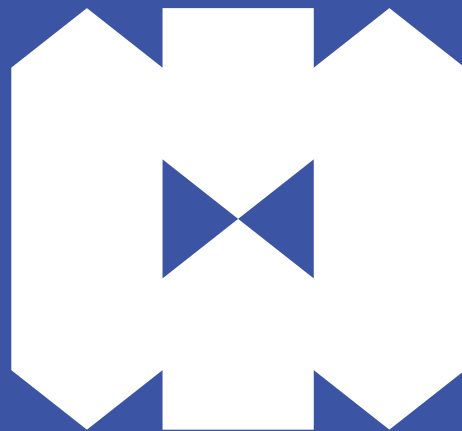


MACARTHUR NATIONAL LTD

Interim Report 2025





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.



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 learning activity



Group learning with teacher



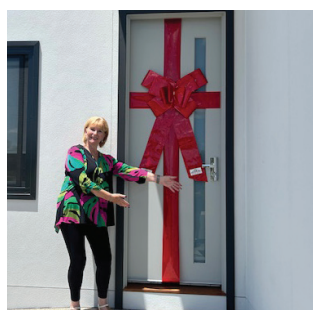
Outside view of the new Brunswick centre



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.



Welcoming a new resident to join the Zest Community



Residents enjoying the modern lawn bowls facilities



Celebrating Christmas with fellow Zest residents



Picturesque lakeside view at Zest Living Yarrowonga

Chief Executive Officer's Review

Review of business operations

The Group remains on its strategic initiative path to grow its social infrastructure businesses, strengthen overall value, and provide lasting benefits to shareholders, with a strong emphasis on long-term growth and recurring cash flows. A summary of the Group's social infrastructure businesses is set out in the table below:

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

In the half year ended 31 December 2024, these businesses generated a total revenue of \$14.57 million (\$10.50 million HY23) and EBITDA of \$3.16m (\$1.66 million HY23) for the Group, with increases in both revenue and EBITDA coming from the continued build out and ramp up of the Groups communities.

The Company's focus is to continue improving the delivery and quality of its communities and services. To achieve this, it implements strategies aimed at enhancing operational efficiency, elevating the quality of educator, child and resident programs, deploying marketing initiatives to drive enquiries and interest in its communities, and in turn optimising revenue streams within its existing communities.

The Group has commenced development on a new childcare centre as another project nears completion, demonstrating its commitment to become the number 1 operator of montessori early learning centres in Victoria. Simultaneously, it is in the process of obtaining the necessary permits and approvals for a third site, so development can commence. In addition to these developments, the Company actively explores new opportunities, assessing potential sites and strategic investments that fit within its established network of services in Victoria. This proactive approach reflects the Group's dedication to sustainable portfolio growth and long-term expansion in the early learning sector.



Learning for all ages through a hands-on approach

In Yarrowonga, the Company's residential land lease community has successfully completed Phase 1 infrastructure, including the clubhouse, along with 17 homes. Given the current challenges in the Victorian housing market, the Company is continuously refining its sales strategy and carefully managing marketing efforts to attract new residents. At the same time, it remains focused on providing existing residents with strong social connections, well-developed community amenities, and an enriching living environment.



The view of completed homes at Zest Living Yarrowonga

The Company has taken significant steps toward developing affordable housing for its educators in direct proximity to Montessori Beginnings locations by securing suitable land. These homes are designed to address the challenge of growing accommodation costs, which often lead to long commutes for educators. Having secured the land the Company is now actively seeking funding partners to facilitate the development of these housing communities.

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

ELC Operations: Mature ELC's

ELC Operations, at 31 Dec 2024, comprised ELC services that generated \$11.27 million (\$6.40 million HY23) revenue for the Group in the half year ended 31 Dec 2024.

The number of mature ELCs has increased from 5 to 8, reflecting the Company's ongoing build out of its operational platform. Management remains focused on ensuring these centers continue to build on their positions by strengthening operational procedures and prioritizing high-quality care. The commitment to quality is further reinforced by staff participation in the Montessori Practise Accreditation program, which has been well received and widely attended, leading to continuous improvements in education and care.



ELC Investments: Incubating ELC's

Generated \$1.29 million (\$4.10 million HY23) revenue for the Group in the half year ended 31 Dec 2024.

This segment comprises 3 components:

- ELC services:** 3 ELCs have been transferred to ELC operations as they have matured and are now considered established, leaving 2 ELCs in this segment. These remaining ELCs continue to show performance improvement.
- New early learning centres:** At the date of this report, the Group has 2 ELCs under construction with Montessori Beginnings Irymple expected to be fully operational and will welcome first children onsite by mid-year. A further site has recently commenced development and is anticipated to welcome first children in 2026. There is a third site which is currently seeking development permits.
- MNL Property Trust:** Owner of ELC properties developed by the Group held for long term rental income generation. At 31 Dec 2024 Macarthur held an 80.1% 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

Zest Living, at 31 Dec 2024, generated \$2.0 million (\$0.0 million HY23) revenue for the Group in the half year ended 31 Dec 2024. The revenue was generated from sales of homes to new residents and rental income from existing residents.

Enquiry from prospective residents remains robust, however, challenges in the Victorian housing market are leading to elongated sale times of prospective residents' current homes and/or value reductions in prospective residents' current homes leading them to not be willing to move at this point in time. Zest Living continues to prudently work to increase market awareness in preparation for when market conditions and sentiment improve.

Zest Living Yarrowonga Community Centre and built homes



Likely developments and outlook

The Group focus continues to be multi-fold;

- 1) Continue to grow Montessori Beginnings with the objective of becoming the #1 montessori operator in Victoria;
- 2) Welcome new residents to Zest Living Yarrowonga; and
- 3) Grow the rental income streams from owned property paving the way to payment of a maiden dividend in the medium term.

The Company continues to grow its earnings and expand its pipeline, positioning itself for sustained revenue growth in the medium term through the ongoing development of existing businesses and the integration of new projects. Additionally, the Company remains committed to preparing for an ASX listing at the right time, further supporting the continued progression of its operations and strategic objectives.

Henry Townsing Jnr
Chief Executive Officer
4 April 2025



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 half-year ended 31 December 2024.

Directors

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

Mr Henry Townsing - Chairman
 Dr Les Fitzgerald - Non executive director
 Mr Dennis Wilkie - Non executive director

Principal activities

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

Review of operations

For the half year to 31 December 2024, Macarthur recorded a gain of \$0.62m after tax (HY24: \$1.07m loss after tax) with operating revenue of \$14.57m (HY24 \$10.50m). The ELC Operations, ELC Investment and Zest Living businesses have contributed positively to EBITDA \$3.2m while the Corporate segment provides the business with the platform for future growth.

Macarthur's net assets increased by \$0.60m to \$33.79 m at 31 December 2024 (30 June 2024: \$33.18m) due to growth in assets and earnings.

Significant changes in the state of affairs

There was no other significant change in affairs of the consolidated entity during the half year to December 2024.

Rounding of amounts

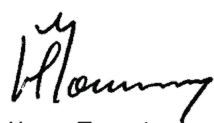
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollars.

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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Henry Townsing
 Director
 4 April 2025

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Macarthur National Ltd and its controlled entities for the half year ended 31 December 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

A blue ink signature, likely of a representative of RSM Australia Partners, written in a cursive style.**RSM AUSTRALIA PARTNERS**A blue ink signature, likely of B Y CHAN, written in a cursive style.

B Y CHAN
Partner

Melbourne, Victoria
Dated: 4 April 2025

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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RSM Australia Partners ABN 36 965 185 036

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Half Year 2025 Financial Report

Section
03

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2024

	Notes	31 Dec 2024 \$	31 Dec 2023 \$
Revenue	4	14,569,774	10,501,371
Share of profits of associates	5	60,000	95,398
Net Gain on disposal of assets		111,000	1,029,333
Fair value gain on financial instruments		51,489	-
Other income	6	478,857	91,111
Expenses			
Employee benefit expenses		(9,158,437)	(7,910,813)
Occupancy expenses		(570,945)	(943,187)
Direct expenses		(1,816,763)	(464,139)
Administrative expenses		(503,997)	(735,492)
Depreciation and Amortisation	7	(1,448,662)	(1,076,638)
Other expenses		(9,534)	(5,104)
Finance costs	7	(1,708,426)	(1,412,595)
Profit / (Loss) before income tax expense		54,356	(830,755)
Income tax benefit (expense)		561,525	(235,611)
Profit / (Loss) after income tax expense for the half year		615,881	(1,066,366)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign controlled entities		(12,027)	(28,597)
Gain (loss) on the revaluation of properties at fair value through other comprehensive income, net of tax		-	(385,544)
Other comprehensive income / (loss) for the year, net of tax		(12,027)	(414,141)
Total comprehensive income / (loss) for the year, net of tax		603,854	(1,480,507)
Profit / (Loss) for the year is attributable to:			
Non-controlling interest		(18,430)	33,375
Owners of Macarthur National Ltd		634,311	(1,099,741)
		615,881	(1,066,366)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(18,430)	(42,767)
Owners of Macarthur National Ltd		622,284	(1,437,740)
		603,854	(1,480,507)

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 half year ended 31 December 2024

	Notes	31 Dec 2024 \$	30 June 2024 \$
Assets			
Current Assets			
Cash and cash equivalents		227,056	2,113,609
Trade and other receivables		940,903	711,608
Income tax receivables		2,052	13,520
Inventories		4,236,561	4,368,211
Non-current assets classified as held for sale		-	-
Total Current Assets		5,406,572	7,206,948
Non-current Assets			
Investment in Associate		2,705,960	2,705,960
Investment in Properties		18,263,922	17,981,384
Other Investments		92,263	67,551
Property, plant and equipment	8	18,719,803	15,685,353
Right-of-use assets		22,650,081	23,936,592
Intangibles		18,645,489	18,645,490
Other Assets		2,468,575	2,159,645
Total Non-current Assets		83,546,093	81,181,975
Total Assets		88,952,665	88,388,923
Liabilities			
Current Liabilities			
Trade and other payables		1,583,269	2,247,668
Employee benefit provision		2,081,969	2,232,449
Borrowing	10	19,153,345	13,160,085
Lease liabilities		1,515,902	1,481,066
Derivative financial instruments	9	3,543,151	-
Other liabilities		1,274,384	2,397,477
Total Current Liabilities		29,152,019	21,518,745
Non-current Liabilities			
Lease liabilities		22,880,980	23,959,789
Deferred tax liabilities		1,771,832	2,332,506
Borrowing	11	1,000,000	7,100,000
Other non-current liabilities		355,225	289,128
Total Non-current Liabilities		26,008,037	33,681,423
Total Liabilities		55,160,056	55,200,168
Net Assets		33,792,609	33,188,755
Equity			
Issued capital	12	35,445,047	35,445,047
Reserves		537,597	551,376
Retained earnings		(4,790,573)	(5,426,635)
Equity attributable to the owners of Macarthur National Ltd		31,192,071	30,569,788
Non-controlling interest		2,600,538	2,618,967
Total Equity		33,792,609	33,188,755

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

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2024

	Issued Shares \$	Reserve \$	Accumulated gain / (losses) \$	Non-controlling interest \$	Total \$
At 1 July 2023	35,445,047	1,758,158	(4,218,225)	2,875,742	35,860,722
Loss after income tax expense for the half year, net of tax			(1,099,741)	33,375	(1,066,366)
Other comprehensive income for the half year, net of tax		(338,785)	786	(76,142)	(414,141)
Total comprehensive loss for the half-year		(338,785)	(1,098,956)	(42,767)	(1,480,507)
<i>Transactions with owners, in their capacity as owners</i>					
Redemption of Units during the period				(326,302)	(326,302)
Total transactions with owners				(326,302)	(326,302)
Balance at 31 December 2023	35,445,047	1,419,375	(5,317,181)	2,506,673	34,053,914
At 1 July 2024	35,445,047	551,376	(5,426,635)	2,618,967	33,188,755
Loss after income tax expense for the half year, net of tax	-	-	634,311	(18,430)	615,881
Other comprehensive income for the half year, net of tax		(13,779)	1,752	-	(12,027)
Total comprehensive loss for the half-year		(13,779)	636,063	(18,430)	603,854
<i>Transactions with owners, in their capacity as owners</i>					
Redemption of Units during the period					
Total transactions with owners					
Balance at 31 December 2024	35,445,047	537,597	(4,790,573)	2,600,537	33,792,609

Consolidated Statement of Cash Flows

For the half year ended 31 December 2024

	Notes	31 Dec 2024 \$	31 Dec 2023 \$
Cash flows from operating activities			
Receipts in the course of operations		14,300,790	11,237,672
Payments in the course of operations		(13,194,899)	(9,957,166)
Other revenue		419,143	104,276
Interest received		14,602	973
Interest and other finance costs paid		(928,158)	(952,936)
Income tax paid		-	(28,443)
Net cash from operating activities		611,478	404,349
Cash flows from investing activities			
Payment for security deposit		-	(35,863)
Deposit paid		(500,926)	(465,211)
Loan to non-related entity		69,969	-
Payment for property, plant and equipment		(3,271,472)	(352,940)
Proceed on disposal of property, plant and equipment		111,000	8,035,000
Payments for investment properties		(533,972)	(575,024)
Payments for the acquisition of subsidiaries		(24,712)	-
Net cash used in investing activities		(4,150,113)	6,605,962
Cash flows from financing activities			
Payment on redemption of units from unit holders		-	(347,797)
Dividend received		2,914	-
Proceed from loan to non-related party		4,557	-
Repayment of related party loan		(142,660)	-
Drawdown of interest-bearing loan		1,170,000	-
Repayment of interest-bearing loan		(1,502,644)	(3,916,500)
Repayment of lease liability		(1,374,853)	(950,318)
Proceeds from sale of convertible notes		3,500,000	-
Net cash from financing activities		1,657,314	(5,214,615)
Net increase in cash and cash equivalents		(1,881,321)	1,795,696
Cash and cash equivalents at start of the half-year		2,113,609	850,653
Effects of exchange rate changes on cash and cash equivalents		(5,232)	(10,320)
Cash and cash equivalents at end of the half-year		227,056	2,636,030

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

Notes to the Financial Statements

For the half year ended 31 December 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 half 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

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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.

3. 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 well-established and mature services while Early Learning Investment's develop, own and manage the underlying Early Learning Centre properties. Newly established and yet to be mature ELCs are included in this segment.

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

The operating segments described here in 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 preparation of same reflect the segmentation below which are consistent with those adopted in the financial statements. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, 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 netinvestment outstanding • ELC property investments held and used for operating its EarlyLearning 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 represents 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 loan 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 \$	31 Dec 2024 \$
Revenue					
Sales to external customers	11,273,227	1,293,882	2,002,665	-	14,569,774
Intersegment sales	-	317,876	-	-	317,876
Total sales revenue	11,273,227	1,611,758	2,002,665	-	14,887,650
Other revenue	10,825	591,821	1,217	97,483	701,346
Total segment revenue	11,284,052	2,203,579	2,003,882	97,483	15,588,996
Intersegment eliminations					(317,876)
<i>Unallocated revenue:</i>					
Interest revenue					-
Total revenue					15,271,120
EBITDA					
	3,663,207	229,648	381,160	(1,114,060)	3,159,955
Depreciation and amortisation					(1,448,662)
Fair value gain on financial instruments					51,489
Finance costs					(1,708,426)
Profit before income tax expense					54,356
Income tax benefit					561,525
Profit after income tax expense					615,881

Consolidated	Early Learning Centre Operations \$	Early Learning Investments \$	Zest Living \$	Corporate \$	31 Dec 2023 \$
Revenue					
Sales to external customers	6,393,229	4,106,627	1,515	-	10,501,371
Intersegment sales	-	542,319	-	-	542,319
Total sales revenue	6,393,229	4,648,946	1,515	-	11,043,690
Other revenue	11,140	1,196,648	4,086	3,968	1,215,842
Total segment revenue	6,404,369	5,845,594	5,601	3,968	12,259,532
Intersegment eliminations					(542,319)
<i>Unallocated revenue:</i>					
Interest revenue					-
Total revenue					11,717,213
EBITDA					
	1,662,548	1,163,121	(350,001)	(817,190)	1,658,478
Depreciation and amortisation					(1,076,638)
Finance costs					(1,412,595)
Profit before income tax expense					(830,756)
Income tax benefit					(235,611)
Profit after income tax expense					(1,066,367)

Consolidated	Early Learning Centre Operations \$	Early Learning Investments \$	Zest Living \$	Corporate \$	31 Dec 2024 \$
Assets					
Segment assets	21,509,712	32,673,567	21,350,432	24,381,742	99,915,453
Intersegment eliminations					(10,964,840)
<i>Unallocated assets:</i>					
Income tax receivable					2,052
Total assets					88,952,665
Liabilities					
Segment liabilities	20,198,780	21,021,119	18,819,943	4,313,222	64,353,064
Intersegment eliminations					(10,964,840)
<i>Unallocated liabilities:</i>					
Deferred tax liability					1,771,832
Total liabilities					55,160,056

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

4. Revenue

	Notes	31 Dec 2024 \$	31 Dec 2023 \$
<i>Revenue from early education services</i>			
Rendering of services		12,544,675	10,480,746
<i>Revenue from early education development</i>			
Rental income		22,434	19,110
<i>Revenue from Zest Living</i>			
Site and rental income		44,575	1,515
Sale of units		1,958,090	
Revenue		14,569,774	10,501,371

The disaggregation of revenue from contracts with customers by types of goods and services is disclosed above and the timing of revenue recognition for rendering services is over time.

5. Share of profits of associates

	Notes	31 Dec 2024 \$	31 Dec 2023 \$
Share of profit - associates		60,000	95,398
		60,000	95,398

MNL Property Trust (a subsidiary of Macarthur National Ltd) received share of profit from CVCV Childcare No 1 Partnership in the half year.

6. Other income

	Notes	31 Dec 2024 \$	31 Dec 2023 \$
Interest income		46,118	21,859
Fees and incentives	i	417,000	58,000
Other revenue		15,739	11,252
		478,857	91,111

i. Fees and incentives received by CVCV Childcare No. 1 Partnership and Mobe Development.

7. Expenses

	Notes	31 Dec 2024 \$	31 Dec 2023 \$
<i>Profit before income tax includes the follow specific expenses</i>			
<i>Depreciation</i>			
Building		375,895	345,659
Leasehold improvements		412	2,774
Plant and equipment		23,683	58,105
Right-of-use assets	i	1,048,672	670,100
Total depreciation and amortisation		1,448,662	1,076,638
<i>Finance costs</i>			
Finance charges on financial derivative		94,640	-
Interest and finance charges paid / payable on borrowings interest		1,014,384	960,175
Finance charges paid / payable on lease liabilities	i	599,402	452,420
Finance costs expensed		1,708,426	1,412,595

- i. Buildings right-of-use assets and Finance charges are required to be reported in accordance with “Right-of-Use” and “Lease Liability” policies of the Company.

8. Property, plant and equipment

	Notes	31 Dec 2024 \$	30 Jun 2024 \$
Land and building - at valuation		11,100,000	11,100,000
Less Accumulated Depreciation		(1,020,240)	(858,440)
		10,079,760	10,241,560
Construction in progress		8,166,105	5,119,842
Leasehold improvements - at cost		8,540	-
Less Accumulated Depreciation		(412)	-
		8,128	-
Plant and Equipment - at cost		437,938	221,269
Less Accumulated Depreciation		(34,893)	(10,086)
		403,045	211,183
Computer equipment - at cost		62,765	112,768
Less Accumulated Depreciation		-	-
		62,765	112,768
		18,719,803	15,685,353

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 \$	Computer Equipment \$	Total \$
Consolidated Balance 1 July 2024	10,241,560	5,119,842	-	211,183	112,768	15,685,353
Additions	-	3,046,263	8,540	216,669	-	3,271,471
Disposals/ Write off	-	-	-	-	(50,002)	(50,002)
Amortisation/Depreciation	(161,800)	-	(412)	(24,807)	-	(187,019)
Balance 31 December 2024	10,079,760	8,166,105	8,128	403,045	62,765	18,719,803

	Land and building \$	Construction in progress \$	Leasehold involvements \$	Plant and Equipment \$	Computer Equipment \$	Total \$
Consolidated Balance 1 July 2023	21,830,633	3,176,558	37,324	525,590	6,979	25,577,084
Reclassification to investment property	(1,225,000)	-	-	-	-	(1,225,000)
Additions	-	1,943,284	-	220,256	112,768	2,276,306
Disposals/ Write off	(9,559,309)	-	(31,806)	(417,976)	(5,117)	(10,014,206)
Revaluation increments/ (impairment)	(137,540)	-	-	-	-	(137,540)
Amortisation/Depreciation	(667,223)	-	(5,518)	(116,687)	(1,862)	(791,290)
Balance 30 June 2024	10,241,560	5,119,842	-	211,183	112,768	15,685,353

Refer to note 13 for further information on fair value measurement.

9. Derivative Financial instruments (Current)

	Notes	31 Dec 2024 \$	30 Jun 2024 \$
Convertible notes - financial liability		3,330,756	-
Convertible notes - derivative financial liability		212,395	-
		3,543,151	-

10. Borrowing (Current)

	Notes	31 Dec 2024 \$	30 Jun 2024 \$
Loan from financiers	i	19,153,345	13,160,085
		19,153,345	13,160,085

- i. Loans from financiers, funding various property acquisitions on market terms and conditions.

11. Borrowing (Non-current)

	Notes	31 Dec 2024 \$	30 Jun 2024 \$
Loan from financiers	i	1,000,000	7,100,000
		1,000,000	7,100,000

- i. Loans from financiers, funding various property acquisitions on market terms and conditions.

Total secured liabilities

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

	Notes	31 Dec 2024 \$	30 Jun 2024 \$
Financier Loans current	9	19,153,345	13,160,085
Financier Loans non-current (above)		1,000,000	7,100,000
		20,153,345	20,260,085

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	31 Dec 2024 \$	30 Jun 2024 \$
<i>Financial arrangements</i>			
Financier loans		21,159,267	20,837,500
<i>Used at the reporting date</i>			
Financier loans		20,153,345	20,260,085
<i>Unused at the reporting date</i>			
Financier loans		1,005,922	577,415

12. Issued Capital

	31 Dec 2024 No of shares	31 Dec 2024 \$	30 Jun 2024 No of shares	30 Jun 2024 \$
Ordinary shares - fully paid	180,011,354	35,445,047	180,011,354	35,445,047

There were no movements in ordinary share capital during the current financial half-year.

There were no dividends paid, recommended or declared during the current or previous financial half-year.

13. Fair value 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

	Level 1 \$	Level 2 \$	Level 3 \$	31 Dec 2024 \$
Assets				
Investment in associate	-	-	2,705,960	2,705,960
Land and buildings	-	-	10,079,760	10,079,760
Investment properties	-	1,225,000	-	1,225,000
Total assets	-	1,225,000	12,785,720	14,010,720
Liabilities				
Derivative financial liability	-	212,395	-	212,395
Total liabilities	-	212,395	-	212,395

	Level 1 \$	Level 2 \$	Level 3 \$	30 Jun 2024 \$
Assets				
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

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

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

There were no transfers between levels during the financial half-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.

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 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 gain / (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 2024	2,705,960	10,241,561	-	12,947,521
Additions	-	-	-	-
Transfer to / from assets	-	-	-	-
Gains recognised in other comprehensive income	-	-	-	-
Net gain / (losses) recognised through profit or loss	-	(161,801)	-	(161,801)
Balance at 31 December 2024	2,705,960	10,079,760	-	12,785,720

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	5.0% - 5.28% (5.13%) (Represented by a multiplier of 18.93 - 19.988 (19.50))	A change of + / - 1 of the multiplier would increase / decrease fair value by \$677,000
Land and buildings	Rental yield	5.03% - 6.37% (5.77%) (Represented by a multiplier of 15.7 - 19.9 (17.8))	A change of + / - 1 of the multiplier would increase / decrease fair value by \$633,000

14. Contingent Liabilities

During the financial half-year no provision has been provided within these financial statements as contingent.

The consolidated entity has given bank guarantees as at 31 December 2024 of \$468,186 to various landlords.

15. Events after the reporting period

No other matter or circumstance has arisen since 31 December 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.



Directors' Declaration

Section
05

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Henry Townsing
Director
4 April 2025



Independent Auditor's Report

Section

06

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INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Macarthur National Ltd

Conclusion

We have reviewed the accompanying half-year financial report of Macarthur National Ltd which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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 Macarthur National Ltd and its controlled entities, would be in the same terms if given to the directors as at the time of this auditor's report.

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Responsibility of the Directors' for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Melbourne, Victoria

Dated: 4 April 2025



Corporate Directory

Section
07

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Chairman
Non-Executive Director

Dr Les Fitzgerald
Non-Executive Director

Dennis Wilkie
Non-Executive Director

Company Secretary
Surinder Sidhu

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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.

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