**Educational Enterprises Australia Pty. Ltd.**

**ABN 20 008 194 689**

**Annual Financial Report**

**For the year ended 30 June 2024**

## Index

## Statement of Profit or Loss and Other Comprehensive Income
## For the year ended 30 June 2024

| | Notes | 2024 $000s | 2023 $000s |
|---|---|---|---|
| Revenue | 4 | 8,080 | 7,682 |
| Direct expenses | | (1,630) | (1,623) |
| Employee expenses | | (4,168) | (4,230) |
| Indirect expenses | | (703) | (424) |
| Depreciation and impairment | 5 | (1,981) | (1,924) |
| Net finance costs | 5 | (629) | (721) |
| **Loss before income tax** | 5 | (1,031) | (1,240) |
| Income tax benefit | 6 | 387 | 235 |
| **Loss for the year** | | (644) | (1,005) |
| Other comprehensive income | | - | - |
| **Total comprehensive expense** | | (644) | (1,005) |

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

## Statement of Financial Position
## As at 30 June 2024

| | Notes | 2024 $000s | 2023 $000s |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | 16 | 1,075 | 624 |
| Trade and other receivables | 8 | 5,880 | 6,661 |
| Current tax receivable from head entity | 6 | - | - |
| Other assets | 9 | 165 | 155 |
| **Total Current Assets** | | 7,120 | 7,440 |
| **Non Current Assets** | | | |
| Property, plant and equipment | 10 | 647 | 735 |
| Right-of-use assets | 12 | 6,528 | 8,363 |
| Deferred tax assets | 6 | 1,232 | 1,176 |
| **Total Non Current Assets** | | 8,407 | 10,274 |
| **TOTAL ASSETS** | | 15,527 | 17,714 |
| **LIABILITIES** | | | |
| **Current Liabilities** | | | |
| Trade and other payables | 11 | 2,296 | 2,844 |
| Deferred revenue | | 4,167 | 3,301 |
| Lease liabilities | 12 | 2,077 | 1,893 |
| Provisions | 13 | 56 | 65 |
| **Total Current Liabilities** | | 8,596 | 8,103 |
| **Non Current Liabilities** | | | |
| Lease liabilities | 12 | 9,202 | 11,279 |
| Provisions | 13 | 1,952 | 1,911 |
| **Total Non Current Liabilities** | | 11,154 | 13,190 |
| **TOTAL LIABILITIES** | | 19,750 | 21,293 |
| **NET LIABILITIES** | | (4,223) | (3,579) |
| **EQUITY** | | | |
| Issued capital | 14 | - | - |
| Accumulated losses | 15 | (4,223) | (3,579) |
| **Total Deficit** | | (4,223) | (3,579) |

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

## Statement of Changes in Equity
## For the year ended 30 June 2024

| | Issued capital $000s | Accumulated losses $000s | Total deficit $000s |
|---|---|---|---|
| Balance at 1 July 2022 | - | (2,574) | (2,574) |
| Loss for the year | - | (1,005) | (1,005) |
| Total comprehensive expense for the year | - | (1,005) | (1,005) |
| Transactions with owners in their capacity as owners: | | | |
| Dividends paid | - | - | - |
| **Balance at 30 June 2023** | **-** | **(3,579)** | **(3,579)** |
| **Total attributable to:** | | | |
| Owners of the Company | - | (3,579) | (3,579) |
| Balance at 1 July 2023 | - | (3,579) | (3,579) |
| Loss for the year | - | (644) | (644) |
| Total comprehensive expense for the year | - | (644) | (644) |
| Transactions with owners in their capacity as owners: | | | |
| Dividends paid | - | - | - |
| **Balance at 30 June 2024** | **-** | **(4,223)** | **(4,223)** |
| **Total attributable to:** | | | |
| Owners of the Company | - | (4,223) | (4,223) |

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

## Statement of Cash Flows
## For the year ended 30 June 2024

| | Notes | 2024 $000s | 2023 $000s |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers | | 9,022 | 7,647 |
| Payments to suppliers and employees | | (6,306) | (6,770) |
| Interest received | | 7 | 1 |
| Income tax received | | 331 | 952 |
| **Net cash flows from operating activities** | 16 | 3,054 | 1,830 |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | | (58) | (90) |
| **Net cash flows used in investing activities** | | (58) | (90) |
| **Cash flows from financing activities** | | | |
| Cash advances (to) / from related parties | | (16) | 942 |
| Interest paid | | (636) | (722) |
| Repayment of lease liabilities | 12 | (1,893) | (1,805) |
| **Net cash flows used in financing activities** | | (2,545) | (1,585) |
| Net increase in cash and cash equivalents | | 451 | 155 |
| Cash and cash equivalents at beginning of the financial year | | 624 | 469 |
| **Cash and cash equivalents at the end of the financial year** | 16 | 1,075 | 624 |

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

## Notes to the Financial Statements
## For the year ended 30 June 2024

## 1. Corporate information

Educational Enterprises Australia Pty. Ltd. is a proprietary company limited by shares that is incorporated and domiciled in Australia. The Company is a wholly owned subsidiary of Marron Group Holdings Pty Ltd.

The registered office of Educational Enterprises Australia Pty. Ltd. is located at Level 9, 143 St Georges Terrace, Perth, WA 6000. The principal place of business of Educational Enterprises Australia Pty. Ltd. is located at 15-19 Franklin Street, Adelaide SA 5000.

The Company's principal activity during the year was the delivery of education services to International and Australian students. There has been no significant change in the nature of these activities during the year.

## 2. Summary of material accounting policies

### (a) Basis of preparation

This section sets out the accounting policies that relate to the financial statements of Educational Enterprises Australia Pty. Ltd. (the "Company").

The financial report of the Company for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the directors dated 2 December 2024.

The financial report has been prepared on the basis of historical cost, except where noted.

The financial report has been prepared on a going concern basis which contemplates continuity of business activities and realisation of assets and the settlement of liabilities in the ordinary course of business. The Company has reported a loss for the year ended 30 June 2024 of $644,000 (2023: $1,005,000) and has net current liabilities at 30 June 2024 of $1,476,000 (2023: $663,000) and net liabilities of $4,223,000 (2023: $3,579,000), predominately due to related party liabilities of $1,466,000 (2023: $2,186,000).

The Directors have made this assessment on the basis that, despite a downturn in business performance, the Company has sufficient liquidity to meet its obligations and pay its debts as and when they fall due noting that Marron Group Holdings Pty Ltd has provided a Letter of Financial Support in which it has undertaken to provide financial support to the Company as required to enable it to continue to operate as a going concern and not to require repayment of amounts due from related parties, unless the Company has the financial capacity to make such repayment, for a period of at least 12 months from the date of approval of these financial statements.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000's) unless otherwise stated.

### (b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

The financial report is a general purpose financial report, for a 'for-profit' entity, which has been prepared in accordance with the requirements of Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

*(i) Adoption of new and revised Accounting Standards*

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

## Notes to the Financial Statements
## For the year ended 30 June 2024

## 2. Summary of material accounting policies (continued)

The adoption of these new and revised Standards and Interpretations has not resulted in any significant changes to the Company's accounting policies nor any significant effect on the measurement or disclosure of the amounts reported for the current or prior periods.

*(ii) Accounting Standards and Interpretations issued but not yet effective*

There are no standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

### (c) Foreign currency translation

*(i) Functional and presentation currency*

The Company determines its own functional currency and items included in the financial statements are measured using that functional currency. Both the functional and presentation currency of the Company is Australian dollars ($).

*(ii) Transactions & balances*

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Foreign currency differences arising on retranslation are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### (d) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

### (e) Trade and other receivables

Trade receivables, which generally have 30 to 60 day terms, are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method less any allowance for expected impairment losses or actual impairment losses.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified.

### (f) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:
Plant and equipment – over 2 to 10 years
Leasehold improvements – the shorter of the lease term or the estimated useful life

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

### (g) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## Notes to the Financial Statements
## For the year ended 30 June 2024

## 2. Summary of material accounting policies (continued)

The Company separates the lease and non-lease components of the contract and accounts for these separately. The consideration in the contract is then allocated to each component on the basis of their relative stand-alone prices.

The Company leases premises for tuition and related services. The lease terms vary significantly and can include escalation clauses, renewal options and termination rights. Escalation clauses vary between fixed rate, inflation-linked, market rent and combination reviews.

*Right-of-use assets*
Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment, assessed in accordance with the Company's impairment policy.

*Lease liabilities*
Lease liabilities are recognised by the Company at the commencement date of the lease. Lease liabilities are measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and variable lease payments that depend on an index or rate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable. After the commencement date, the lease liability is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term or a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments).

Extension options are included in a number of leases. In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

*Lease of low-value assets*
The Company does not recognise right-of-use assets and lease liabilities for low-value assets comprising of IT equipment and small items of office furniture and equipment. Lease payments on leases of low-value assets are recognised as expensed on a straight-line basis over the lease term.

### (h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### (i) Trade and other payables

Trade payables and other payables have 30-60 day terms and are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

## 2. Summary of material accounting policies (continued)

### (j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

### (k) Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, 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 and are presented as payables.

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 end of the reporting period of high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### (l) Issued capital

Ordinary shares are classified as equity and are recognised at the fair value of the consideration received by the Company.

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

### (m) Revenue from contracts with customers

Revenue is recognised when the Company satisfies its performance obligations by transferring education services (including both tuition and other related goods and services) to the customer, and the revenue can be reliably measured at the fair value of the consideration received.

The Company's contracts with customers for the provision of education services can include multiple performance obligations. The Company assesses each performance obligation to determine if those performance obligations are distinct from other obligations in the contract. Performance obligations that are not assessed as being distinct from other obligations are grouped together as a bundle of performance obligations.

Bundles of performance obligations are determined where the various performance obligations represent the combined outcome for which the customer has contracted, or a service is highly dependent on another entity-specific good or service promised in the contract.

For each distinct performance obligation, or bundle of performance obligations, the Company allocates the price, as determined by the terms of the contract with the customer, based on the stand alone selling price of the performance obligation, or bundle of performance obligations.

The Company's primary performance obligations is the delivery of tuition services. The Company has concluded that these should be recognised over time based on the stage of completion of the service being delivered to the customer. The stage of completion is measured by reference to the number of contact days held as a percentage of the total number of contact days in the course.

## Notes to the Financial Statements
## For the year ended 30 June 2024

## 2. Summary of material accounting policies (continued)

The Company's other performance obligations are recognised either over time, on a stage of completion basis, or at the point in time the service, or good, is sold. This determination is made on a case by case basis for each performance obligation based on the point at which control of the good or service completely passes to the customer.

Where income is recorded in advance of the provision of service the full amount is recognised as deferred revenue in the statement of financial position. Revenue is then recognised as outlined above.

**(n) Income tax and other taxes**

*(i) Income tax*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is generally provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

*(ii) Other taxes*

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

## Notes to the Financial Statements
## For the year ended 30 June 2024

## 3. Significant accounting judgements, estimates and assumptions

In applying the Company's accounting policies management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Company. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Due to the inherent uncertainty actual results may differ from the judgements, estimates and assumptions.

Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

**(a) Significant accounting judgements**

In the process of applying the Company’s accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amount recognised in the financial statements:

*(i) Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

*(ii) Recovery of trade and other receivable balance*

The carrying amounts of the receivable balances are determined based on estimates and assumptions of future events.

*(iii) Lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

**(b) Significant accounting estimates and assumptions**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are the measurement of lease liabilities and right-of-use assets (refer note 12).

## Notes to the Financial Statements
## For the year ended 30 June 2024

### 4. Revenue

The Company derives revenue from the transfer of education related services over time and at a point in time as follows:

| | 2024 $000s | 2023 $000s |
|---|---|---|
| **Type of service** | | |
| Tuition services | 7,423 | 7,345 |
| Other ancillary education services | 657 | 337 |
| Total revenue from contracts with customers | 8,080 | 7,682 |
| **Total revenue** | 8,080 | 7,682 |
| **Timing of revenue recognition** | | |
| Services transferred over time | 7,423 | 7,345 |
| Services transferred at a point in time | 657 | 337 |
| Total revenue from contracts with customers | 8,080 | 7,682 |

### 5. Expenses / (income)

Expenses / (income) from ordinary activities include:

| | Note | 2024 $000s | 2023 $000s |
|---|---|---|---|
| Depreciation | | | |
| Depreciation - plant and equipment | 10 | 146 | 146 |
| Depreciation – right-of-use assets | 12 | 1,310 | 1,778 |
| Impairment – right-of-use assets | 12 | 525 | - |
| | | 1,981 | 1,924 |
| Net finance costs / (income) | | | |
| Interest income | | (7) | (1) |
| Interest on lease liabilities | 12 | 594 | 681 |
| Other finance costs | | 42 | 41 |
| | | 629 | 721 |

**Notes to the Financial Statements**
**For the year ended 30 June 2024**

## 6. Income tax benefit

The major components of income tax benefit are:

**Statement of comprehensive income**

| | 2024 $000s | 2023 $000s |
|---|---|---|
| *Current income tax* | | |
| Current income tax benefit | (331) | (339) |
| Adjustments in respect of current income tax of previous years | - | 77 |
| *Deferred income tax* | | |
| Relating to the origination and reversal of temporary differences | (56) | 27 |
| Income tax benefit reported in the statement of comprehensive income | (387) | (235) |

The following table provides numerical reconciliation between aggregate tax benefit recognised in the statement of comprehensive income and tax benefit calculated per the statutory income tax rate.

| | 2024 $000s | 2023 $000s |
|---|---|---|
| Accounting loss before tax | (1,031) | (1,240) |
| At the Company's statutory income tax rate of 30% | (309) | (372) |
| Adjustments in respect of current income tax of previous years | - | 77 |
| Other temporary differences | (78) | 60 |
| Income tax benefit reported in statement of comprehensive income | (387) | (235) |

**Recognised tax assets and liabilities**

| | 2024 $000s | 2023 $000s |
|---|---|---|
| **Current income tax asset** | | |
| Opening balance | - | 690 |
| Credited / (charged) to income | 331 | 262 |
| (Receipts) / payments | (331) | (952) |
| Closing balance | - | - |
| **Deferred income tax** | | |
| Opening balance | 1,176 | 1,203 |
| Charged to income | 56 | (27) |
| Closing balance | 1,232 | 1,176 |

Deferred income tax relates to the following:

| | 2024 $000s | 2023 $000s |
|---|---|---|
| *Deferred tax assets* | | |
| Employee benefits | 17 | 20 |
| Doubtful debts | - | 1 |
| Lease incentives | 324 | 395 |
| Make good provisions | 586 | 573 |
| Other temporary differences | 305 | 187 |
| | 1,232 | 1,176 |

# Notes to the Financial Statements
# For the year ended 30 June 2024

## 6. Income tax expense (continued)

**Tax consolidation**

*(i) Members of the tax consolidated group and the tax sharing arrangement*

Effective 5 July 2019, for the purposes of income taxation, Marron Group Holdings Pty Ltd and its 100% owned Australian subsidiaries formed a tax consolidated group. Members of the group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote. The head entity of the tax consolidated group is Marron Group Holdings Pty Ltd.

*(ii) Tax effect accounting by members of the tax consolidated group*

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group in accordance with their "tax effected" accounting profit for the period. Allocations under the tax funding agreement are recognised on a monthly basis.

The allocation of taxes under the tax funding agreement is recognised as a change in the subsidiaries' intercompany accounts with the tax consolidated group head entity, Marron Group Holdings Pty Ltd. The group has applied the separate taxpayer within group approach in determining the appropriate amount of current taxes to allocate to members of the tax consolidated group.

| | 2024<br>$000s | 2021<br>$000s |
|---|---|---|
| **7. Dividends** | | |
| **7.1 Recognised amounts** | | |
| **Dividends paid during the year** | | |
| Final dividend for 2023 (2022) | - | - |
| **7.2 Unrecognised amounts** | | |
| **Dividends proposed and not recognised as a liability** | | |
| Final dividend for 2024 (2023) | - | - |

## 8. Trade and other receivables

| | | |
|---|---|---|
| Trade debtors | 45 | 102 |
| Allowance for impairment | (1) | (2) |
| | 44 | 100 |
| Accrued income | - | 21 |
| Related party receivables | 5,836 | 6,540 |
| | 5,880 | 6,661 |

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

The Company is not exposed to significant credit risk due to the nature of revenue which is generally received in advance of the service being provided. The maximum exposure to credit risk is the net carrying amount of receivables.

The amounts receivable from related parties is due from Navitas Pty Limited. The receivable has no terms of repayment and as such is considered to be repayable on demand. On this basis the amount has been classified as current.

## Notes to the Financial Statements
## For the year ended 30 June 2024

| | 2024 $000s | 2023 $000s |
|---|---|---|
| **9. Other assets** | | |
| Prepayments | 165 | 155 |

## 10. Property, plant and equipment

| $000s | Plant and equipment | Leasehold Improvements | Total |
|---|---|---|---|
| **Gross carrying amount** | | | |
| Balance at 1 July 2022 | 1,265 | 4,267 | 5,532 |
| Additions | 14 | 76 | 90 |
| Disposals | (837) | (307) | (1,144) |
| Balance at 1 July 2023 | 442 | 4,036 | 4,478 |
| Additions | 5 | 53 | 58 |
| Closing balance at 30 June 2024 | 447 | 4,089 | 4,536 |
| **Accumulated depreciation** | | | |
| Balance at 1 July 2022 | (994) | (3,720) | (4,714) |
| Depreciation expense | (47) | (99) | (146) |
| Disposals | 815 | 302 | 1,117 |
| Balance at 1 July 2023 | (226) | (3,517) | (3,743) |
| Depreciation expense | (37) | (109) | (146) |
| Closing balance at 30 June 2024 | (263) | (3,626) | (3,889) |
| **Net book value** | | | |
| At 1 July 2022 | 271 | 547 | 818 |
| At 1 July 2023 | 216 | 519 | 735 |
| At 30 June 2024 | 184 | 463 | 647 |

## 11. Trade and other payables

| | 2024 $000s | 2023 $000s |
|---|---|---|
| **Current** | | |
| Trade payables | - | 1 |
| Other payables | 830 | 657 |
| Related party payables | 1,466 | 2,186 |
| | 2,296 | 2,844 |

The related party payable balance is payable on demand and on this basis the amount has been classified as current.

## Notes to the Financial Statements
## For the year ended 30 June 2024

## 12. Leases

**(i) Amounts recognised in the Statement of Financial Position**

*(a) Right-of-use assets*

The Company leases a significant number of properties under non-cancellable agreements which expire within eight years. These leases have varying terms, escalation clauses and renewal rights.

| | 2024 $000s | 2023 $000s |
|---|---|---|
| **Right-of-use assets** | | |
| Property leases | 6,528 | 8,363 |

The carrying amounts of the right-of-use assets and movements during the year are as follows:

| | Note | 2024 $000s | 2023 $000s |
|---|---|---|---|
| At start of the year | | 8,363 | 10,141 |
| Depreciation expense | 5 | (1,310) | (1,778) |
| Impairment expense | 5 | (525) | - |
| At end of the year | | 6,528 | 8,363 |

*(b) Lease liabilities*

The carrying amounts of the lease liabilities and movements during the year are as follows:

| | Note | 2024 $000s | 2023 $000s |
|---|---|---|---|
| **Lease liabilities** | | | |
| Current | | 2,077 | 1,893 |
| Non-current | | 9,202 | 11,279 |
| | | 11,279 | 13,172 |
| | Note | $000s | $000s |
| At start of the year | | 13,172 | 14,977 |
| Lease payments | | (2,487) | (2,486) |
| Accretion of interest | 5 | 594 | 681 |
| At end of the year | | 11,279 | 13,172 |

The maturity profile of the Company's lease liabilities based on contractual undiscounted payments is provided in note 17.

**(ii) Amounts recognised in the Statement of Comprehensive Income**

The following are the lease-related amounts recognised in the statement of comprehensive income during the year ended 30 June 2024:

| | 2024 $000s | 2023 $000s |
|---|---|---|
| Depreciation of right-of-use assets | 1,310 | 1,778 |
| Impairment of right-of-use assets | 525 | - |
| Interest on lease liabilities | 594 | 681 |
| Total amount recognised in the statement of comprehensive income | 2,429 | 2,459 |

## Notes to the Financial Statements
## For the year ended 30 June 2024

### 12. Leases (continued)

**(iii) Amounts recognised in the Statement of Cash Flows**

The total cash outflow for lease liabilities during the year ended 30 June 2024 was $2,487,000 (2023: $2,486,000), comprising interest expense on lease liabilities of $594,000 (2023: $681,000) (recognised as 'operating activities') and principal repayments of lease liabilities of $1,893,000 (2023: $1,805,000) (recognised as 'financing activities').

### 13. Provisions

| | 2024 $000s | 2023 $000s |
|---|---|---|
| **Current** | | |
| Employee entitlements | 56 | 65 |
| **Non Current** | | |
| Employee entitlements | - | 1 |
| Provision for make good (note (i)) | 1,952 | 1,910 |
| | 1,952 | 1,911 |

(i) Provision for make good

The Company recognises the present value of the estimated costs that may be incurred in restoring leased premises to their original condition at the end of the respective lease terms as a provision for make good. The costs are recognised as the obligation is incurred either at commencement of the lease or as a consequence of using the asset and are included in the cost of the right-of-use assets. This estimate is reviewed at each reporting date and adjusted for any known changes in the initial cost estimate.

### 14. Issued capital

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Shares Number | $000s | Shares Number | $000s |
| Ordinary shares fully paid | 600 | - | 600 | - |

**Terms and conditions of ordinary shares**

Ordinary shares have no par value and have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number and amounts of paid shares held.

Ordinary shares entitle their holders to one vote, in person or by proxy, at a meeting of the Company.

### 15. Accumulated losses

| | 2024 $000s | 2023 $000s |
|---|---|---|
| At 1 July | (3,579) | (2,574) |
| Net loss attributable to members of the Company | (644) | (1,005) |
| Dividends | - | - |
| At 30 June | (4,223) | (3,579) |

## Notes to the Financial Statements
## For the year ended 30 June 2024

### 16. Notes to the statement of cash flows

**a) Reconciliation of cash and cash equivalents**

| | 2024 $000s | 2023 $000s |
|---|---|---|
| For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 30 June: | | |
| Cash and cash equivalents | 1,075 | 624 |

**b) Reconciliation of loss for the year to net cash flows from operating activities**

| | 2024 $000s | 2023 $000s |
|---|---|---|
| Loss for the year | (644) | (1,005) |
| **Non-cash and non-operating items** | | |
| Depreciation | 1,456 | 1,924 |
| Impairment of right-of-use assets | 525 | - |
| Loss on disposal of property, plant and equipment | - | 27 |
| Interest paid (financing activities) | 636 | 722 |
| **Decrease/(increase) in assets** | | |
| Trade and other receivables | 77 | (38) |
| Current tax receivable | - | 690 |
| Prepayments and other assets | (10) | (96) |
| Deferred tax assets | (56) | 27 |
| **Increase/(decrease) in liabilities** | | |
| Trade and other payables | 172 | (443) |
| Deferred revenue | 866 | 1 |
| Provisions | 32 | 21 |
| Net cash flows from operating activities | 3,054 | 1,830 |

The Company is required to maintain, in Australia, separate bank accounts for funds received from international students prior to commencement of their course (prepaid fees). As at 30 June 2024, the Company held $1,075,000 (2023: $624,000) in prepaid fees for students who had not commenced studies with the Company, with a corresponding amount included in deferred revenue.

These funds are held in separate bank accounts until the student commences their course, at which point the funds may be used to settle the normal obligations of the Company. At all times, the Company must ensure that there are sufficient funds in these separate bank accounts to repay prepaid tuition fees to all international students, in respect of whom tuition fees have been paid and who have not yet commenced their course.

**Non cash financing and investing activities**

There were no significant non cash financing and investing activities during the year.

## Notes to the Financial Statements
## For the year ended 30 June 2024

## 17. Financial risk management objectives and policies

The Company's principal financial instruments comprise receivables, payables, lease liabilities and cash and cash equivalents.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The main risks that may arise from the Company's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of potential exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange rates. Where material, ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts and maintenance of appropriate credit facilities.

**Risk exposures and responses**

### 17.1 Interest rate risk

At reporting date the Company had the following financial instruments exposed to interest rate risk:

| | Variable interest rate risk | | Fixed Interest rate risk | |
|---|---|---|---|---|
| | 2024 $000s | 2023 $000s | 2024 $000s | 2023 $000s |
| **Financial Assets** | | | | |
| Cash and cash equivalents | 1,075 | 624 | - | - |

*Sensitivity analysis*
The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date.

At 30 June 2024, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

| | 2024 $000s | 2023 $000s |
|---|---|---|
| **Judgements of reasonably possible movements** | | |
| Post tax profit and equity higher/(lower) | | |
| +1% (100 basis points) | 8 | 4 |

The movements in profit and equity are due to interest revenues from variable rate cash balances.

### 17.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in different currency from the Company's presentation currency) "Transactional risk".

The Company is not exposed to any significant foreign currency risk.

### 17.3 Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, trade and other receivables and other financial assets. The Company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Company is not exposed to any significant credit risk.

## Notes to the Financial Statements
## For the year ended 30 June 2024

## 17. Financial risk management objectives and policies (continued)

### 17.4 Liquidity risk

The Company's objective is to maintain a balance between the continuity of funding and flexibility principally through the use of operating cash flows and borrowings from Marron Group Holdings Pty Ltd and related entities.

*Contractual maturities*

| **2024** | **<3 months $000s** | **3 months to a year $000s** | **1 – 5 years $000s** | **>5 years $000s** | **Total $000s** |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Cash and cash equivalents | 1,075 | - | - | - | 1,075 |
| Trade and other receivables | 44 | - | - | - | 44 |
| | 1,119 | - | - | - | 1,119 |
| **Financial liabilities** | | | | | |
| Trade and other payables | - | (830) | - | - | (830) |
| Lease liabilities | (630) | (1,943) | (10,026) | - | (12,599) |
| | (630) | (2,773) | (10,026) | - | (13,429) |
| Net maturity | 489 | (2,773) | (10,026) | - | (12,310) |
| **2023** | | | | | |
| **Financial assets** | | | | | |
| Cash and cash equivalents | 624 | - | - | - | 624 |
| Trade and other receivables | 121 | - | - | - | 121 |
| | 745 | - | - | - | 745 |
| **Financial liabilities** | | | | | |
| Trade and other payables | (1) | (657) | - | - | (658) |
| Lease liabilities | (613) | (1,875) | (10,936) | (1,662) | (15,086) |
| | (614) | (2,532) | (10,936) | (1,662) | (15,744) |
| Net maturity | 131 | (2,532) | (10,936) | (1,662) | (14,999) |

The tables above reflect all contractually fixed settlement, repayments, receivables and interest resulting from recognised financial liabilities and assets as of 30 June 2024. For the obligations the respective undiscounted cash flows for the respective upcoming fiscal years are presented. Cash flows for financial liabilities are based on the earliest possible date on which the Company can be required to pay. Cash flows for financial assets are based on the terms and conditions existing at the balance sheet date.

Management manages this liquidity risk by the continued operation of the business as a going concern generating operating cash flows.

## Notes to the Financial Statements
## For the year ended 30 June 2024

## 18. Related party disclosures

### 18.1 Parent entity and ultimate parent company

The Company's parent entity is Navitas Pty Limited, a company incorporated in Australia.

The Company's ultimate parent entity is Marron Group Holdings Pty Ltd, a company incorporated in Australia.

### 18.2 Key Management Personnel

The Company is wholly owned and controlled by Marron Group Holdings Pty Ltd and all significant decisions on its operations are made at the direction of and under delegation from its ultimate parent entity. As a result, the Company has no key management personnel.

### 18.3 Transactions with other related parties

During the financial year, the following transactions occurred between the Company and its related parties:

- The Company paid dividends to Navitas Pty Limited as detailed in note 7.
- The Company has amounts receivable from related parties as detailed in note 8 and amounts payable to related parties as detailed in note 11.
- The Company is a member of the Marron Group Holdings Pty Ltd tax consolidated group as detailed in note 6 and pays income tax to the head entity, Marron Group Holdings Pty Ltd. During the year, the Company received income tax receipts from Marron Group Holdings Pty Ltd totaling $331,000 and at 30 June 2024, the Company has an income tax receivable from Marron Group Holdings Pty Ltd of $0.
- The Company is party to a Deed of Cross Guarantee between Marron Group Midco 1 Pty Ltd and certain other wholly owned Australian subsidiary companies under which each company included in the Deed guarantees the debts of the others. The effect of the Deed is that each party to it has guaranteed to pay any deficiency in the event of the winding up of any of the entities in the Closed Group.
- The Navitas Group in Australia operates a single employment company for subsidiaries of Navitas Pty Limited. All of the Company's employees were previously transferred to Navitas Pty Limited as part of this process. Under the single employment company arrangement the employees are employed by Navitas Pty Limited, but the employment services are delivered under a service agreement to the Company. The Company is charged by Navitas Pty Limited for all employment expenses.

Apart from the above, there were no balances arising from transactions between the Company and its other related parties outstanding at reporting date.

All amounts advanced to or repayable to related parties are unsecured and are subordinate to other liabilities. The amounts outstanding will be settled in cash.

## 19. Auditor's remuneration

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| Amounts received or due and receivable by Deloitte for: | | |
| Audit of the financial report | 21,614 | 20,585 |

The auditor of the Company is Deloitte Touche Tohmatsu.

## 20. Subsequent events

There have been no significant events occurring after the balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

## Directors' Report
## For the Year Ended 30 June 2024

Your directors submit their report for the year ended 30 June 2024.

### DIRECTORS

The Company's directors in office during the financial year and until the date of this report are as follows:

Shirley Alexander (appointed 27 June 2024)
Malcolm Baigent (appointed 30 August 2023)
Bev Hudson (resigned 30 August 2023)
Brett Hutchison (resigned 25 March 2024)
Sally Kift
Ronald Oliver (resigned 25 March 2024)
Leigh Pointon
Sara Wells (appointed 25 March 2024)

Directors were in office for this entire period unless otherwise stated.

### RESULTS AND DIVIDENDS

The loss after tax of the Company for the year ended 30 June 2024 was $644,000 (2023: $1,005,000).

The Company paid dividends during the year of $nil (2023: $nil).

### REVIEW OF OPERATIONS

Revenue from ordinary activities was $8,080,000 and loss after tax was $644,000.

### COMMONWEALTH GRANT SCHEME AQUITTALS

The amount of Australian Government financial assistance expended during the reporting period was for the purpose for which it was intended and Educational Enterprises Australia Pty. Ltd. has complied with applicable legislation, agreements and program guidelines in making expenditure.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No changes in the state of affairs of the Company have occurred since the start of the financial year on 1 July 2023.

### SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no significant events occurring after the balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

### FUTURE DEVELOPMENTS AND RESULTS

Likely developments in, and expected results of the operations of the Company in subsequent years are referred to elsewhere in this report. In the opinion of the directors, further information on those matters could prejudice the interests of the Company and has therefore not been included in this report.

## Directors' Report
## For the Year Ended 30 June 2024

**INDEMNIFICATION AND INSURANCE OF DIRECTORS**

The Company has made an agreement to indemnify each director against any liability incurred by that director in his or her capacity as a director of the Company. The agreement provides for the Company to pay an amount to indemnify directors only to the extent:

(a) the Company is not precluded by law from indemnifying the directors; and

(b) for the amount that the director is not otherwise entitled to be indemnified and is not actually indemnified by another person (including a related body corporate or an insurer).

During or since the financial period, the Company has paid premiums in respect of a contract insuring all the directors of the Company against any of the following liabilities incurred by the director as a director, namely:

(a) any liability which does not arise out of conduct involving:
  (i) a wilful breach of duty in relation to the company; and
  (ii) a contravention of section 182 or section 183 of the Corporations Act 2001; and

(b) any liability for costs and expenses incurred by the director in defending proceedings, whether civil or criminal, whatever their outcome, and without the qualifications set out in clause (a) above.

**ROUNDING**

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 2016/191. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

Director

Perth
2 December 2024

## Directors' Declaration

In accordance with a resolution of the directors of Educational Enterprises Australia Pty. Ltd., I state that:

1. In the opinion of the directors:

   (a) the financial statements and notes as set out on pages 1 to 20:

      (i) give a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

      (ii) comply with Australian Accounting Standards;

(b) the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2(b) to the financial statements; and

(c) 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 the directors.

Director

Perth
2 December 2024

Deloitte.

Deloitte Touche Tohmatsu
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# Independent Auditor's Report to the members of Educational Enterprises Australia Pty Ltd

## Report on the Audit of the Financial Report

*Opinion*

We have audited the financial report of Educational Enterprises Australia Pty Ltd (the "Entity") which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and Directors' Declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the entity's financial position as at 30 June 2024 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

*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 Entity in accordance with the ethical requirements of the Accounting Professional & 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

*Other Information*

Management is responsible for the other information. The other information comprises the directors' report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 Management for the Financial Report*

Management of the Entity is responsible for the preparation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Entity's financial reporting process.

*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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

P J v Nieuwenhuizen

Pieter Janse van Nieuwenhuizen
Partner
Chartered Accountants
Perth, 2 December 2024