453,972
Equity			
Issued capital	31	35,445,047	35,445,047
Reserves	32	551,376	1,758,159
Retained earnings	33	(5,426,635)	(4,624,975)
Equity attributable to the owners of Macarthur National Ltd		30,569,788	32,578,230
Non-controlling interest	34	2,618,967	2,875,742
Total Equity		33,188,755	35,453,972

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements. Refer to note 4 for the detailed information on restatement of comparatives.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Issued Shares \$	Reserve \$	Accumulated losses (restated) \$	Non-controlling interest \$	Total (restated) \$
At 1 July 2022 (restated)	32,726,230	1,454,105	(2,806,921)	2,180,600	33,554,014
Adjustment to opening accumulated loss	-	-	(406,749)	-	(406,749)
Loss after income tax expense for the year, net of tax	-	-	(1,411,120)	165,495	(1,245,625)
Other comprehensive income for the year, net of tax	-	304,054	(185)	76,142	380,011
Total comprehensive loss for the year	-	304,054	(1,411,305)	241,637	(865,614)
<i>Transactions with owners, in their capacity as owners</i>					
Issue of shares during the period	3,463,219	-	-	-	3,463,219
Issue of Units during the period	-	-	-	453,505	453,505
Capitalised costs on issue of shares	(744,402)	-	-	-	(744,402)
Total transactions with owners	2,718,817	-	-	453,505	3,172,322
Balance at 30 June 2023	35,445,047	1,758,159	(4,624,975)	2,875,742	35,453,972
At 1 July 2023	35,445,047	1,758,159	(4,624,975)	2,875,742	35,453,972
Loss after income tax expense for the year, net of tax	-	-	(1,908,809)	96,942	(1,811,867)
Other comprehensive income for the year, net of tax	-	(99,634)	-	(27,415)	(127,049)
Total comprehensive loss for the year	-	(99,634)	(1,908,809)	69,527	(1,938,916)
<i>Transactions with owners, in their capacity as owners</i>					
Transfers to / from reserves	-	(1,107,149)	1,107,149	-	-
Issue of shares during the period	-	-	-	-	-
Issue of Units during the period	-	-	-	(326,302)	(326,302)
Capitalised costs on issue of shares	-	-	-	-	-
Total transactions with owners	-	(1,107,149)	1,107,149	(326,302)	(326,302)
Balance at 30 June 2024	35,445,047	551,376	(5,426,635)	2,618,967	33,188,755

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements. Refer to note 4 for detailed information on Restatement of comparatives.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Notes	30 June 2024 \$	30 June 2023 \$
Cash flows from operating activities			
Receipts in the course of operations inclusive of GST		24,005,173	18,870,833
Payments in the course of operations inclusive of GST		(21,105,634)	(19,836,393)
Interest received		7,092	12,730
Other revenue		69,397	163,500
Interest and other finance costs paid		(1,739,673)	(1,554,385)
Income tax paid		(43,237)	(39,503)
Net cash from operating activities		1,193,118	(2,383,218)
Cash flows from investing activities			
Payment for security deposit		(96,908)	-
Deposit paid		(375,668)	(405,236)
Loan to ELC investments		(176,000)	(170,000)
Loan repayment from associate entity		-	-
Payment for property, plant and equipment		(2,021,829)	(3,317,513)
Proceed on disposal of property, plant and equipment		13,785,000	-
Payments for investment properties		(1,155,289)	(4,830,701)
Payments for the acquisition of subsidiaries		1,413,203	(27,441)
Payments for purchase of business, net of cash acquired		-	(156,562)
Payments for investment in associate		(67,551)	-
Net cash used in investing activities		11,304,958	(8,907,453)
Cash flows from financing activities			
Proceed from issue of shares		-	3,158,385
Proceeds on redemption of units from unit holder		-	1,034,829
Payments on redemption of units from unit holder		(1,761,000)	-
Share issue transaction costs		-	(558,366)
Drawdown of related party loan		15,472	812,500
Repayment of related party loan		-	(963,987)
Drawdown of interest-bearing loan		1,599,501	18,742,606
Repayment of interest-bearing loan		(8,950,916)	(10,083,699)
Repayment of lease liability		(2,133,942)	(1,383,438)
Net cash from financing activities		(11,230,885)	10,758,830
Net increase in cash and cash equivalents		1,267,191	(531,841)
Cash and cash equivalents at start of the year		850,743	1,382,185
Effects of exchange rate changes on cash and cash equivalents		(4,325)	399
Cash and cash equivalents at end of the year		2,113,609	850,743

The Consolidated Statement of Cashflows is to be read in conjunction with the notes to the financial statements.



Notes to the Financial Statements

Section

04

For the year ended 30 June 2024

1. Corporate Information

These are the financial statements of Macarthur National Ltd (Company) and its subsidiaries controlled at the end of, or during, the year.

Macarthur National Ltd is a for-profit unlisted public company, limited by shares, incorporated and domiciled in Australia.

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

The financial statements were authorised for issue on the date of signing the attached Directors' Declaration.

2. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity recorded current assets of \$7,206,948 and current liabilities of \$21,518,745 which had resulted in net current liabilities of \$14,311,797. As disclosed in Note 23, this is as a result of the reclassification of property loans from long-term to current, given the said loans are due to expire in December 2024. The process of renewing these loans are currently underway and the Directors are confident these loans will be successfully renewed.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The consolidated entity has net tangible assets of \$14,543,265.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 39.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Macarthur National Ltd ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. The company and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Macarthur National Ltd's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The consolidated entity recognises revenue as follows:

1. *Revenue from Early Learning Centres Operations*

i) Revenue from families and Australian Government (Childcare subsidy)

Fees paid by families and/or the Australian Government (Childcare Subsidy) are recognised as and when a child is booked to attend a child care service. Under AASB 15 Revenue from Contracts with Customers this is when the customer has consumed the benefits of this service (satisfies its performance obligation).

Payments received in advance from parents, guardians and the government is recognised as deferred income and classified as a current liability (i.e. contract liability for performance obligations yet to be satisfied).

ii) Funding related to centres' operations

Incentives and additional funding receipts are recognised as revenue when there is reasonable assurance that the incentive/receipt will be received and when the relevant conditions have been met, as defined under AASB 120 Account for Government Grants and Disclosure of Government Assistance. Where incentives and receipts are from non-government grants, relevant conditions have been met under AASB15 Revenue from Contracts with Customers. Subsidies to support business are recognised as direct expenses.

2. *Revenue from Early Learning Centres Developments*

i) Revenue from sale of development projects

Revenue from settlement of development projects, including land, infrastructure, and any work in progress investment, is recognised at a point in time with each purchase agreement treated as a single performance obligation to transfer control of the whole project. Revenue is recognised for the amount specified in the purchase agreement upon receipt of final settlement. The owner has legal title, physical control of the asset, exposure to the majority of the risk and rewards of ownership and the Group does not hold any obligation to repurchase on exit. Deposits received in advance from purchasers are recognised as a contract liability until the ownership is transferred to the purchaser.

ii) Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate.

3. *Revenue from Living Operations*

i) Home settlement revenue

Revenue from home settlement is recognised at a point in time with each home purchase agreement treated as a single performance obligation to transfer control of the home to the homeowner. Revenue is recognised for the amount specified in the home purchase agreement upon receipt of final settlement. The owner has legal and physical control and majority of the risk and rewards of ownership of the home and the Group does not hold any obligation to repurchase on exit. Deposits received in advance from purchasers are recognised as a contract liability and held in the sales agent's trust account until the ownership is transferred to the purchaser. The construction cost of the homes is capitalised to the inventory during development then classified as direct expenses sold upon settlement.

ii) Rental revenue for community operations

Rental revenue is derived under the Site lease agreement granting the homeowners a right to use the land for their property for 90 years. The rent is calculated on a weekly basis per tenant as per the site agreement. Rental revenue is recognised as it is earned. Rental revenue meets the definition of an operating lease payments per AASB16 Leases and falls outside the scope of AASB15.

4. *Other Revenue*

i) Management fees

Revenue from a contract to provide management services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

ii) Interest

Interest revenue is recognised as interest accrued using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

iii) Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Macarthur National Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Distributions received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equal or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Investments and Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the consolidated entity. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property (excluding land) over their expected useful lives as follows:

Buildings	25 years
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Depreciation is calculated on a diminishing value basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Leasehold improvements	3-20 years
Plant and equipment	3-10 years
Computer equipment	2-4 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is de-recognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets - Goodwill

Intangible assets for the consolidated entity is represented by goodwill. Goodwill arises where the fair value of the consideration paid for business acquisitions exceed the fair value of the identifiable assets, liabilities and contingent liabilities acquired with the difference being treated as goodwill. Goodwill is not amortised and measured at cost less any impairment loss. Goodwill impairment is tested annually or if there is a change in operating circumstance and as instructed by the Directors. Any impairment losses on goodwill are written to profit and loss and not reversed in subsequent periods.

The consolidated entity does not record any other intangible assets.

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Loans and Borrowings

All loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs (include borrowing costs) attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leaves not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer 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.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue from contracts with customers involving sale of development activities

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. Refer to note 45 for further information.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 19 for further information.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

4. Restatement of comparatives

Correction of error

During the financial year three of the Montessori Beginnings operations received notices from the Department of Education to recover \$406,749 due to incorrect income details provided for the period from November 2018 to February 2019. As this occurred before the entities were acquired by the Group, this has now been reflected in the accounts by restating the Retained Earnings and Other Payables on the Statement of Financial Position at the end of the earliest comparative period (FY 2023).

Extract	2023 Reported \$	Adjustment \$	2023 Restated \$
Current Liabilities			
Trade and other payables	1,201,012	406,749	1,607,761
Equity			
Retained earnings	(4,218,226)	(406,749)	(4,624,975)

5. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into three key operating segments being: 'Early Learning Centres', 'Early Learning Investment' and 'Land Lease Communities'.

ELCs are characterised by established services who have generated accumulated earnings which exceeds the investment to establish those services. Early Learning Investment's incubates services, provides ELC support services and develops, owns and manages Early Learning Centre properties in which Macarthur has an ownership interest.

Land Lease Communities are represented by the Zest business which are establishing and developing RLLCs.

The operating segments described represent the manner in which the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM)) together with the management team manage the consolidated entity. The management accounts are reviewed on a monthly basis and its preparation per segmentation below are consistent with those adopted in the financial statements. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, impairment, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Segment	Type of Product & Service	Income Source
Early Learning Centres operations	Provision of long day early learning services to children between 6 weeks and 6 years old of established ELCs.	Fee income (parent & government contributed)
Early learning investments	All other business operations relating to ELCs including: <ul style="list-style-type: none"> • ELC services in which the consolidated entity has a net investment outstanding • ELC support services • ELC property investments held and used for operating its Early Learning Centres • Development activity relating to ELCs 	Development profit, rental income and fee income
Land Lease Community development / operation (Zest Living)	Establishment, development and operation of land lease communities.	RLLC unit sales and lease rental income
Corporate	The Corporate segment represents the income from investments, shared expense and other non-operational items of the consolidated entity not within the core segments above.	Intersegment or intercompany transactions only

The Corporate segment represent the income from investments, shared expenses and other non-operational items of the consolidated entity not within the core segments above.

Intersegment transactions

Intersegment transactions were relating to rental charges and share service charges on handling the administrative affairs between the entities in the consolidated group. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Consolidated	Early Learning Centre Operations \$	Early Learning Investments \$	Zest Living \$	Corporate \$	30 June 2024 \$
Revenue					
Sales to external customers	19,720,474	1,319,955	1,666,419	-	22,706,848
Intersegment sales	-	871,549	-	-	871,549
Total sales revenue	19,720,474	2,191,504	1,666,419	-	23,578,397
Other revenue	62,490	586,291	872	36,973	686,625
Total segment revenue	19,782,964	2,777,795	1,667,291	36,973	24,265,022
Intersegment eliminations					(871,549)
<i>Unallocated revenue:</i>					
Interest revenue					-
Total revenue					23,393,473
EBITDA	4,929,915	26,068	(613,181)	(2,699,723)	1,643,079
Depreciation and amortisation					(2,440,850)
Finance costs					(2,659,865)
Loss before income tax expense					(3,457,636)
Income tax benefit					1,645,769
Loss after income tax expense					(1,811,867)

Consolidated	Early Learning Centre Operations \$	Early Learning Investments \$	Zest Living \$	Corporate \$	30 June 2023 \$
Revenue					
Sales to external customers	11,649,800	6,574,409	549,798	-	18,774,007
Intersegment sales	-	1,018,398	-	-	1,018,398
Total sales revenue	11,649,800	7,592,807	549,798	-	19,792,405
Other revenue	51,629	158,272	6,122	58,947	274,970
Total segment revenue	11,701,429	7,751,079	555,920	58,947	20,067,375
Intersegment eliminations					(1,018,398)
Total revenue					19,048,977
EBITDA	3,604,884	404,818	(239,400)	(1,352,928)	2,417,374
Depreciation and amortisation					(2,154,185)
Finance costs					(1,375,711)
Profit before income tax expense					(1,112,522)
Income tax benefit					(133,103)
Profit after income tax expense					(1,245,625)

Consolidated	Early Learning Centre Operations \$	Early Learning Investments \$	Zest Living \$	Corporate \$	30 June 2024 \$
Assets					
Segment assets	18,232,125	31,390,755	21,981,418	24,958,380	96,562,678
Intersegment eliminations					(8,187,275)
<i>Unallocated assets:</i>					
Income tax receivable					13,520
Total assets					88,388,923
Liabilities					
Segment liabilities	21,574,620	19,510,003	19,241,721	728,593	61,054,937
Intersegment eliminations					(8,187,275)
<i>Unallocated liabilities:</i>					
Deferred tax liability					2,332,506
Total liabilities					55,200,168

Consolidated	Early Learning Centre Operations \$	Early Learning Investments \$	Zest Living \$	Corporate \$	30 Jun 2023 (restated) \$
Assets					
Segment assets	11,230,399	38,758,158	20,264,182	22,929,298	93,182,037
Intersegment eliminations					(6,764,780)
<i>Unallocated assets:</i>					
Deferred tax asset					
Total assets					86,417,257
Liabilities					
Segment liabilities	11,365,723	24,771,600	16,676,415	777,432	53,591,170
Intersegment eliminations					(6,764,780)
<i>Unallocated liabilities:</i>					
Provision for income tax					7,752
Deferred tax liability					4,129,143
Total liabilities					50,963,285

6. Revenue

	Notes	30 June 2024 \$	30 June 2023 \$
<i>Revenue from early education services</i>			
Rendering of services		21,006,334	18,224,209
Rental income		34,095	-
		21,040,429	18,224,209
<i>Revenue from Zest Living</i>			
Development activities		1,633,952	549,798
Rental income		32,467	-
		1,666,419	549,798
Revenue		22,706,848	18,774,007

Revenue breakdown by type is provided above. These are recognised over time as the services are rendered.

7. Share of profits of associates

	Notes	30 June 2024 \$	30 June 2023 \$
Share of profit - associates		155,398	122,250
		155,398	122,250

8. Other income

	Notes	30 June 2024 \$	30 June 2023 \$
Interest income		81,610	35,087
Net gain on disposal of assets		337,016	-
Other revenue		112,601	117,633
		531,227	152,720

9. Expenses

	Notes	30 June 2024 \$	30 June 2023 \$
<i>Profit before income tax includes the follow specific expenses</i>			
<i>Depreciation</i>			
Building		667,223	605,233
Leasehold improvements		5,518	7,051
Plant and equipment		118,549	115,586
Right-of-use assets	i	1,649,560	1,426,315
Total depreciation and amortisation		2,440,850	2,154,185
<i>Other Expenses</i>			
Plant and equipment written off		455,216	-
<i>Other expenses</i>		1,698	2,159
Total other expenses		456,914	2,159
<i>Finance costs</i>			
Interest and finance charges paid / payable on borrowings		1,771,772	892,734
Interest and finance charges paid / payable on lease liabilities	i	888,093	482,977
Finance costs expensed		2,659,865	1,375,711

- i. Buildings right-of use-assets and Finance charges are required to be reported in accordance with 'Right of Use' and 'Lease Liability' policies as outlined in Note 2.

10. Income tax expense

	Notes	30 June 2024 \$	30 June 2023 \$
<i>Income tax benefit</i>			
Deferred tax - origination and reversal of temporary differences		(911,564)	81,291
Adjustment to acquisition related intangible assets		29,730	-
Adjustment recognised for prior periods		(763,935)	51,812
Aggregated income tax expense / (tax benefit)		(1,645,769)	133,103
<i>Deferred tax included in income tax expense comprises</i>			
Increased in deferred tax assets			
Increase / (decrease) in deferred tax liabilities		29,730	(107,553)
Deferred tax - origination and reversal of temporary differences		29,730	(107,553)
<i>Numerical reconciliation of tax income expense and tax at the statutory rate</i>			
Losses before income tax expense		(3,457,636)	(1,112,522)
Tax as the statutory tax rate of 25%		(864,409)	(278,131)
<i>Tax effect amounts which are not deductible / (taxable) in calculating taxable income</i>			
Entertainment expenses		-	3,189
Rental expenses		187,121	116,007
Profit on sale of subsidiary		(8,919)	-
Exempt income - Business continuity grant		52,310	-
Fair value loss on property, plant and equipment		128,515	-
Accrued liabilities and other expenses		(247,938)	112,786
Deferred tax assets previously not recognized		(914,803)	-
Sundry items		22,354	179,251
		(781,360)	411,234
Adjustment to acquisition related intangible assets		-	-
Income tax expense / (benefit)		(1,645,769)	133,103

	Notes	30 June 2024 \$	30 June 2023 \$
<i>Amounts charged / (credited) directly to equity</i>			
Deferred tax liabilities	28	-	(128,515)
		-	(128,515)

11. Cash and cash equivalents

	Notes	30 June 2024 \$	30 June 2023 \$
Cash on hand		411	411
Cash at bank		2,113,198	850,332
		2,113,609	850,743

12. Trade and other receivables

	Notes	30 June 2024 \$	30 June 2023 \$
Accounts receivable		152,267	199,529
Prepayment		430,679	378,281
Loan receivable		115,897	114,622
Other receivables		12,765	110,555
		711,608	802,987

The consolidated entity has not provided for any allowances for expected credit losses for the financial year.

13. Inventories

	Notes	30 June 2024 \$	30 June 2023 \$
Work in progress	i	4,368,211	3,568,479
		4,368,211	3,568,479

i. Homes developed by Zest Living for sale to residents.

14. Non-current assets classified as held for sale (current assets)

	Notes	30 June 2024 \$	30 June 2023 \$
ELC properties held for sale	i	-	2,728,167
		-	2,728,167

i. Montessori Beginnings Swan Hill opened in December 2022. With the ELC business established, the Swan Hill ELC property was contracted for sale on 21 June 2023 and subsequently settled in September 2023. The property was transferred from non-current asset Property, plant and equipment.

15. Investment in Associates (Non-current)

	Notes	30 June 2024 \$	30 June 2023 \$
CVCV Childcare No. 1 Partnership	i	2,705,960	2,670,562
		2,705,960	2,670,562

i. MNL Property Trust held a 30% partnership interest in the CVCV Childcare No 1 Partnership, with the changes between periods due to statutory payments.

Refer to note 36 for further information on fair value measurement.

Refer to note 41 for further information on interests in associates.

16. Investment properties

	Notes	30 June 2024 \$	30 June 2023 \$
<i>Investment properties</i>			
Zest Living (in construction)	i	17,981,384	16,495,271
		17,981,384	16,495,271

- i. Zest Living is developing a 155 homes residential land lease community in Yarrawonga. This investment has been recorded in line with 'Investment Properties' Note 2. The community was officially opened in October 2023 and first resident moved in April 2023.

17. Property, plant and equipment

	Notes	30 June 2024 \$	30 June 2023 \$
Land and building - at valuation	i	11,100,000	22,762,748
Less Accumulated Depreciation		(858,440)	(932,115)
		10,241,560	21,830,633
Construction in progress	ii	5,119,842	3,176,558
Leasehold improvements - at cost		-	52,001
Less Accumulated Depreciation		-	(14,677)
		-	37,324
Plant and Equipment - at cost		221,269	721,523
Less Accumulated Depreciation		(10,086)	(195,933)
		211,183	525,590
Other Fixed Assets - at cost		112,768	10,441
Less Accumulated Depreciation		-	(3,462)
		112,768	6,979
		15,685,353	25,577,084

- i. The Montessori Beginnings Greenvale and Montessori Beginnings Swan Hill properties were sold during the year. Last independent valuations were conducted in or around June 2023 and the ELC properties are disclosed at fair value (refer to note 36). As the properties are tenanted by businesses in the same consolidated group the revaluation gain is included in revaluation surplus reserve (refer to note 32).

Fair value of South Bank property was transferred to Investment Properties as it has been rented out to external parties.

- ii. Construction in progress mainly include developments of early learning centres located at Irymple, Harpley and Berwick.

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

	Land and building \$	Construction in progress \$	Leasehold involvements \$	Plant and Equipment \$	Other Fixed Assets \$	Total \$
Consolidated Balance 1 July 2023	21,830,633	3,176,558	37,324	525,590	6,979	25,577,084
Transfer from prior period	(1,225,000)	-	-	-	-	(1,225,000)
Classified as held for sale	-	-	-	-	-	-
Additions	-	1,943,284	-	220,256	112,768	2,276,306
Acquisition	-	-	-	-	-	-
Disposals / Write off	(9,559,309)	-	(31,806)	(417,976)	(5,117)	(10,014,206)
Revaluation increments/ (impairment)	(137,540)	-	-	-	-	(137,540)
Effects of exchange rate change	-	-	-	-	-	-
Amortisation / Depreciation	(667,223)	-	(5,518)	(116,687)	(1,862)	(791,290)
Balance 30 June 2024	10,241,560	5,119,842	-	211,183	112,767	15,685,353

	Land and building \$	Construction in progress \$	Leasehold involvements \$	Plant and Equipment \$	Other Fixed Assets \$	Total \$
Consolidated Balance 1 July 2022	22,414,033	1,777,308	44,375	458,507	5,826	24,700,049
Transfer from prior period	2,235,941	(2,235,941)	-	-	-	-
Classified as held for sale (<i>note 14</i>)	(2,728,167)	-	-	-	-	(2,728,167)
Additions	-	458,633	-	-	-	458,633
Acquisition	-	3,176,558	-	180,540	3,248	3,360,346
Disposals	-	-	-	-	-	-
Revaluation increments/ (impairment)	514,059	-	-	-	-	514,059
Effects of exchange rate change	-	-	-	34	-	34
Amortisation / Depreciation	(605,233)	-	(7,051)	(113,491)	(2,095)	(727,870)
Balance 30 June 2023	21,830,633	3,176,558	37,324	525,590	6,979	25,577,084

Refer to note 35 for further information on fair value measurement.

18. Right-of-use-assets

	Notes	30 June 2024 \$	30 June 2023 \$
Land and buildings - right-of-use		28,811,550	15,342,321
Less: Accumulated depreciation		(4,874,958)	(2,239,649)
		23,936,592	13,102,672

The right of use assets increased during the year by \$13,469,229. This increase is a result of the new Montessori Beginnings Brunswick lease, and sale of Montessori Beginnings Greenvale and Montessori Beginnings Swan Hill. The Group no longer owns the latter 2 assets but have leased the properties to continue to operate its childcare centres.

The consolidated entity typically enters into a lease arrangement of between five to fifteen years for its ELCs with options to extend the leases and other standard escalation clauses.

19. Intangibles

	Notes	30 June 2024 \$	30 June 2023 \$
Goodwill		18,645,490	18,645,490
		18,645,490	18,645,490

Impairment testing

Goodwill acquired through business combinations have been allocated to the following cash-generating units (CGU):

	Notes	Goodwill	Total
Early Learning Centre Operations		1,716,659	1,716,659
Early Learning Investments		9,426,102	9,426,102
Zest Living		7,502,729	7,502,729
		18,645,490	18,645,490

The consolidated entity's goodwill recorded has been tested for impairment and no impairment losses are recorded.

Impairment testing compares the carrying value to the recoverable amount. If the recoverable amount is greater than the carrying value, the goodwill is deemed to be not impaired and the carrying value is not changed. However, if the carrying value exceeds the recoverable amount, goodwill is deemed to be impaired and an impairment loss is charged to the income statement so as to reduce the carrying amount in the balance sheet to its recoverable amount.

The recoverable amount of the consolidated entity's goodwill has been determined by its:

- value-in-use (VIU) which is the present value of the estimated future cash flow of each asset or CGU. The VIU calculations are based on future cash flow forecast where key assumptions are made on the future trading business environment for each ELC CGU based on current performance and management estimates; and
- fair value less cost of disposal (FVLCD) is an estimate of the amount that a market participant would pay for an asset or CGU, less the cost of disposal. The FVLCD for the RLLC asset (Zest Living) has been determined using an independent market valuation and assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The valuer has projected expected cashflow from the development to determine the 'as is' value. The FVLCD is based on Level 3 inputs which are largely market corroborated. The directors do not believe that there has been a material movement in fair value since the valuation date.

The impairment model has the following key attributes:

- Pre-tax discount rate of 15.0% (2023: 15.0%);
- Projected revenue growth rate of 2.1% (2023: 2.1%) per annum;
- Forecast period of 5 years plus a terminal growth calculation with a terminal growth rate of 3.5% (2023: 3.5%)

Sensitivity

The directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease.

The sensitivities in relation to the ELCs are as follows:

- Revenue would need to decrease by more than 1.5% before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase by 21% before goodwill would need to be impaired, with all other assumptions remaining constant. There would still be head room if the terminal growth rate was reduced to 0.0%.

With RLLC, as the project continues to be in its development stage, based on the valuation report from external valuer, Management continues to believe there is significant headroom with all assumptions remaining constant.

20. Other assets (non-current)

	Notes	30 June 2024 \$	30 June 2023 \$
Rental security deposit		487,495	387,059
Upfront costs		1,268,342	1,406,525
Loan receivable		385,510	182,218
Other assets		18,298	-
		2,159,645	1,975,802

21. Trade and other payables

	Notes	30 June 2024 \$	30 June 2023 (restated)\$
Accounts payable		1,141,931	599,424
Accrued expenses		550,197	547,633
Accrued audit fees		34,000	40,000
Other payables		521,540	420,704
		2,247,668	1,607,761

Refer to note 35 for further information on financial instruments.

22. Employee benefit provision

	Notes	30 June 2024 \$	30 June 2023 \$
Salaries and wages payable		819,187	784,070
Superannuation payable		418,164	339,053
Employee leave entitlements		891,668	737,912
Ancillary employment costs		103,430	115,065
		2,232,449	1,976,100

23. Borrowing (Current)

	Notes	30 June 2024 \$	30 June 2023 \$
Loan from financiers	i	13,160,085	4,069,000
		13,160,085	4,069,000

- i. Property funding on market terms and conditions. The increase in Current Borrowings is due to the reclassification of debt from long-term to current as the process of renewal of the said facilities are currently underway. Please refer to note 29.

Refer to note 35 for further information on financial instruments.

24. Lease liabilities (current)

	Notes	30 June 2024 \$	30 June 2023 \$
Lease liabilities		1,481,066	1,065,901
		1,481,066	1,065,901

The lease liability outlined above is in accordance with accounting standard AASB 16 which represents the lease obligation over the next 12 months. As at the report date, there are no lease obligations outstanding to landlords.

This increase is as a result of the opening of the new center, Montessori Beginnings Brunswick lease, and sale of Montessori Beginnings Greenvale and Montessori Beginnings Swan Hill underlying property assets.

Refer to note 35 for further information on financial instruments.

25. Provision for income tax

	Notes	30 June 2024 \$	30 June 2023 \$
Provision for income tax / (receivable)		(13,520)	7,752
		(13,520)	7,752

26. Other liabilities (current)

	Notes	30 June 2024 \$	30 June 2023 \$
Unearned revenue		534,750	-
Related party loan	i	567,660	1,559,328
External party loan	i	991,667	-
Other liabilities		303,400	41,923
		2,397,477	1,601,251

- i. Directors have reassessed the relationship of all entities previously included in related party loan and have concluded that the relationship of 94 Feet Pty Ltd and GMO New Pty Ltd with the Group do not meet the definition per AASB 124 Related Party. The balance outstanding is reported as External party loans in the current financial year instead.

Refer to note 35 for further information on financial instrument.

27. Lease liabilities (non-current)

	Notes	30 June 2024 \$	30 June 2023 \$
Lease liabilities		23,959,789	12,720,646
		23,959,789	12,720,646

The lease liability outlined above is in accordance with accounting standard AASB 16 which represents the non-current lease obligations of the Company. As at the report date, there are no lease obligations outstanding to landlords.

Refer to note 35 for further information on financial instruments.

28. Deferred tax liability (non-current)

	Notes	30 June 2024 \$	30 June 2023 \$
<i>Net deferred tax liability comprises temporary differences attributable to:</i>			
<i>Amounts recognised in profit or loss:</i>			
Losses carry forward		(1,430,830)	450,220
Fair value gain on investment in associates		-	98,399
Fair value loss on property, plant and equipment without previous reserve		128,515	(250,477)
Accrued liabilities and other expenses		(29,730)	(252,382)
		(1,332,046)	45,760
<i>Amounts recognised in equity:</i>			
Revaluation of property, plant and equipment through other comprehensive income		-	604,932
Transaction cost on share issue		-	(186,101)
		(1,332,046)	464,591
Acquisition related intangible assets		3,664,552	3,664,552
Net deferred tax liabilities		2,332,506	4,129,143
<i>Movements:</i>			
Opening balance		4,129,143	3,919,337
Charged / (credited) to profit or loss	10	(1,796,637)	81,291
Charged to equity	10	-	128,515
Closing balance		2,332,506	4,129,143

29. Borrowing (non-current)

	Notes	30 June 2024 \$	30 June 2023 \$
Loan from financier	i	7,100,000	23,542,500
		7,100,000	23,542,500

- i. Property funding on market terms and conditions. The decrease is due to the classification of debt from long-term to current as the process of renewal of the said facilities are currently underway. Please refer to note 23.

Refer to note 35 for further information on financial instruments.

Total secured liabilities

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

	Notes	30 June 2024 \$	30 June 2023 \$
Financier Loans current	23	13,160,085	4,069,000
Financier Loans non-current (above)		7,100,000	23,542,500
		20,260,085	27,611,500

Assets pledged as security

The financier loans are secured by first mortgages over the consolidated entity's land and buildings.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Notes	30 June 2024 \$	30 June 2023 \$
<i>Financial arrangements</i>			
Financier loans		20,837,500	27,631,500
<i>Used at the reporting date</i>			
Financier loans		20,260,085	27,611,500
<i>Unused at the reporting date</i>			
Financier loans		577,415	20,000

30. Other liabilities (non-current)

	Notes	30 June 2024 \$	30 June 2023 \$
Employee leave entitlement		289,128	243,230
		289,128	243,230

31. Issued Capital

	30 June 2024 No of shares	30 June 2024 \$	30 Jun 2023 No of shares	30 Jun 2023 \$
Ordinary shares - fully paid	180,011,354	35,445,047	180,011,354	35,445,047

Movements in ordinary share capital

	Date	Shares	Issue price	Total \$
Balance	30 June 2023	180,011,354		35,445,047
Balance from movement of shares	30 June 2024	180,011,354		35,445,047
Capitalised costs on issue of shares		-		-
Balance	30 June 2024	180,011,354		35,445,047

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the consolidated entity in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have 1 vote and upon a poll each share shall have 1 vote.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity is subject to certain financial undertakings including financial covenants and these are given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

32. Equity reserves

	Notes	30 June 2024 \$	30 June 2023 \$
Revaluation surplus reserve		545,679	1,763,507
Foreign currency reserve		5,697	(5,349)
		551,376	1,758,158

Revaluation surplus reserve

The reserve is used to recognize increments and decrements in the fair value of land and buildings, excluding investment properties. The reserve reflects unrealised increases in the value of assets based on external valuations. Accordingly, where there is a decrease in valuation, the associated decrease is recorded as a loss in the Profit & Loss.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Note	Total \$	Reserves through NCI \$	Reserves \$
Consolidated				
Balance at 30 July 2022		1,429,250	(24,855)	1,454,105
Revaluation - gross		514,059	101,526	412,533
Deferred tax		(128,515)	(25,382)	(103,133)
Foreign currency translation		(5,346)	-	(5,346)
		380,198	76,144	304,054
Balance at 30 June 2023		1,809,448	51,289	1,758,159
Transfers to / from reserves	i	(1,107,149)	-	(1,107,149)
Revaluation - gross		(137,540)	(27,370)	(110,170)
Deferred tax		-	-	-
Foreign currency translation		10,491	(45)	10,536
		(127,049)	(27,415)	(99,634)
Balance at 30 June 2024		575,250	23,874	551,376

- i. The revaluation gain on Greenvale and Swan Hill properties arising from the sale of these assets have been transferred to retained earnings.

33. Retained profits

	Notes	30 June 2024 \$	30 June 2023 (restated) \$
Retained losses at the beginning of the financial year		(4,624,975)	(2,806,921)
Adjustment to opening accumulated loss		-	(406,749)
Losses after income tax expense for the year		(1,908,809)	(1,245,625)
Losses after income tax expense for the year transfer to NCI		-	(165,495)
Transfers to / from reserves		1,107,149	(185)
Retained losses at the end of the financial year		(5,426,635)	(4,624,975)

34. Non-controlling interest

	Notes	30 June 2024 \$	30 June 2023 \$
Issued capital		2,352,648	2,678,950
Reserve		23,872	51,287
Retained loss		242,447	145,505
Retained profits at the end of the financial year		2,618,967	2,875,742

The non-controlling interest has a 19.90% (2023: 16.57%) equity holding in MNL Property Trust.

35. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: currency risk, interest rate risk, credit risk and liquidity risk.

These risks arise from the normal course of business and the Group manages exposure to them in accordance with the Group's risk management strategy, which is to support the delivery of the Group's financial target while protecting its future financial security.

As part of the risk management strategy, the Group monitors target gearing levels and credit rating metrics under a range of stress test scenarios incorporating operational and macroeconomic factors.

Primary responsibilities for the identification and monitoring of the financial risk rests with the Chief Financial Officer under authority delegated by the Chief Executive Officer.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The consolidated entity is exposed to some foreign currency risk as it undertakes transactions in foreign denominated currency by virtue of the Group's offshore corporate support team based in Malaysia including its investment in an entity in Malaysia and the legacy receivable to which the Group has exited via the sale of its equity interest in 2024.

Consolidated	Asset	
	30 June 2024 \$	30 June 2023 \$
MYR	185,913	329,068
	185,913	329,068

The consolidated entity had net asset denominated in foreign currencies \$59,450 (2023 \$106,076). Given the nominal sums of the exposures and the risk is immaterial, the Group has opted not to undertake any hedging activities.

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity is exposed to interest rate risk on its outstanding borrowings from the possibility that changes in interest rates will affect future cash flows. Interest rate risk is managed as part of the consolidated entity's risk management strategy whereby the consolidated entity's gearing ratio is closely monitored along with its credit rating metrics. The Group's debt is issued at a variable interest rate.

The consolidated entity's financier loans outstanding, totaling \$20,260,085 (2023: \$27,611,500), are interest only loans which consist of external financier loans which have been substantially in place at the start of the financial year. Monthly cash outlays of approximately \$144,973 (2023: \$106,354) per month are required to service the interest payments. An official increase/decrease in interest rates of 100 (2023: 100) basis points would have an adverse effect on profit before tax of \$202,601 (2023: \$276,115) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

Credit risk

Credit risk refers to counterparty default risk and this risk arises from trade debtors. This risk is managed by requiring child care fees to be paid in advance. Outstanding debtor balances are reviewed weekly and followed up in accordance with the Group's debt collection policy. Credit risk is also minimised by federal government funding in the form of Child Care Subsidy, where the Federal Government is considered to be a high-quality debtor.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity 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 consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangement

The consolidated entity has no unused borrowing facilities at the reporting date.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

The consolidated entity has no derivative arrangement at the reporting date.

	Weighted average %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2024						
Non-derivatives						
Non-interest bearing						
Trade payables		808,312	241,944	-	38,988	1,089,244
Other payables		6,756,350	-	289,128	-	7,045,478
Properties debt facilities	5.9%	13,160,085	1,000,000	6,100,000	-	20,260,085
Lease liability	3.5%	1,481,066	1,641,838	3,558,281	18,759,670	25,440,855
Total non-derivatives		22,205,813	2,883,782	9,947,409	18,798,658	53,835,662

	Weighted average %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2023						
Non-derivatives						
Non-interest bearing						
Trade payables		349,470	128,400	1,603	-	479,473
Other payables		4,306,640	-	243,230	-	4,549,870
Properties debt facilities	4.62%	4,069,000	12,905,000	10,637,500	-	27,611,500
Lease liability	3.50%	1,065,901	1,141,483	2,506,437	9,072,725	13,786,547
Total non-derivatives		9,791,011	14,174,883	13,388,771	9,072,725	46,427,390

Zest Living development debt facilities were not fully drawn as at reporting date.

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Hedge accounting

The consolidated entity has no hedging activities at the reporting date.

36. Fairvalue measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a 3-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Consolidated - 30 June 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Assets held for sale	-	-	-	-
Investment in associate	-	-	2,705,960	2,705,960
Land and buildings	-	-	10,241,561	10,241,561
Investment properties	-	1,225,000	-	1,225,000
Total assets	-	1,225,000	12,947,521	14,172,521

Consolidated - 30 June 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Assets held for sale	-	-	2,728,167	2,728,167
Investment in associate	-	-	2,670,562	2,670,562
Land and buildings	-	1,143,040	20,687,229	21,830,269
Total assets	-	1,143,040	26,085,958	27,228,998

No liabilities were held at fair value as at 30 June 2023 or 30 June 2024.

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued at the year-end based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial year are set out below:

Consolidated	Investment in associate \$	Land and buildings \$	Assets held for sale \$	Total \$
Balance at 1 July 2023	2,670,562	21,537,748	2,728,167	26,936,477
Additions	-	-	-	-
Transfer to / from assets	-	-	-	-
Gains recognised in other comprehensive income	-	-	-	-
Net losses recognised through profit or loss	35,398	(11,296,187)	(2,728,167)	(13,988,956)
Balance at 30 June 2024	2,705,960	10,241,561	-	12,947,521

Consolidated	Investment in associate \$	Land and buildings \$	Assets held for sale \$	Total \$
Balance at 1 July 2022	2,514,000	21,537,748	-	24,051,748
Additions	156,562	2,728,167	-	2,884,729
Transfer to / from assets	-	(2,728,167)	2,728,167	-
Gains recognised in other comprehensive income	-	-	-	-
Net losses recognised through profit or loss	-	-	-	-
Balance at 30 June 2023	2,670,562	21,537,748	2,728,167	26,936,477

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range (weighted average)	Sensitivity
Investment in associate	Rental yield	5.4% - 6.4% (5.95%) (Represented by a multiplier of 15.60 - 18.56 (16.94))	A change of +/-1 of the multiplier would increase / decrease fair value by \$745,000
Land and buildings	Rental yield	5.03% - 6.37% (5.77%) (Represented by a multiplier of 17.0 - 19.9 (17.5))	A change of +/-1 of the multiplier would increase / decrease fair value by \$983,000

37. Capital commitments and contingencies

The entity had no contingent assets or liabilities as at 30 June 2024.

	30 June 2024	30 June 2023
Capital commitments		
Committed at the reporting date but not recognised as liabilities		
Investment property	5,500,000	-
Property, plant and equipment	3,487,402	693,219
Inventory	5,573,038	6,921,969
	14,560,440	7,615,189

38. Related party transactions*Parent entity*

Macarthur National Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 40.

Associates

Interests in associates are set out in note 41.

Key management personnel

Disclosures relating to key management personnel are set out in note 42.

Transactions with related parties

The following transactions occurred with related parties:

	Notes	30 June 2024 \$	30 June 2023 \$
Payment for goods and services		271,599	90,134
Payment for services from independent Capital Partners Pty Ltd (director related entity of Dennis Wilkie)		-	1,487
Payment for services from Elster Development Pty Ltd	(i)	289,228	287,924
		560,826	379,546

- i. The consolidated entity has entered into a consultancy agreement with Elster Development Pty Ltd (Elster) where Elster will provide various services including property and project management services to the Group. Ian Leslie Townsing, sole director of Elster is the brother of Henry Townsing Sr who is the director of Macarthur. Elster is not deemed a related party under Part 2E.2 s228(3) of the corporations' act but for the purposes of full and frank disclosure Elster was paid \$289,228 (YE2023: \$287,924) during the year for services rendered.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Notes	30 June 2024 \$	30 June 2023 \$
Trade payable to directors' related entities		85,890	121,796
		85,890	121,796

Loans to / from related parties

	Notes	30 June 2024 \$	30 June 2023 \$
Loan to Mitre Focus		103,281	114,562
		103,281	114,562
Loan from directors' related entities	i	567,660	567,660
Loan from associates' related entities	ii	-	991,667
		567,660	1,559,327

- i. All loans from directors' related entities are interest free.
- ii. Directors have reassessed the relationship of all entities previously included in related party loan and have concluded that the relationship of 94 Feet Pty Ltd and GMO New Pty Ltd with the Group do not meet the definition per AASB 124 Related Party. Refer to note 26 on the remaining balances of these loans.

Terms and conditions

All transactions were made on commercial terms on an arms' length basis.

39. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Notes	30 June 2024 \$	30 June 2023 \$
Profit / (loss) after income tax expense		(452,280)	(285,777)
Other comprehensive income / (loss)		-	-
Total comprehensive income / (loss)		(452,280)	(285,777)

Statement of financial position

	Notes	30 June 2024 \$	30 June 2023 \$
Current assets		107,499	433,550
Non-current assets		36,112,279	36,432,005
Total assets		36,219,778	36,865,555
Current liabilities		153,467	346,963
Non-current liabilities		-	-
Total liabilities		153,467	346,963
Net assets		36,066,311	36,518,592
Equity			
Issued capital		35,445,047	35,445,047
Retained profits		621,264	1,073,543
Total equity		36,066,311	36,518,592

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2024.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Material accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

40. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in note 2:

	Principal place of business / Country of incorporation	2024 %	2023 %
MNL Operations Pty Ltd	Australia	100%	100%
Mobe Developments Pty Ltd	Australia	100%	100%
Montessori Beginnings Pty Ltd	Australia	100%	100%
Clifstone Pty Ltd	Australia	100%	100%
Mobera Living Trust	Australia	100%	-

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy described in note 2:

	Principal place of business / Country of incorporation	Principal activities	MNL		Eildon Nominee Services Pty Ltd and Health & Education Fund Pty Ltd	
			Ownership Interest 2024 \$	Ownership Interest 2023 \$	Ownership Interest 2024 \$	Ownership Interest 2023 \$
MNL Property Trust	Australia	Property Investment	80.07%	80.10%	19.93%	19.90%

The non-controlling interests hold no voting rights of Macarthur National Ltd.

Summarised financial information

Summarised financial information of the subsidiary with non-controlling interests that are material to the consolidated entity are set out below:

	Notes	30 June 2024 \$	30 June 2023 \$
<i>Summarised statement of financial position</i>			
Current assets		2,570,768	196,912
Non-current assets		15,591,662	24,893,667
Total assets		18,162,430	25,090,579
Current liabilities		977,290	1,111,502
Non-current liabilities		6,576,417	11,113,917
Total liabilities		7,553,707	12,225,419
Net assets		10,608,723	12,865,160
<i>Summarised statement of profit or loss and other comprehensive income</i>			
Revenue		1,660,077	2,159,046
Expenses		(1,086,456)	(1,363,016)
Profit before income tax expense		573,621	796,030
Income tax expense		-	-
Profit after income tax expense		573,621	796,030
Other comprehensive income / (loss)		(385,545)	-
Total comprehensive income / (loss)		188,077	796,030
<i>Statement of cash flows</i>			
Net cash from operating activities		59,974	(42,238)
Net cash used in investing activities		8,603,391	(1,400,848)
Net cash used in financing activities		(6,298,500)	1,574,397
Net increase / (decrease) in cash and cash equivalents		2,364,865	131,311
<i>Other financial information</i>			
Loss attributable to non-controlling interests		96,942	165,495
Accumulated non-controlling interests at the end of reporting period		69,527	139,840

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

41. Interest in associates

Name	Principal place of business / Country of incorporation	Ownership Interest 2024 %	Ownership Interest 2023 %
CVCV Childcare No. 1 Partnership	Australia	30%	30%

The investment in CVCV Childcare No. 1 Partnership is held by MNL Property Trust (MNLPT). MNLPT is a subsidiary of MNL with 80.07% (2023: 80.10%) controlling interests.

Summarised financial information of MNLPT is in note 40.

Summarised financial information

	Notes	30 June 2024 \$	30 June 2023 \$
<i>Summarised statement of financial position</i>			
Current assets		37,828	58,530
Non-current assets		3,959,103	3,959,103
Total assets		3,996,931	4,017,633
Current liabilities		19,860	22,508
Non-current liabilities		1,445,672	1,445,672
Total liabilities		1,465,532	1,468,180
Net assets		2,531,399	2,549,453
<i>Summarised statement of profit or loss and other comprehensive income</i>			
Revenue		234,375	224,267
Expenses		(117,459)	(106,609)
Profit before income tax expense		116,916	117,658
Income tax expense		-	-
Profit after income tax expense		116,916	117,658
Other comprehensive income / (loss)		-	-
Total comprehensive income / (loss)		116,916	117,658
<i>Reconciliation of the consolidated entity's carrying amount</i>			
Opening carrying amount		2,549,398	2,551,741
Cost of purchased		-	-
Share of profit after income tax		116,916	117,658
Distribution received		(150,000)	(120,000)
Closing carrying amount		2,516,314	2,549,398

42. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Notes	30 June 2024 \$	30 June 2023 \$
Short-term employee benefits		806,739	726,726
Long-term employee benefits		4,694	2,548
		811,433	729,274

43. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Accounting Firm RSM Australia, the auditor of the company, its network firms and unrelated firms:

	Notes	30 June 2024 \$	30 June 2023 \$
<i>Audit services - RSM Australia</i>			
Audit or review of the financial statements		77,680	126,960
<i>Other services - RSM Australia</i>			
Due diligence and Prospectus related		-	31,250
		77,680	158,210

44. Significant events after balance date

The Company undertook a capital raising exercise in July 2024 where a Convertible Note of \$3.5m was issued. The Convertible Note conversion price is 32c per share and carries a coupon of 8.0% p.a. paid quarterly over a 3 year term.

Berwick ELC property was acquired and settled in July 2024 for \$1.8m.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Consolidated Entity Disclosure Statements

Entity Name	Entity Type	Country of Incorporation	Ownership Interest %	Tax Residency
MNL Operations Pty Ltd	Company	Australia	100%	Australia*
Clifstone Pty Ltd	Company	Australia	100%	Australia*
Bay City Early Learning Geelong Pty Ltd	Company	Australia	100%	Australia*
Montessori Beginnings Pty Ltd	Company	Australia	100%	Australia*
Montessori Beginnings Melbourne West	Company	Australia	100%	Australia*
Montessori Beginnings North Victoria	Company	Australia	100%	Australia*
Montessori Beginnings Irymple	Company	Australia	100%	Australia*
Springkids Pty Ltd T/as MB Malvern	Company	Australia	100%	Australia*
Montessori Beginnings Brunswick Pty Ltd	Company	Australia	100%	Australia*
Montessori Beginnings Maribyrnong 2 Pty Ltd	Company	Australia	100%	Australia*
Mobe Growth Pty Ltd	Company	Australia	100%	Australia*
Montessori Beginnings Laverton Pty Ltd	Company	Australia	100%	Australia*
Montessori Beginnings Officer Pty Ltd	Company	Australia	100%	Australia*
Montessori Beginnings Mildura Pty Ltd	Company	Australia	100%	Australia*
Montessori Beginnings Hoppers Crossing Pty Ltd	Company	Australia	100%	Australia*
Montessori Beginnings Thomastown Pty Ltd	Company	Australia	100%	Australia*
Montessori Beginnings Maribyrnong 1 Pty Ltd	Company	Australia	100%	Australia*
Montessori Beginnings Greenvale Pty Ltd	Company	Australia	100%	Australia*
Montessori Beginnings Swan Hill Pty Ltd	Company	Australia	100%	Australia*
Montessori Beginnings Croydon North Pty Ltd	Company	Australia	100%	Australia*
Mobe Developments Pty Ltd	Company	Australia	100%	Australia*
Zest Living Australia Pty Ltd	Company	Australia	100%	Australia*
Zest Living Developments Pty Ltd	Company	Australia	100%	Australia*
Mobera Living Trust	Trust	Australia	100%	Australia*
MNL Property Trust	Trust	Australia	80.07%	Australia
MM Operations Sdn Bhd	Company	Malaysia	100%	Malaysia

* Macarthur National Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.



Directors' Declaration

Section

05

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- The information disclosed in the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the directors



Henry Townsing
Director
16 October 2024



Independent Auditor's Report

Section

06

Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT To the Members of Macarthur National Limited

Opinion

We have audited the financial report of Macarthur National Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

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Other Information (continued)

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Dated: 16 October 2024
Melbourne, Victoria



Corporate Directory

Section
07

Board of Directors

Henry Townsing
Chairman
Non-Executive Director

Dr Les Fitzgerald
Non-Executive Director

Dennis Wilkie
Non-Executive Director

Company Secretary
Surinder Sidhu

Registered Office
Suite 2401.
70 Dorcas Street,
Southbank
VIC 3006
T: 61 3 9828 0500
E: general@macarthurnational.com.au

Auditor

RSM Australia
Level 27, 120 Collins Street West
Melbourne
VIC 3000
T: 61 3 9286 8038
F: 61 3 9286 8199

Legal

K&L Gates
525 Collins Street,
Melbourne
VIC 3000

Share Registry

Registry Direct Limited
PO Box 18366
Collins Street East
Melbourne
VIC 8003
T: 1300 55 66 35 (within Australia)
T: +61 3 9909 9909 (outside of Australia)
F: +61 3 9111 5652

Change of Address

Shareholders who have registered at Registry Direct should log into their Shareholder account at <https://www.registrydirect.com.au/login/> to change their account.

Correspondence mailing

Shareholders who prefer to receive correspondence electronically and have registered at Registry Direct should login in to their Shareholder account at <https://www.registrydirect.com.au/login/> to change their preferences and if necessary their email address.



Contact

ACN 633 180 346
+61 3 9828 0510
general@macarthurnational.com.au

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