EDU | Holdings

CAREER-READY QUALIFICATIONS IN HEALTHCARE, EDUCATION & COMMUNITY SERVICES OCCUPATIONS

ANNUAL REPORT

31 DECEMBER 2023

CORPORATE DIRECTORY

DIRECTORS

Gary Burg: Non-Executive Chair

Adam Davis: Chief Executive Officer and Managing Director

Peter Mobbs: Non-Executive Director

Jonathan Pager: Non-Executive Director

Greg Shaw: Non-Executive Director

Joshua Bolot: Alternate to Greg Shaw

COMPANY SECRETARY

Lyndon Catzel: Chief Financial Officer and Company Secretary

Robyn Slaughter: Joint Company Secretary

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 1, 65 York Street
Sydney NSW 2000

AUDITOR

RSM Australia Partners
Level 13, 60 Castlereagh Street
Sydney NSW 2000

SHARE REGISTRY

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000
Investor Enquiries: + 1300 288 664

STOCK EXCHANGE LISTING

Australian Securities Exchange (ASX)
ASX Code: EDU

CORPORATE WEBSITE

http://www.eduholdings.com.au

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ABOUT THIS ANNUAL REPORT

The 2023 Annual Report is a summary of the operations, activities and financial performance of EDU Holdings Limited (ABN 85 108 962 152) (EDU, EDU Holdings or the Company) and its controlled entities (Group) for the year ended 31 December 2023 (FY23).

Any reference to the financial year relates to the period from 1 January 2023 to 31 December 2023, unless otherwise stated.

Our Corporate Governance Statement, detailing our compliance with the 4th edition of the ASX Corporate Governance Council's Principles and Recommendations, can be found on our website:

www.eduholdings.com.au

EDU | Holdings

LETTER FROM
THE CHAIR & CHIEF EXECUTIVE OFFICER

Dear Shareholders,

On behalf of the Board, we are pleased to present our Annual Report for the year ended 31 December 2023 (**FY23**).

Revenue for the year grew to $21.6m, up $3.9m (22%). With a slight improvement to gross margin and operating expenses flat, the loss for the period improved by $1.8m to $3.0m. Cash reduced commensurately by $3.0m, including investment in new product development. We clearly still have a way to go however it's pleasing to see operating leverage and scale emerging in Ikon and growth returning to ALG.

Ikon's net profit was up $1.2m (to $0.4m) from a $3.7m (47%) increase in revenue (to $11.6m), demonstrating the operating leverage from its relatively fixed cost base. Enrolments climbed strongly, ending the year up 44% on the PCP.

In keeping with its growth strategy, Ikon submitted two new higher education courses to TEQSA (the national regulator for the higher education sector) for accreditation in December 2023.

Encouragingly, we saw a turnaround in vocational (ALG) enrolments during the year, with Term 4, 2023 enrolments of 1,145, up 9% on the PCP. ALG has now recorded four consecutive terms of enrolment growth. New student enrolments (**NSEs**) also increased during the year, up 41% on the PCP, boding well for FY24.

Notwithstanding the above, enrolments for the year were down 9% on FY22, however, this was largely offset by the annual price increase, with tuition revenue for the year down only 1% to $9.6m. With a reduction in OPEX of $0.3m, ALG's net loss improved to $2.2m. Like Ikon, we expect ALG to deliver operating leverage as its student numbers continue to rebuild.

FY23 has seen a continuation of the shift in ALG's mix towards its Community Services courses, which are closely aligned to employment outcomes in areas of skills shortages. ALG expanded its Certificate III Individual Support (**Ageing**) to Brisbane in Term 3, 2023 and launched a Certificate IV of Community Services in Sydney and Melbourne in Term 4, 2023.

The Board is conscious of the ongoing changes to settings and regulations impacting the international student market, including currently declining visa grant rates. While this may reduce the inflow of international students to Australia in the short to medium-term, and have other broader impacts, we will respond and adapt accordingly. The Board considers EDU's businesses to be well-positioned as low-risk, high-quality providers offering courses aligned to occupations with long-term skills shortages.

Looking ahead to FY24, we are expecting continued growth in enrolments for both Ikon and ALG, delivering a corresponding lift in revenue and earnings.

We take this opportunity to thank our staff for their efforts this year, as well as our other stakeholders including education agents, industry partners and vendors across all areas of our national operations. We also thank our students who have entrusted us with this important part of their life journey.

Sincerely,

Gary Burg
Chair

Adam Davis
Chief Executive Officer

CORPORATE OVERVIEW

CORPORATE SNAPSHOT

COMPANY OVERVIEW

$21.6m FY23 Revenue and other income	**$0.5m** FY23 EBITDA

94 Permanent team members	**21** Courses offered	**6,807** Total student enrolments	**4** State operations NSW, VIC, QLD, SA + Online

STOCK OVERVIEW

ASX TICKER CODE

EDU

MARKET CAPITALISATION

$21m

7 February 2024

STOCK PRICE

13c

7 February 2024

INVESTMENT PROPOSITION

In-demand course mix, alignment to skills shortages

EDU course offering aligned to occupations with long-term skills shortages

Material leverage in relatively fixed cost base

As student numbers and revenue grow, margins improve

HE (Ikon) FY23 net profit up $1.2m on $3.7m additional revenue

VET (ALG) enrolments rebuilding

4 consecutive terms of growth, on path to profitability

Organic + M&A growth

Ambitious HE-focused product development program underway

Renewed focus on growth through acquisition

OPERATIONAL HIGHLIGHTS

Higher education (Ikon) enrolments up 44%

Earnings leverage in Ikon delivered

FY23 net profit up $1.2m on $3.7m additional revenue

Vocational (ALG) enrolments rebuilding

T4'23 enrolments up 9% on PCP

FY23 NSEs up 41% on PCP

Material latent capacity remains

To deliver further operating leverage as student numbers growd

Skills shortages driving shift in program mix

83% of FY23 enrolments in Community Services courses

Strong shift to Online for HE domestic students

64% of FY23 domestic NSEs

Continued strength in Early Childhood Education

In both HE and VET

Program development in both businesses

Ikon – 2 new courses submitted to TEQSA

ALG – 2 new courses launched

PERFORMANCE HIGHLIGHTS

FINANCIALS

The Group recorded an EBITDA profit of $0.5m in FY23, a $2.0m turnaround from the $1.5m EBITDA loss in FY22. The net loss after tax was $3.0m, down from the $4.8m loss in FY22.

Ikon showed a significant revenue and net profit improvement with a 44% increase in student enrolments. ALG's revenue was essentially flat, however, enrolments returned to growth during the year and it recorded a 41% increase in new student enrolments (907 NSEs in FY23 vs 643 in FY22),

	FY23	vs	FY22	
Revenue and other income	**$21.6m**		**$17.7m**	↑
EBITDA	**$0.5m**		**($1.5m)**	↑
Net loss after tax	**($3.0m)**		**($4.8m)**	↑

	DEC-23	DEC-22	
Cash balance*	**$3.1m**	**$6.1m**	↓

* Cash balance at 31 January 2024 was $5.3m(unaudited)

STUDENT PERFORMANCE INDICATORS

	FY23	vs	FY22	
Letters of Offer	**3,172**		**2,732**	↑
New Student Enrolments	**1,462**		**1,036**	↑
Enrolments[1]	**6,807**		**6,463**	↑

[1] Enrolments is the sum of students enrolled in all trimesters and terms during the year

PROGRAM STRATEGY UNFOLDING

HIGHER VALUE COURSES

Revenue Mix:

55% of Group revenue was HE

vs 11% FY18

EXPANSION OF COURSE PORTFOLIO

Programs:

21 F23

vs 14 FY17

LONGER STUDY DURATION

28 months in FY23

vs 22 months in FY18

LEVERAGE ONLINE DELIVERY

Online enrolments:

695 FY23

vs 365 FY22, up 90%

	Certificate	Diplomas	Degrees
	Australian Learning Group	Australian Learning Group; Ikon Institute of Australia	Ikon Institute of Australia
Average price	$9,000	$18,000	$56,000
Duration	< 1 year	1-2 years	3-4 years

CAPACITY FOR GROWTH

EDU has a large amount of underutilised classroom and operating capacity. This provides a material opportunity for operating leverage to emerge as student numbers build.

NATIONAL CAMPUS FOOTPRINT

49

Classrooms FY23

7

Campus locations across
4 states + Online

CAPACITY FOR GROWTH

2,302 sqm

leased campus space in Sydney operating at **58% capacity**

1,918 sqm

leased campus space in Melbourne operating at **65% capacity**

DIRECTORS' REPORT

Your Directors present their Annual Report on the consolidated entity consisting of EDU Holdings Limited (ABN 85 108 962 152) **(EDU, EDU Holdings or the Company)** and its controlled entities **(Group)** for the year ended 31 December 2023.

DIRECTORS

The names of the Directors during the financial year and up to the date of this report are:

Gary Burg:
Non-Executive Chair (non-independent) (appointed 24 March 2016)

Adam Davis:
Chief Executive Officer and Managing Director (non-independent) (appointed 16 February 2015)

Peter Mobbs:
Non-Executive Director (independent) (appointed 16 February 2015)

Jonathan Pager:
Non-Executive Director (independent) (appointed 16 February 2015)

Greg Shaw:
Non-Executive Director (non-independent) (appointed 18 July 2022)

Joshua Bolot:
Alternate Director (non-independent) to Greg Shaw (appointed 3 July 2023)

PRINCIPAL ACTIVITY

The principal activity of the Group during the period was the provision of tertiary education services. EDU operates through two subsidiaries: Ikon and ALG.

DIVIDENDS

No dividends have been paid or declared during the year ended 31 December 2023 (December 2022: $nil).

ENVIRONMENTAL REGULATION & PERFORMANCE

The Group's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia.

INFORMATION ON DIRECTORS

GARY BURG

B.Acc (Wits), MBA (Wits)

Experience and Expertise

Gary has been involved with the broader Global Capital Group since 1995 in South Africa and in Australia since 2001. In Australia, Gary has been involved in a number of businesses across a range of sectors including energy, life insurance, financial services and education. Gary is currently a Director of ClearView Limited and Global Capital Holdings (Australia) Pty Ltd, which is the investment manager of Global Capital Principal Investment business in Australia.

Limited.

Other Current ASX Directorships

ClearView Wealth Limited (ASX: CVW)

Former ASX Directorships in the Last Three Years

None

Special Responsibilities

- Audit and Finance Committee member
- Remuneration and Nomination Committee member

Interests in Shares and Options

As at the date of this report, Gary Burg has the following direct or indirect interest in the Company:

- 36,847,252 fully paid ordinary shares
- Contractual rights to shares: None

INFORMATION ON DIRECTORS

ADAM DAVIS

B.AppFin (Macquarie University)

Experience and Expertise

Adam has extensive experience in the education sector, having founded and then acted as Chief Executive Officer and Managing Director of ASX-listed Tribeca Learning Limited (Tribeca). The company was acquired in 2006 by Kaplan, Inc., a division of NYSE-listed Graham Holdings Company (formerly The Washington Post Company), to form the foundation of its Australian operations.

Under Adam's stewardship, Tribeca acquired and integrated numerous education businesses servicing the Australian financial services sector, consolidating a fragmented market and creating the leading national provider. Tribeca offered a broad range of accredited courses and continuing education programs and its customers included most of the major financial institutions in Australia. Adam holds a Bachelor of Applied Finance degree from Macquarie University.

Other Current ASX Directorships

None

Former ASX Directorships in the Last Three Years

None

Special Responsibilities

- Chief Executive Officer & Managing Director
- Director of Proteus Technologies Pty Ltd (Ikon Institute)
- Director of Australian Learning Group Pty Limited (ALG)
- Director of Tasman Institute Pty Limited
- Director of EDU Corporate Services Pty Ltd

Interests in Shares and Options

As at the date of this report, Adam Davis has the following direct or indirect interest in the Company:

- 10,000,000 fully paid ordinary shares
- 2,217,926 Performance Rights
- Contractual rights to shares: None

INFORMATION ON DIRECTORS

PETER MOBBS

B.Com, LL.B (WSU), Grad Dip Legal Practice (College of Law), GAICD

Experience and Expertise

Peter is Managing Partner at Five Sigma, an EdTech focused, global growth fund and Managing Director of Greyrock, a private investment company with investments across all asset classes with a focus on education and technology.

He holds 20+ years' experience as an entrepreneur and executive operating within the private education industry, across higher education, vocational and corporate training sectors.

Peter is a two times exited founder – one to a global listed education business and one to private equity. He holds public and private company experience as a founder, CEO, executive, non-executive director and chair. Peter holds degrees in commerce and law, is admitted to practise in the Supreme Court of NSW and is a graduate of the AICD Company Directors Course.

Other Current ASX Directorships

None

Former ASX Directorships in the Last Three Years

None

Special Responsibilities

- Risk and Compliance Committee Chair
- Chair of Proteus Technologies Pty Ltd (Ikon Institute)

Interests in Shares and Options

As at the date of this report, Peter Mobbs has the following direct or indirect interest in the Company:

- 4,476,151 fully paid ordinary shares
- Contractual rights to shares: None

INFORMATION ON DIRECTORS

JONATHAN PAGER

M.Ec (Macquarie University)

Experience and Expertise

Jonathan has over 25 years' experience as a management consultant and corporate adviser across a wide range of industries in Australia and overseas and is currently Managing Director of Pager Partners Corporate Advisory. He has a Master of Economics and qualified as a Chartered Accountant with Deloitte, where he commenced his career. He has restructured and listed a range of public companies and been a director of publicly listed companies in the resources and industrial sectors.

Other Current ASX Directorships

None

Former ASX Directorships in the Last Three Years

None

Special Responsibilities

- Audit and Finance Committee Chair
- Risk and Compliance Committee member

Interests in Shares and Options

As at the date of this report, Jonathan Pager has the following direct or indirect interest in the Company:

- 1,971,990 fully paid ordinary shares
- Contractual rights to shares: None

INFORMATION ON DIRECTORS

GREG SHAW

B.Com (University of Queensland), CA

Experience and Expertise

Greg is the Chief Executive Officer of Mulpha International. He has over 25 years' experience as CEO of listed businesses in Australia, including as CEO of Ardent Leisure, one of Australia's largest leisure and hospitality owners.

Greg has extensive management experience across a range of industry sectors, including education, leisure, entertainment, property, and finance sectors.

Greg qualified as a Chartered Accountant.

Other Current ASX Directorships

None

Former ASX Directorships in the Last Three Years

None

Special Responsibilities

- Chair of Remuneration and Nomination Committee

Interests in Shares and Options

As at the date of this report, Greg Shaw has the following direct or indirect interest in the Company:

- 23,076,923 fully paid ordinary shares
- Contractual rights to shares: None

INFORMATION ON DIRECTORS

JOSHUA BOLOT

B.Com (University of Auckland)

Experience and Expertise

Joshua has nearly 25 years of experience across investment banking, corporate advisory and private equity. He is currently Head of Principal Investments & Corporate Development at Mulpha Australia.

Prior to this, he has been with Monash Private Capital, Investec Bank and Deutsche Bank, where he was involved in a wide variety of M&A, capital raisings and strategic reviews for ASX listed and privately held companies.

Joshua has a Bachelor of Commerce in Accounting and Finance (1st Class Honours in Finance) from the University of Auckland.

Other Current ASX Directorships

None

Former ASX Directorships in the Last Three Years

None

Special Responsibilities

Alternate to Greg Shaw

Interests in Shares and Options

As at the date of this report, Joshua Bolot has the following direct or indirect interest in the Company:

- 23,096,923 fully paid ordinary shares
- Contractual rights to shares: None

INFORMATION ON COMPANY SECRETARY

LYNDON CATZEL

B.Ec (Sydney University), CA

Experience and Expertise

Lyndon has over 25 years' financial, operational and strategic experience as a CEO, CFO and COO across numerous private businesses in funds administration, financial services, healthcare, software and wholesale distribution. He has a proven track record of financial management, capital raising, development of management teams and strategy execution.

Lyndon started his career in Deloitte's Assurance and Advisory Division before moving to its Corporate Finance Division. He then worked for SG Hambros (the Mergers & Acquisitions Division of Societe Generale). Lyndon is a Chartered Accountant and holds a Bachelor of economics (Finance and Accounting) from the University of Sydney.

Special Responsibilities

- Chief Financial Officer
- Director of Proteus Technologies Pty Ltd (Ikon Institute)
- Director of Australian Learning Group Pty Limited (ALG)
- Director of Tasman Institute Pty Limited
- Director of EDU Corporate Services Pty Ltd

Interests in Shares and Options

As at the date of this report, Lyndon Catzel has the following direct or indirect interest in the Company:

- 926,923 fully paid ordinary shares
- 1,848,271 Performance Rights
- Contractual rights to shares: None

OPERATING AND FINANCIAL REVIEW

EDU owns and operates tertiary education businesses, with a current focus on Healthcare, Education and Community Services fields of study.

The Company's strategy is to foster and support growth in its existing businesses, through initiatives such as course, campus and delivery-mode expansion, while concurrently pursuing complementary acquisition opportunities.

The Board includes directors with extensive experience in for-profit education.

EDU currently has two wholly-owned operating businesses:

- Proteus Technologies Pty Ltd, trading as Ikon Institute of Australia (Ikon); and
- Australian Learning Group Pty Limited (ALG).

These are serviced by a third subsidiary, EDU Corporate Services Pty Ltd, which provides shared services to Ikon and ALG.

Ikon is a higher education (HE) provider, servicing both domestic and international students. Ikon operates from campuses in Sydney, Melbourne, Brisbane, Adelaide and Online.

ALG is a vocational education and training (VET) provider, focussed on the international student market. The business operates from campuses in Sydney, Melbourne, and Brisbane, having made the decision during the year to discontinue its Perth operations by the end of the 2023 calendar year.

On 2 August 2023, EDU announced that it had exercised a contractual right to terminate the previously announced acquisition of Care Plus Training Pty Ltd, trading as Nurse Training Australia (NTA), intended to facilitate EDU's entry into the nurse training market. Being a regulated program leading to registration as an Enrolled Nurse, completion of the acquisition was subject to NTA gaining reaccreditation of its Diploma of Nursing program by the Australian Nursing and midwifery Accreditation Council (ANMAC). NTA submitted its reaccreditation application to ANMAC in early 2022, and while the EDU Board understood that progress had been made, ANMAC's assessment had not been finalised and no definitive timeframe for determination of the application had been forthcoming. The delay in gaining reaccreditation precluded NTA from enrolling new nursing students during 2023. With less nursing students and ongoing uncertainty around the timing and outcome of the reaccreditation process, the Board formed the view that the transaction was no longer in the Company's best interest.

The results presented in this report include the corporate operations of EDU Holdings (including its shared services entity, EDU Corporate Services Pty Ltd) and the operations of its wholly-owned operating businesses, ALG and Ikon for the year ended 31 December 2023 and the comparative period.

INSTITUTE OF AUSTRALIA

EDUCATION WITH PURPOSE

Overview

Ikon is a FEE-HELP approved Institute of Higher Education and Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) provider. It operates nationally with campuses in Sydney, Melbourne, Brisbane, Adelaide and Online. Ikon delivers three study periods (or trimesters) per calendar year, each offering an intake for new students.

Ikon's current courses include a Bachelor of Counselling and Psychotherapy (BCP), a Bachelor of Arts Therapy (BAT) and a Bachelor of Early Childhood Education (BECE), each with nested Diplomas and/or Associate Degrees.

Having historically focussed on the domestic student market, Ikon is now firmly established in the international student market, with international students in Trimester 3, 2023 representing 55% of Ikon's enrolments.

Domestic student leads are generated through digital marketing activities, and prospective students are supported through to enrolment by Ikon's course advisory and EDU's centralised admissions team. International students are recruited through EDU's diverse network of more than 250 education agents, both onshore in Australia and offshore in source countries. As with ALG, Ikon has strong student diversity with students from more than 50 source countries.

Enrolments

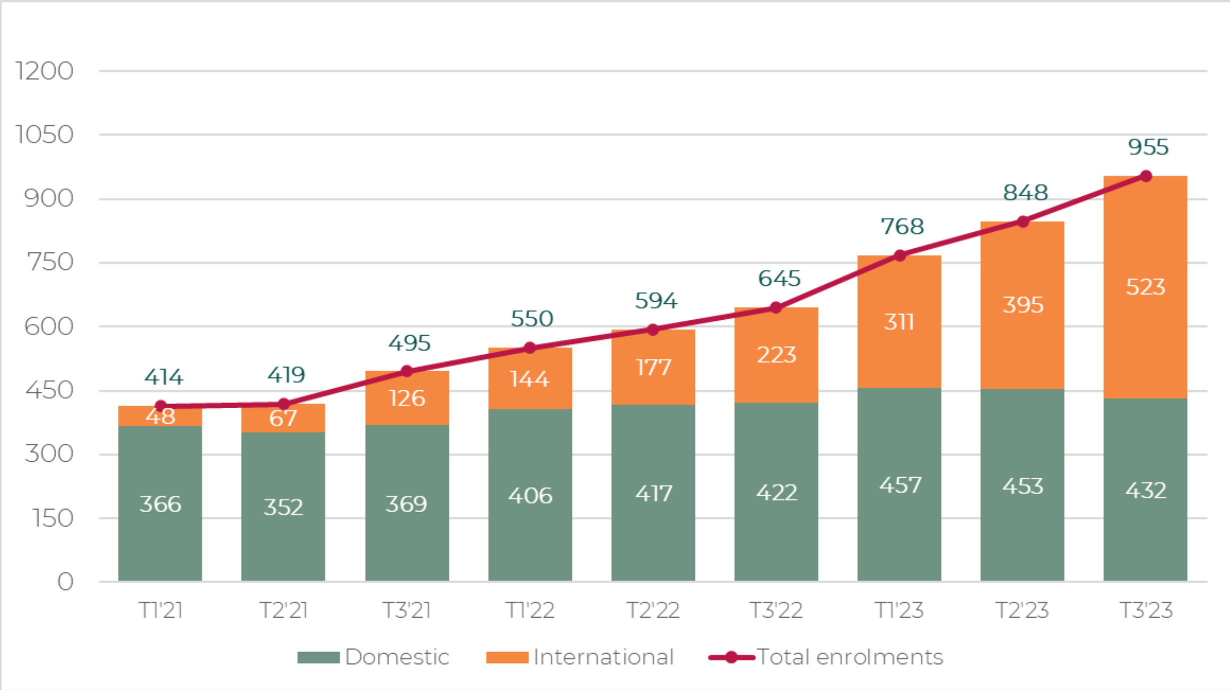
Ikon recorded 2,571 enrolments in FY23, up 44% on the PCP. It ended the year with 955 students in Trimester 3, 2023, up 48% on the PCP.

As is common in higher education (and particularly for domestic students), the Trimester 1 intake, in February of each year, at the commencement of the academic and calendar year, is Ikon's largest, with the second and third trimester intakes in May and September typically smaller. A total of 555 new students commenced their studies with Ikon during 2023, compared to 393 in the PCP, up 41%. 63% of these were international students and 37% domestic.

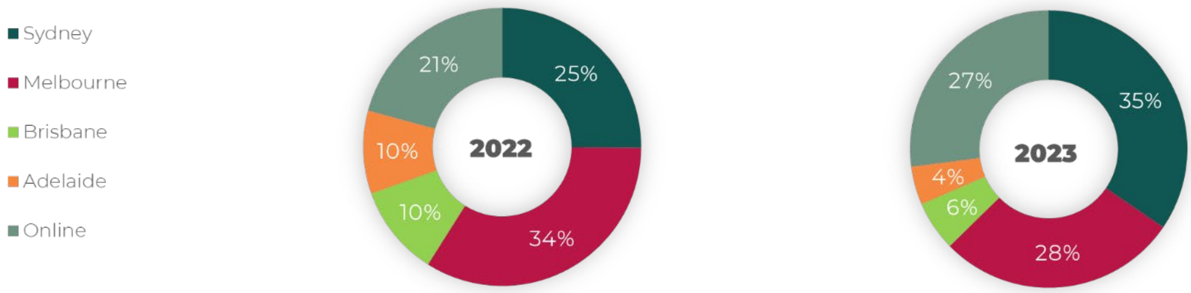
Since commencing offering its Bachelor of Early Childhood Education in 2021, the course has gained strong traction, particularly with international students. BECE students made up 50% of Trimester 3, 2023 enrolments (PCP: 28%), with further growth expected during 2024.

Domestic student enrolments in FY23 were up 8% on the prior year and encouragingly, more students are opting to study online. In Trimester 3, 2023, 56% of domestic students were studying online, compared to 41% in the PCP. We anticipate a further shift to online in FY24.

HE student profile



HE students by location



Ikon results for the year ended 31 December 2023

Ikon	FY23	FY22	Variance	Variance*
	$'000	$'000	$'000	%
Revenue				
International student revenue	5,491	2,259	3,232	143%
Domestic and other revenue	6,105	5,626	479	9%
Total revenue	**11,596**	**7,885**	**3,711**	**47%**
Cost of sales				
Commission	(780)	(332)	(448)	(135%)
Teaching	(3,784)	(2,709)	(1,075)	(40%)
Venue and other	(32)	(96)	64	67%
Total cost of sales	**(4,596)**	**(3,137)**	**(1,459)**	**(47%)**
Gross profit	**7,000**	**4,748**	**2,252**	**47%**
Gross margin (%)*	*60%*	*60%*	n/a	-
Operating expenses	**(4,870)**	**(4,225)**	**(645)**	**(15%)**
Operating EBITDA	**2,130**	**523**	**1,607**	**307%**
Operating EBITDA margin (%)*	*18%*	*7%*	n/a	*11%*
Depreciation & amortisation				
- Lease related	(1,043)	(1,006)	(37)	(4%)
- Plant & equipment	(65)	(46)	(19)	(41%)
- Intangible assets	(154)	(122)	(32)	(26%)
Total depreciation & amortisation	**(1,262)**	**(1,174)**	**(88)**	**(7%)**
EBIT	**868**	**(651)**	**1,519**	**n/a**
EBIT margin (%)*	*7%*	*(8%)*	n/a	*15%*
Net finance expense – lease related	(463)	(380)	(83)	(22%)
Income tax (expense) / benefit	(20)	171	(191)	n/a
Net profit / (loss)	**385**	**(860)**	**1,245**	**n/a**
Profit margin (%)*	*3%*	*(11%)*	n/a	*14%*

* Movement in percentage points

Financial performance

Ikon generated revenue of $11.6m (up 47%), EBITDA of $2.1m (up 307%) and a net profit of $0.4m for the year ended 31 December 2023. By comparison, in FY22, Ikon recorded revenue of $7.9m, EBITDA of $0.5m and a net loss of $0.9m.

As in prior years, Ikon continued to make necessary investments in its academic structure and resources, quality, and governance. Notwithstanding, the business delivered a strong improvement in earnings, as scale benefits began to emerge. With its relatively fixed cost base, the additional $3.7m in revenue translated to a $1.2m improvement to net profit.

Ikon's growth strategy remains centred around product development. A product development plan to materially broaden its course portfolio over the coming years was approved by the Ikon and EDU Boards towards the end of 2022 and implementation is now well underway. At the end of 2023, Ikon submitted two Master level qualifications to TEQSA for accreditation and it intends to submit further new courses for accreditation during 2024.

With the positive trend in record student enrolments driving revenue growth, operating leverage emerging, and progress being made on course development, the Board is encouraged by how the business is progressing, and looks forward to reporting ongoing improved financial performance in 2024 and beyond.

AUSTRALIAN LEARNING GROUP

EDUCATION WITH PURPOSE

Overview

ALG is a Registered Training Organisation (RTO) and Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) provider. It offers vocational education courses exclusively to international students, delivered from campuses in Sydney, Melbourne and Brisbane, having made the decision during the year to discontinue its Perth operations by the end of the 2023 calendar year.

International students are recruited through EDU's diverse network of more than 250 education agents, both onshore in Australia and offshore in source countries. ALG's students hail from more than 65 source countries.

ALG currently offers 13 qualifications, predominantly in Healthcare, Education and Community Services related fields of study:

- Ageing Support (Certificate III and Certificate IV)
- Community Services (Certificate IV and Diploma)
- Counselling (Diploma)
- Early Childhood Education and Care (Certificate III and Diploma)
- Fitness (Certificate III and Certificate IV)
- Yoga Teaching (Certificate IV and Diploma)
- Mental Health (Diploma)
- Leadership and Management (Diploma)

All courses are structured to facilitate rolling intakes, to allow students to commence any course (subject to satisfaction of entry requirements) in any term, with a simultaneous timetable offered in each state. ALG operates four 10-week academic terms per annum.

Enrolments

After 3 years of declining enrolments, the Board was encouraged to see a return to growth during the year. ALG ended the year with 1,145 enrolments in its Term 4, 2023, up 9% on the PCP. Notwithstanding, total enrolments for the year, declined 9% to 4,236.

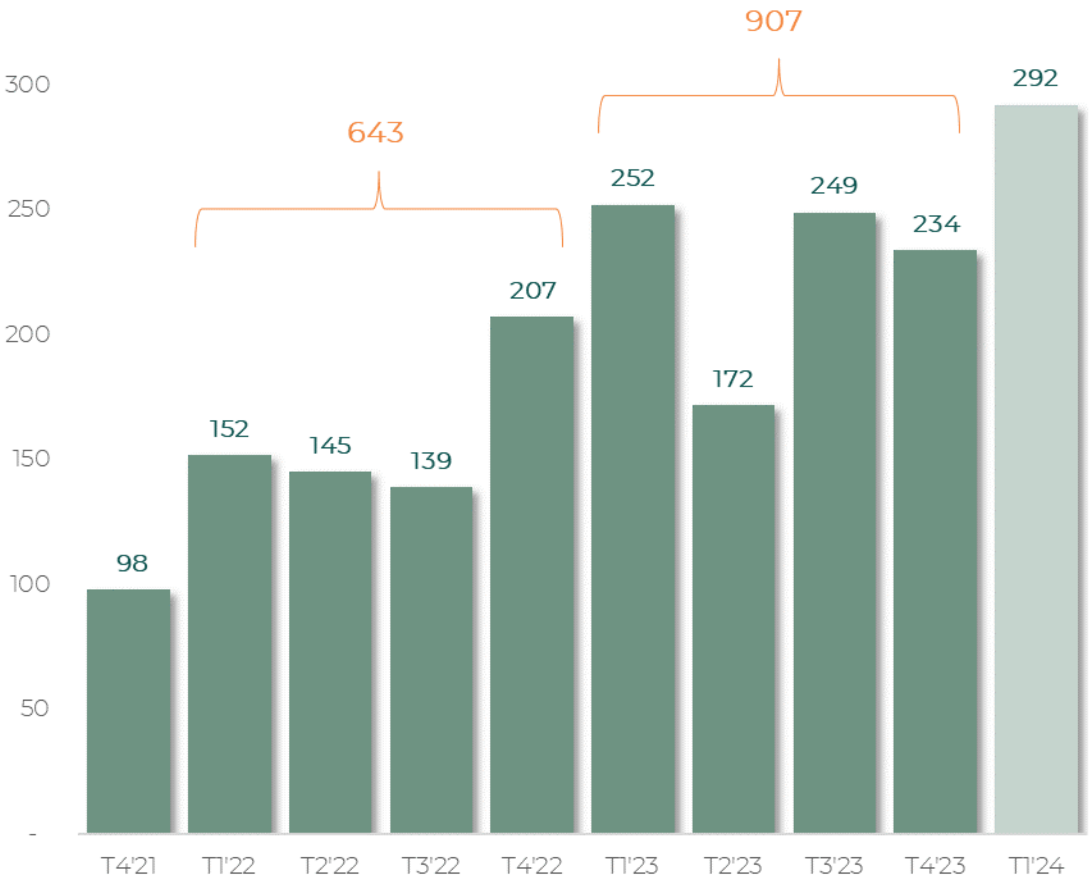
During the year, ALG recorded 907 NSEs, up 41% on the PCP. As a leading indicator of enrolments, this bodes well for 2024.

Whilst international VET sector enrolments in Australia have rebounded to pre-Covid levels, ALG's total student enrolments are recovering at a slower pace due to the following reasons. First, during and after the pandemic, there was a shift to more affordable, flexible providers, as students took advantage of government policies and visa settings such as unlimited work rights and relaxed on-campus study requirements, noting that from 1 July 2023, restrictions on work hours and on-campus study were reinstated, benefiting ALG. Second, the Temporary Activity visa (408 visa), which allowed onshore non-residents to work without studying, diminished the pool of potential students, affecting ALG's recruitment pipeline. This visa commenced being phased out since September 2023 and the Board anticipates the large majority of visa holders to re-enter the student market from mid-2024, which should positively impact ALG.

The Company notes recent Government announcements targeting lower-quality, high risk providers and non-genuine students (particularly in the VET sector) and declining visa grant rates. While this may reduce the inflow of international students to Australia in the short to medium-term, and have other broader impacts, ALG is well-positioned as a low-risk, high-quality provider, focussed on courses in areas of skills shortages and high demand.

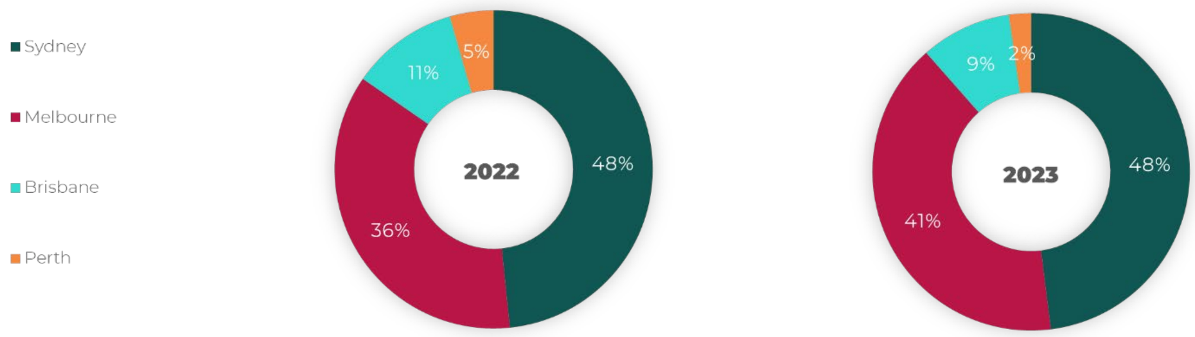
ALG's student enrolments for Term 1, 2024 were 1,230, up 22% on the PCP and up 7% on Term 4, 2023. NSEs for Term 1, 2024 landed at 292, up 16% on the PCP and up 25% on Term 4, 2023.

NSEs by term

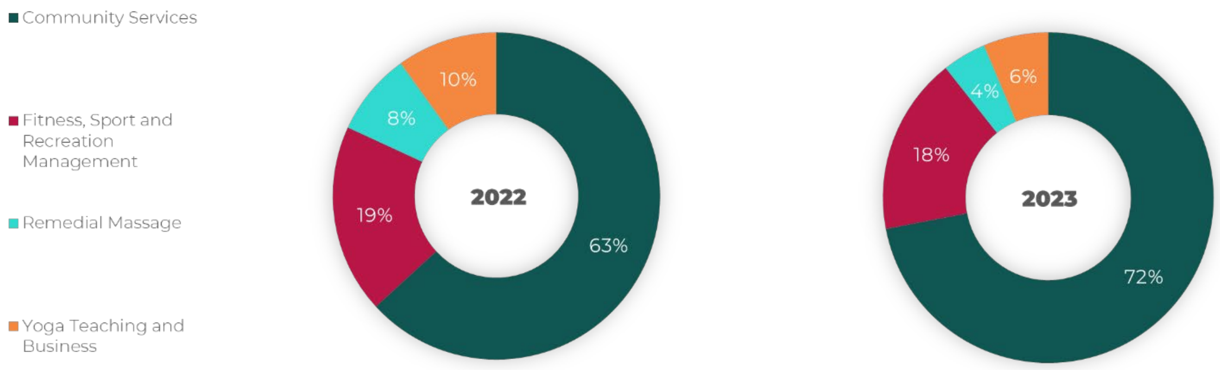


During 2023, ALG introduced a Diploma of Leadership and Management and Certificate IV Community Services, with the first intakes in Term 3, 2023 and Term 4, 2023 respectively. At the same time, it ceased accepting new enrolments into its Remedial Massage and Sport & Recreation Management courses, in response to declining enrolments and student demand, and completed a teach-out of remaining enrolled students. Further course expansion is underway.

International enrolments by campus location [a]



International enrolments by field of study [ab]



[a] Enrolments shown are the sum of enrolled students in each of ALG's academic terms during the year

[b] Community Services includes: Individual Support (Ageing); Community Services; Counselling; Early Childhood Education and Care; and Mental Health

ALG results for the year ended 31 December 2023

ALG	FY23	FY22	Variance	Variance*
	$'000	$'000	$'000	%
Revenue				
International student revenue	9,587	9,732	(145)	(1%)
Domestic and other revenue	376	50	326	652%
Total revenue	**9,963**	**9,782**	**181**	**2%**
Cost of sales				
Commission	(2,200)	(2,271)	71	3%
Teaching	(3,269)	(2,937)	(332)	(11%)
Venue and other	(111)	(217)	106	49%
Total cost of sales	**(5,580)**	**(5,425)**	**(155)**	**(3%)**
Gross profit	**4,383**	**4,357**	**26**	**1%**
Gross margin (%)*	*44%*	*45%*	n/a	*(1%)*
Operating expenses	**(4,427)**	**(4,776)**	**349**	**7%**
Operating EBITDA	**(44)**	**(419)**	**375**	**89%**
Operating EBITDA margin (%)*	-	*(4%)*	n/a	*4%*
Depreciation & amortisation				
- Lease related	(1,360)	(1,393)	33	2%
- Plant & equipment	(619)	(529)	(90)	(17%)
- Intangible assets	(165)	(124)	(41)	(33%)
Total depreciation & amortisation	**(2,144)**	**(2,046)**	**(98)**	**(5%)**
EBIT	**(2,188)**	**(2,465)**	**277**	**11%**
EBIT margin (%)*	*(22%)*	*(25%)*	n/a	*3%*
Net finance expense – lease related	(513)	(479)	(34)	(7%)
Loss from discontinued operations (net of tax)	(168)	(111)	(57)	(51%)
Impairment of assets	-	(396)	396	100%
Income tax benefit	659	880	(221)	(25%)
Net loss	**(2,210)**	**(2,571)**	**361**	**14%**
Net loss margin%	*(22%)*	*(26%)*	n/a	*4%*

* Movement in percentage points

Financial performance

ALG generated revenue and other income of $10.0m, an EBITDA loss of $44k and a net loss of $2.2m for the year ended 31 December 2023. In the prior year, revenue was $9.8m, the EBITDA loss was $0.4m and it recorded a net loss of $2.6m.

While enrolments were down 9%, this was partially offset by a price increase effective at the start of the year. As previously noted, enrolments returned to growth during the year and the second half saw a 12% increase in revenue, with further growth expected in 2024.

Conscious of retaining its campus and operating capacity, a reduction in OPEX of $0.3m nonetheless delivered a corresponding decrease in net loss.
As with Ikon, ALG's cost base is relatively fixed. As student numbers and revenue increases, the Board anticipates margins and earnings to expand. ALG retains a material amount of latent operating capacity.

Discontinued operations

In the first half of the year, in response to declining student numbers in Perth, the Board decided to cease ALG's Perth campus operations during 2023 and to direct the Group's focus and resources to other campuses with stronger growth prospects. ALG ceased accepting new enrolments into its Perth campus and completed a teach-out for the remaining students. Refer to Note 7 and Note 8 for further details on onerous contracts.

Results for the discontinued operations are separately disclosed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and the summary presented above.

CORPORATE FOCUS

The Company is committed to fostering the organic growth of its current operating businesses, through course, delivery mode and campus expansion. Simultaneously, the Company is actively seeking opportunities for strategic acquisitions, aiming to broaden its portfolio and strengthen its market position.

RESULTS SUMMARY

The table below reconciles the EBITDA of ALG and Ikon (EDU's wholly-owned operating businesses) for the financial year ended 31 December 2023, to the Group's consolidated loss reported for the period.

Group	FY23	FY22	Variance	Variance*
	$'000	$'000	$'000	%
ALG/Ikon				
Total revenue and other income	21,559	17,667	3,892	22%
Cost of sales	(10,176)	(8,562)	(1,614)	(19%)
Gross profit	**11,383**	**9,105**	**2,278**	**25%**
Gross profit margin (%)*	*53%*	*52%*	n/a	*1%*
Operating expenses	(9,297)	(9,001)	(296)	(3%)
Operating EBITDA	**2,086**	**104**	**1,982**	**1906%**
Operating EBITDA margin (%)*	*10%*	*1%*	n/a	*9%*
EDU Holdings				
Corporate costs	(1,542)	(1,569)	27	2%
EBITDA	**544**	**(1,465)**	**2,009**	**n/a**
EBITDA margin (%)*	*3%*	*(8%)*	n/a	*11%*
Depreciation & amortisation				
- Lease related	(2,403)	(2,486)	83	3%
- Plant & equipment	(684)	(575)	(109)	(19%)
- Intangible assets	(463)	(390)	(73)	(19%)
Total depreciation & amortisation	**(3,550)**	**(3,451)**	**(99)**	**(3%)**
EBIT	**(3,006)**	**(4,916)**	**1,910**	**39%**
EBIT margin (%)*	*(14%)*	*(28%)*	n/a	*14%*
Interest on lease liabilities	(988)	(856)	(132)	(15%)
Interest and borrowing expenses	(122)	(159)	37	23%
Income tax benefit	1,051	1,444	(393)	(27%)
Net loss before one-off items	**(3,065)**	**(4,487)**	**1,422**	**32%**
Due diligence and transaction costs	68	(51)	119	n/a
Gain on lease modification	-	87	(87)	100%
Gain on disposal of assets	180	138	42	30%
Loss from discontinued operations (net of tax)	(168)	(111)	(57)	(51%)
Impairment of assets	-	(396)	396	100%
Net loss	**(2,985)**	**(4,820)**	**1,835**	**38%**

*Movement in percentage points

EBIT
EBIT is a financial measure which is not prescribed by Australian Accounting Standards and represents the profit under Australian Accounting Standards, adjusted for specific non-cash and significant items. The above table summarises reconciling items between statutory net profit after tax attributable to the shareholders of EDU and EBIT.

EBITDA
EBITDA is a financial measure which is not prescribed by Australian Accounting Standards and represents the profit under Australian Accounting Standards, adjusted for specific non-cash and significant items. Under AASB 16, this excludes rental payments for leased campuses. The above table summarises reconciling items between statutory net profit after tax attributable to the shareholders of EDU Holdings and EBITDA. EBITDA includes EDU Holdings corporate costs but excludes one-off items including due diligence and transaction costs relating to the acquisition of investments.

Operating EBITDA
Operating EBITDA is the EBITDA of the Company's operating businesses, being ALG and Ikon.

Corporate costs
Costs related to the EDU Holdings corporate function and operation of the listed entity, including ASX listing fees, share registry fees, Group audit fees, the remuneration of the Board and EDU Holdings key management personnel.

Due diligence and transaction costs
External due diligence and transaction costs relating to acquisition activities. In FY23, a benefit of $68k was recorded, attributable to the reversal of unused provisions relating to proposed acquisitions.

Gain on disposal of assets
Represents the final distribution (earn-out gain) on the sale of 100% of EDU Holding's shares in Gradability Pty Ltd in November 2021.

Interest and borrowing expenses
Interest and borrowing expenses relate primarily to interest paid and the costs associated with the Company's borrowing facilities.

Interest on lease liabilities
Interest on lease liabilities represents the interest expense recognised in relation to lease liabilities.

Depreciation and amortisation
Depreciation relates to right-of-use assets, plant & equipment and leasehold improvements recognised in the balance sheet. Amortisation relates to course development, licences, and software.

Impairment of assets
Impairment of assets in FY22 relates to the impaired right-of-use assets and plant & equipment for the Clarence Street campus (PPE: $202k and ROUA: $194k).

Loss from discontinued operations
Represents the loss from ALG's discontinued Perth campus operations, net of tax. Refer to Note 7 for further details.

NET ASSETS

The net assets of the Group as at the reporting date was $10,481,220 (31 December 2022: $13,256,667).

MATERIAL BUSINESS RISKS

EDU identifies and manages risks in accordance with the Group's Risk Management Framework (**Framework**). The Group has, through the application of the Framework, identified the following material business risks faced by the Group that could adversely affect the Group's financial performance and growth potential in future years.

Business risk	Mitigating activities
Competition The Group operates in a highly competitive market, with a large number of education providers (particularly for ALG in the VET sector) competing for students. There is a risk of new or existing competitors entering the Group's target market with new or improved products and services and/or paying higher commission rates to education agents, that the Group cannot match or exceed in a timely or cost-effective manner, resulting in loss of customers and in market share	- Regular review of key market trends and competitor activity, price points, promotions and other marketing activity and responding accordingly - Analysis of structured, periodic surveys of students and staff to determine areas for service and product improvement - Continuous investment in quality, compliance, academic delivery (including learning resources) and campus infrastructure - Development, accreditation and delivery of new courses based on market demand and trends
New course development Development and delivery of new courses pose inherent risks due to the highly competitive market and material costs involved. Risk exists that new course offerings are not successful, resulting in financial losses, reputational damage and wasted resources	- Conduct comprehensive market research to identify market demand, the competitive landscape and emerging trends ahead of commencing the development of new courses - Course advisory committees established to ensure proposed new courses align with current industry requirements and demands - Detailed and robust cost analysis, financial model and business case developed and approved prior to commencing new course development - Dedicated course development team to expedite new course development and bring these to market in a timely and efficient manner - Investment in sales and marketing activities to increase probability of a successful course launch

Business risk	Mitigating activities
Data and IT security Disruption to technology platforms and systems used by the Group or a major data or information security breach could cause significant business and reputational damage which may impact financial stability and growth	- Outsourced IT partner that delivers a strategy built around protection, detection and responding to threats - Use of leading and trusted technologies with appropriate security settings – Strong internal processes and culture of risk awareness to protect and control data access
Regulatory environment The Group operates in a highly regulated industry and continued registration with regulators is a key material risk (Australian Skills Quality Authority (ASQA) in relation to ALG and the Tertiary Education Quality and Standards Agency (TEQSA) in relation to Ikon).	- Dedicated quality assurance and compliance teams that regularly report to management and the Board - Adherence to an effective self-assurance framework - Comprehensive continuous improvement cycle to ensure operating businesses remain compliant - Implement a robust risk management strategy to address the impacts of regulatory changes on business operations and growth strategies
Impact of pandemics and responses of government policies to immigration and visas The closure of the international borders due to Covid-19, together with the Government's response such as the introduction of visa options not requiring participation in education and uncapped working rights were highly impactful for the ALG business. Any future changes to policies and settings around student visas, working rights and skilled migration could be disruptive to growth and profitability	- Further development of flexible course delivery models that can adapt to various scenarios, including online or hybrid delivery - Given the large exposure to international student revenue, measures to further diversify the student target markets including across both VET and HE and broadening of the course portfolio - Building financial resilience by maintaining adequate reserves and establishing contingency plans to manage unexpected disruptions

Business risk	Mitigating activities
Strategic execution, revenue growth and profitability The successful execution of the Group's strategic plan is key for achieving desired revenue growth and profitability targets. Any failure or deviation from the strategic plan can impact the Group's ability to grow its revenue and enhance its financial viability	- Clear communication and alignment of the strategic plan across the organisation - Effective resource allocation to support the execution of the strategic plan - Establishing robust performance monitoring and measurement framework to track progress against strategic objectives and KPIs - Embracing an agile and adaptive approach to strategic execution to meet external market conditions and business dynamics - Implementing an appropriate organisation structure, and investing in talent development to ensure employees are equipped with appropriate skills and capabilities to execute the strategic plan - Investment in sales and marketing organisational structure and resources, both onshore in Australia and offshore in select regions
Source country and agent concentration risk Source country and agent concentration risk arises when a significant proportion of student enrolments are derived from a specific source country or are heavily dependent on a limited number of agents. Source country concentration makes the business susceptible to potential disruptions from the source market (i.e., regulatory changes, economic shifts, or geopolitical events which could impact student demand and enrolments). Agent concentration risk arises where changes in agent relationships, commercial terms or changes in their capacity to recruit students can lead to material fluctuations in student enrolments and thereby revenue	- Actively cultivating relationships with a diversified agent portfolio across various source markets to ensure that no single agent or group of agents holds a disproportionate influence over enrolment numbers - Expanding student recruitment activities to recruit students from a wide range of geographic source markets to avoid over-dependence on any one market or region to manage volatility in enrolments - Conducting periodic regulatory and performance assessments of agents and source markets and taking proactive steps to address any emerging challenges - Maintaining open communication with agents and developing and adopting new strategies in response to evolving market conditions and changes in agent relationships

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 2 August 2023, the Company announced that it had exercised a contractual right to terminate the share purchase agreement relating to the acquisition of Care Plus Training Pty Ltd trading as Nurse Training Australia (**NTA**). Completion of the acquisition was subject to NTA gaining reaccreditation of its Diploma of Nursing program by the Australian Nursing and midwifery Accreditation Council (**ANMAC**). NTA submitted its reaccreditation application to ANMAC in early 2022, and while the Board understood that progress had been made, ANMAC's assessment had not been finalised and no definitive timeframe for determination of the application had been forthcoming. The delay in gaining reaccreditation precluded NTA from enrolling new nursing students during 2023. With less nursing students and ongoing uncertainty around the timing and outcome of the reaccreditation process, the EDU Board formed the view that the transaction was no longer in the Company's best interest.

Other than the above, there were no significant changes in the state of affairs of the Group during the financial year.

SUBSEQUENT EVENTS

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Based on current enrolments in Trimester 1 and Term 1 for Ikon and ALG, respectively, the Board is expecting continued revenue and earnings growth in 2024.

INDEMNIFICATION OF OFFICERS AND AUDITOR

During the financial year ended 31 December 2023, the Company paid a premium in respect of an insurance contract insuring the Directors of the Company, the Joint Company Secretaries, and all executive officers of the Company and of any related body corporate against liability incurred in the fulfilment of such positions, to the extent permitted by the Corporations Act. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has entered into agreements with the Directors to provide access to company records and to indemnify them in certain circumstances. The indemnity relates to liability as a result of being, or acting in their capacity as, an officer of the Company to the maximum extent permitted by law, and for legal costs incurred in successfully defending civil or criminal proceedings. No liability has arisen under these indemnities as at the date of this report.

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

UNISSUED SHARES UNDER OPTION

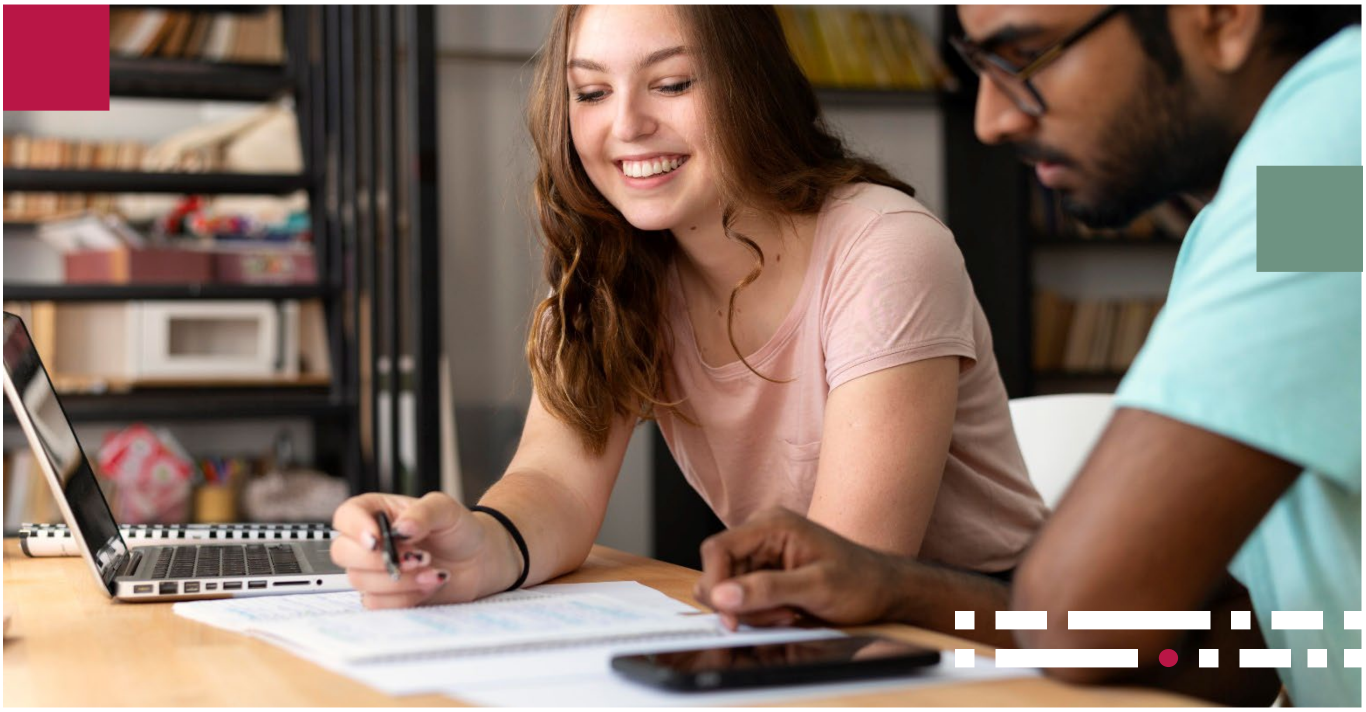
Details of unissued ordinary shares of EDU under option as at the date of this report are:

Date options granted	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
12 Nov 2021	2,200,000	Ordinary	$nil	11 Dec 2024[a]
23 May 2023	1,866,197	Ordinary	$nil	30 Jun 2026[b]
	4,066,197			

a. Performance rights, 1/3rd exercisable if the 20-day VWAP of EDU ordinary shares as at 11 November 2024 exceeds $0.20, 1/3rd exercisable if the 20-day VWAP exceeds $0.24 and 1/3rd exercisable if the 20-day VWAP exceeds $0.27.

b. Performance rights, 1/3rd exercisable if the 20-day VWAP of EDU ordinary shares as at 31 May 2026 exceeds $0.22, 1/3rd exercisable if the 20-day VWAP exceeds $0.24 and 1/3rd exercisable if the 20-day VWAP exceeds $0.27.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company.



PROCEEDINGS ON BEHALF OF THE COMPANY

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

AUDITOR

The auditor of the Group for the period ended 31 December 2023 was RSM Australia Partners (**RSM**). Details of the amounts paid to the auditors of the Group for audit services (including non-audit services) provided during the year are set out in Note 10 to the Annual Report.

The Directors are satisfied that the provision of non-audit services, during the financial year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the non-audit services do not compromise the external auditor's independence requirements of the Corporations Act 2011 for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in *APES 110* Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing, or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

There are no officers of the Company who are former partners of RSM.

The Auditor's Independence Declaration is included on page 109 of the Annual Report.

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 thousand dollars, or in certain cases, the nearest dollar.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings (including meetings of Committees of Directors) held during the Financial Year and the number of meetings attended by each Director (while they were in office):

Name of Director	Board		Audit & Finance Committee		Risk & Compliance Committee		Remuneration & Nomination Committee	
	Eligible to attend[1]	Attended	Eligible to attend[1]	Attended	Eligible to attend[1]	Attended	Eligible to attend[1]	Attended
Gary Burg	6	6	2	2	-	-	2	2
Adam Davis	6	6	-	-	-	-	-	-
Peter Mobbs	6	6	-	-	2	2	-	-
Jonathan Pager	6	6	2	2	2	2	-	-
Greg Shaw	6	6	-	-	-	-	2	2

[1] Number of meetings held while the Director was a member of the Board/Committee

REMUNERATION REPORT (AUDITED)

The Directors present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

The Remuneration Report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration;
2. Details of remuneration;
3. Service agreements;
4. Share-based compensation; and
5. Shareholding and option holding of Directors and other Key Management Personnel.

The information provided under headings 1 to 5 below in the Remuneration Report has been audited as required by Section 308(3C) of the Corporations Act 2001.

1. Principles used to determine the nature and amount of remuneration (audited)

The Board has established a Remuneration and Nomination Committee which operates in accordance with its charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the Directors and Key Management Personnel.

The Company's Constitution specifies that subject to the initial fixed annual aggregate sum of $500,000, the aggregate remuneration of non-executive Directors shall not exceed the sum determined by the shareholders of the Company in general meeting.

Fees and payments to Directors and Key Management Personnel:

- are to reflect the demands which are made on, and the responsibilities of, the Directors and Key Management Personnel; and
- are reviewed annually by the Board to ensure that Directors' fees and payments to Key Management Personnel are appropriate and in line with market.

Retirement allowances and benefits for Directors

There are no retirement allowances or other benefits paid to Directors.

Directors' fees

The amount of remuneration of the Directors and Key Management Personnel of the Company (as defined in AASB 124 Related Party Disclosures) is set out in the following table. There was no remuneration of any type paid to the Directors or Key Management Personnel, other than as reported below for the provision of director and professional services.

2. Details of remuneration (audited)

This table has been prepared in accordance with relevant accounting standards.

Directors and other Key Management Personnel		Short-term employee benefits			Post-employment benefits	Long-term benefits		Share-based payments[1]		
Employee		Cash salary and fees	Cash bonus	Non-monetary benefits	Superannuation	Long service leave	Termination benefits	Options	Total	Performance based % of remuneration
		$	$	$	$	$	$	$	$	%
Executive Director and Key Management Personnel										
Adam Davis (CEO and Managing Director)	31 Dec 2023	318,000	63,600	-	-	-	-	122,151	503,751	37.0%
	31 Dec 2022	300,000	43,582	-	-	-	-	129,333	472,915	37.0%
Lyndon Catzel (CFO and Company Secretary)	31 Dec 2023	239,279	47,748	-	30,973	-	-	96,964	414,964	35.0%
	31 Dec 2022	226,759	32,868	-	26,692	-	-	97,004	383,323	34.0%
Gary Burg (Chair)	31 Dec 2023	60,000	-	-	-	-	-	-	60,000	-
	31 Dec 2022	60,000	-	-	-	-	-	-	60,000	-
Peter Mobbs (Non-executive director)	31 Dec 2023	72,235	-	-	7,765	-	-	-	80,000	-
	31 Dec 2022	72,564	-	-	7,436	-	-	-	80,000	-
Jonathan Pager (Non-executive director)	31 Dec 2023	50,000	-	-	-	-	-	-	50,000	-
	31 Dec 2022	50,000	-	-	-	-	-	-	50,000	-
Greg Shaw (Non-executive director)	31 Dec 2023	50,000	-	-	-	-	-	-	50,000	-
	31 Dec 2022	25,000	-	-	-	-	-	-	25,000	-
Total	**31 Dec 2023**	**789,514**	**111,348**	**-**	**38,738**	**-**	**-**	**219,115**	**1,158,715**	**29.0%**
Total	**31 Dec 2022**	**734,323**	**76,450**	**-**	**34,128**	**-**	**-**	**226,337**	**1,071,238**	**28.3%**

[1] During the financial year ended 31 December 2023, $475,453 of unvested and expired performance rights issued in prior years were reversed against accumulated losses (2022: $196,271). Refer Note 23 for details.

3. Service agreements (audited)

The Directors serve until they resign, are removed, cease to be a Director or are prohibited from being a Director under the provisions of the Corporations Act 2001, or are not re-elected to office.

The Directors and Key Management Personnel have entered into service agreements on the following terms:

- Mr Gary Burg (Non-Executive Chair) - base fee (including Director's fees) of $60,000 per annum excluding GST.
- Mr Adam Davis (Chief Executive Officer and Managing Director) - base fee (including Director's fees) of $337,080 per annum excluding GST (effective 1 January 2024) (2023: $318,000), plus a short-term incentive (STI) of up to 45% of the base fee, subject to achievement of financial (weighted 55%) and strategic and operational (weighted 45%) performance objectives, determined by the Board. The STI for the year ended 31 December 2023 was weighted 50% to financial objectives and 50% to strategic and operational objectives. A total STI of $63,600 was achieved (representing 50% of the maximum STI achievable).
- Mr Jonathan Pager (Non-Executive Director) - base fee (including Director's fees) of $50,000 per annum excluding GST.
- Mr Greg Shaw (Non-Executive Director) - base fee (including Director's fees) of $50,000 per annum excluding GST.
- Mr Peter Mobbs (Non-Executive Director) - base salary (including Director's fees) of $80,000 per annum (including superannuation), including his additional role as Chair of the Ikon Board since 30 October 2019.
- If the Company terminates the agreement with cause (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide the Director with no notice and will be summarily dismissed. If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide the Director with three months' written notice or make a payment of three months' salary in lieu of the notice period.
- Directors, other than the Chief Executive Officer, may terminate their respective agreements at their sole discretion and at any time, and in doing so are entitled to payment of a fee equivalent to three months of their base fees/salary.
- Other than the Directors, the only Key Management Person is Lyndon Catzel, Chief Financial Officer and Company Secretary. Mr Catzel is paid a base salary of $280,900 (including superannuation and effective from 1 January 2024) (2023: $265,000) plus an STI of up to 45% of his base salary, subject to achievement of financial (weighted 55%) and strategic and operational (weighted 45%) performance objectives, determined by the Board. The STI for the year ended 31 December 2023 was weighted 50% to financial objectives and 50% to strategic and operational objectives. A total STI of $53,000 (inclusive of superannuation) was achieved (representing 50% of the maximum STI achievable).

4. Share-based compensation (audited)

The Company has granted performance rights over ordinary shares in the Company to its Chief Executive Officer, Adam Davis and Chief Financial Officer and Company Secretary, Lyndon Catzel, in accordance with the Company's Employee Option Plan.

The total of share-based payments for the year was $219,117 (FY22: $226,337). There were no share-based payments made to the Directors or Key Management Personnel for the year ended 31 December 2023.

During the year $475,453 of unvested and expired performance rights that were issued in prior years were reversed against accumulated losses (2022: $196,271). Refer Note 23 for details.

Performance rights

Executive	Number of options granted	Grant date	Value per option at grant date ($)	Value of options at grant date ($)	Number Vested	Exercise price ($)	Vesting and first exercise date	Last exercise date
Adam Davis (CEO and Managing Director)	400,000	12 Nov 2021	0.1123	44,912	-	$nil	11 Nov 2024	11 Dec 2024
	400,000	12 Nov 2021	0.1052	42,072	-	$nil	11 Nov 2024	11 Dec 2024
	400,000	12 Nov 2021	0.0985	39,382	-	$nil	11 Nov 2024	11 Dec 2024
	339,309	23 May 2023	0.1501	50,934	-	$nil	31 May 2026	30 Jun 2026
	339,309	23 May 2023	0.1463	49,630	-	$nil	31 May 2026	30 Jun 2026
	339,308	23 May 2023	0.1384	46,976	-	$nil	31 May 2026	30 Jun 2026
Lyndon Catzel (CFO and Company Secretary)	333,333	12 Nov 2021	0.1123	37,427	-	$nil	11 Nov 2024	11 Dec 2024
	333,333	12 Nov 2021	0.1052	35,060	-	$nil	11 Nov 2024	11 Dec 2024
	333,334	12 Nov 2021	0.0985	32,818	-	$nil	11 Nov 2024	11 Dec 2024
	282,757	23 May 2023	0.1501	42,445	-	$nil	31 May 2026	30 Jun 2026
	282,757	23 May 2023	0.1463	41,359	-	$nil	31 May 2026	30 Jun 2026
	282,757	23 May 2023	0.1384	39,147	-	$nil	31 May 2026	30 Jun 2026

The performance rights were provided at no cost to the recipients and have the following principal terms:

- Vesting condition: three (3) years of continuous employment or office with the Company from the date of issue;
- Exercise condition:
  - for the performance rights issued on 23 May 2023:
    - 1/3rd exercisable if the 20-day volume weighted average price (VWAP) of EDU ordinary shares at 31 May 2026 (being 3 years from the date of issue) exceeds $0.22
    - 1/3rd exercisable if the 20-day VWAP of EDU ordinary shares at 31 May 2026 (being 3 years from the date of issue) exceeds $0.24
    - 1/3rd exercisable if the 20-day VWAP of EDU ordinary shares at 31 May 2026 (being 3 years from the date of issue) exceeds $0.27
  - for the performance rights issued on 12 November 2021: and
    - 1/3rd exercisable if the 20-day volume weighted average price (VWAP) of EDU ordinary shares at 11 November 2024 (being 3 years from the date of issue) exceeds $0.20
    - 1/3rd exercisable if the 20-day VWAP of EDU ordinary shares at 11 November 2024 (being 3 years from the date of issue) exceeds $0.24
    - 1/3rd exercisable if the 20-day VWAP of EDU ordinary shares at 11 November 2024 (being 3 years from the date of issue) exceeds $0.27
- Expiry: 1 month after the vesting date.

5. Shareholding and option holding of Directors and other Key Management Personnel (audited)

a. Options and performance rights

The number of options to acquire ordinary shares in the Company held during the financial year by Directors and other Key Management Personnel, including their personal related parties, are set out below:

Year ended 31 December 2023	Balance at start of the year	Granted as remuneration (i)	Other changes during the year	Expired (ii)	Vested and exercisable at the end of the year	Unvested and not exercisable at the end of the year
Gary Burg	-	-	-	-	-	-
Adam Davis	3,300,000	1,017,926	-	(2,100,000)	-	2,217,926
Peter Mobbs	-	-	-	-	-	-
Jonathan Pager	-	-	-	-	-	-
Greg Shaw	-	-	-	-	-	-
Lyndon Catzel	2,500,000	848,271	-	(1,500,000)	-	1,848,271
	5,800,000	**1,866,197**	**-**	**(3,600,000)**	**-**	**4,066,197**

Year ended 31 December 2022	Balance at start of the year	Granted as remuneration	Other changes during the year	Expired	Vested and exercisable at the end of the year	Unvested and not exercisable at the end of the year
Gary Burg	-	-	-	-	-	-
Adam Davis	3,300,000	-	-	-	-	3,300,000
Peter Mobbs	-	-	-	-	-	-
Jonathan Pager	-	-	-	-	-	-
Greg Shaw	-	-	-	-	-	-
Lyndon Catzel	2,500,000	-	-	-	-	2,500,000
	6,000,000	**-**	**-**	**-**	**-**	**5,800,000**

(i) Performance rights issued under the Company's Employee Option Plan: 1,866,197 performance rights were issued on 23 May 2023, vesting on 31 May 2026, exercisable at $nil and expiring on 30 June 2026. 1/3rd of the performance rights can be exercised if the 20-day VWAP of EDU ordinary shares at 23 May 2026 exceeds $0.22, 1/3rd exercisable if the 20-day VWAP exceeds $0.24, and the remaining 1/3rd exercisable if the 20-day VWAP exceeds $0.27.

(ii) 1,250,000 Performance Rights expired on 4 January 2023 as the performance conditions were not met (the 20-day VWAP of EDU ordinary shares at 5 December 2022 did not exceed $0.42) and 2,350,000 of Performance Rights expired on 24 December 2023 as the performance conditions were not met (the 20-day VWAP of EDU ordinary shares at 24 November 2023 did not exceed $0.28)

All equity transactions with Key Management Personnel have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

No option holder has any right under the options to participate in any other share issue of the Company.

b. Shareholding

The number of ordinary shares in the Company held during the financial year by Directors and other Key Management Personnel, including their personal related parties, are set out below:

31 December 2023	Balance at start of the year	Shares acquired	Balance at end of the year
Gary Burg	36,847,252	-	36,847,252
Adam Davis	10,000,000	-	10,000,000
Peter Mobbs	4,476,151	-	4,476,151
Greg Shaw	23,076,923	-	23,076,923
Jonathan Pager	1,971,990	-	1,971,990
Lyndon Catzel	926,923	-	926,923
	77,299,239	**-**	**77,299,239**

31 December 2022	Balance at start of the year	Shares acquired	Balance at end of the year
Gary Burg	32,608,791	4,238,461	36,847,252
Adam Davis	8,000,000	2,000,000	10,000,000
Peter Mobbs	4,326,151	150,000	4,476,151
Greg Shaw	-	23,076,923	23,076,923
Jonathan Pager	1,356,605	615,385	1,971,990
Lyndon Catzel	850,000	76,923	926,923
	47,141,547	**30,157,692**	**77,299,239**

All equity transactions with Key Management Personnel have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

Other Key Management Personnel transactions

There have been no other transactions other than those described in the tables above.

Use of remuneration consultants

No remuneration consultants were used to provide remuneration recommendations during the year.

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

On behalf of the Directors

Gary Burg
Non-Executive Chair
27 February 2024

STATEMENT OF CORPORATE GOVERNANCE

The Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and recommendations. Our Corporate Governance Statement is available on the Company's website at www.eduholdings.com.au and a copy has been lodged with ASX.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 $	2022 $
Revenue from continuing operations			
Revenue from contracts with customers	4	21,174,758	17,618,997
Other revenue	4	38,309	47,602
Total revenue		**21,213,067**	**17,666,599**
Cost of sales		(10,176,586)	(8,562,827)
Gross profit		**11,036,481**	**9,103,772**
Other income			
Gain from disposal of assets		179,658	138,126
Gain on lease modification		-	86,663
Other income	4	346,101	1,704
Interest income		132,358	20,786
Total other income		**658,117**	**247,279**
Expenses			
Employee benefits expense		(7,495,255)	(6,708,828)
Depreciation of right-of-use assets	17a	(2,403,539)	(2,486,871)
Depreciation and amortisation expense	15 – 16	(1,146,348)	(965,609)
Advertising, marketing, and promotion expenses		(1,023,702)	(862,370)
Interest on lease liabilities	17b	(987,569)	(855,080)
Communication and IT expenses		(565,691)	(701,504)
Administration, support, and other expenses		(510,590)	(345,090)
Licence fees		(368,712)	(310,155)
Cleaning, utility, and occupancy expenses		(294,652)	(443,364)
Professional fees		(282,590)	(842,341)
Finance costs		(254,331)	(179,676)
Recruitment expenses		(100,717)	(66,509)
Credit losses		(99,283)	(208,606)
Insurance expenses		(96,972)	(80,239)
Impairment of assets		-	(396,299)
Due diligence and transaction fees		67,894	(51,081)
Total expenses		**(15,562,057)**	**(15,503,622)**
Loss before income tax expense from continuing operations		**(3,867,459)**	**(6,152,571)**
Income tax benefit	2	1,050,516	1,444,350
Loss from continuing operations		**(2,816,943)**	**(4,708,221)**
Loss from discontinued operations (net of tax)	7	(168,307)	(111,553)
Loss for the period		**(2,985,250)**	**(4,819,774)**
Other comprehensive income for the year		-	-
Total comprehensive loss for the year (net of tax)		**(2,985,250)**	**(4,819,774)**

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
	Notes	**$**	**$**
Loss per share attributable to equity holders of the parent entity			
Basic loss per share (cents)			
Continuing operations	12	(1.71)	(3.34)
Discontinued operations	12	(0.10)	(0.08)

Diluted loss per share (cents)			
Continuing operations	12	(1.71)	(3.34)
Discontinued operations	12	(0.10)	(0.08)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2023

	Notes	2023 $	2022 $
Current assets			
Cash and cash equivalents	26	3,121,297	6,075,190
Trade and other receivables	13	303,861	293,481
Income tax receivable	2	-	936,003
Other assets	14	489,096	450,619
Total current assets		**3,914,254**	**7,755,293**
Non-current assets			
Trade and other receivables	13	-	-
Other assets	14	13,950	36,058
Plant and equipment	15	2,153,035	2,753,668
Intangible assets	16	2,558,151	1,669,677
Right-of-use asset	17	9,702,467	12,835,107
Deferred tax asset	3	3,040,954	1,941,266
Goodwill on consolidation	9	11,918,128	11,918,128
Total non-current assets		**29,386,685**	**31,153,904**
Total assets		**33,300,939**	**38,909,197**
Current liabilities			
Trade and other payables	19	3,613,267	3,861,663
Contract liabilities	20	1,682,266	1,147,381
Borrowings	30	1,000,000	250,000
Employee benefits	21	474,978	441,882
Deferred lease liability	17	2,714,710	3,154,222
Provisions for onerous contracts	8	30,104	-
Provisions	18	79,524	20,000
Total current liabilities		**9,594,849**	**8,875,148**
Non-current liabilities			
Trade and other payables	19	1,611,016	1,950,138
Borrowings	30	1,000,000	2,000,000
Employee benefits	21	200,647	162,317
Contract liabilities	20	307,706	114,897
Deferred lease liability	17	9,605,597	11,989,077
Provisions	18	499,904	560,953
Total non-current liabilities		**13,224,870**	**16,777,382**
Total liabilities		**22,819,719**	**25,652,530**
Net assets		**10,481,220**	**13,256,667**
Equity			
Issued capital	22	31,125,849	31,135,163
Reserves	23	213,817	470,153
Accumulated losses	24	(20,858,446)	(18,348,649)
Total equity		**10,481,220**	**13,256,667**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Issued Capital	Share Based Payments Reserve	Accumulated Losses	Total Equity
	$	$	$	$
Balance at 1 Jan 2023	**31,135,163**	**470,153**	**(18,348,649)**	**13,256,667**
Net loss for the year	-	-	(2,985,250)	(2,985,250)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	**(2,985,250)**	**(2,985,250)**
Transactions with owners in their capacity as owners				
Shares issued at net cost	(9,314)	-	-	(9,314)
Options issued at fair value	-	219,117	-	219,117
Options expired	-	(475,453)	475,453	-
Total transactions with owners in their capacity as owners	**(9,314)**	**(256,336)**	**475,453**	**209,803**
Balance at 31 December 2023	**31,125,849**	**213,817**	**(20,858,446)**	**10,481,220**

	Issued Capital	Share Based Payments Reserve	Accumulated Losses	Total Equity
	$	$	$	$
Balance at 1 Jan 2022	**25,132,480**	**440,087**	**(13,725,146)**	**11,847,421**
Net profit for the year	-	-	(4,819,774)	(4,819,774)
Other comprehensive income for the year	-	-	-	-
Total comprehensive profit for the year	-	-	**(4,819,774)**	**(4,819,774)**
Transactions with owners in their capacity as owners				
Shares issued at net cost	6,002,683	-	-	6,002,683
Options issued at fair value	-	226,337	-	226,337
Options expired	-	(196,271)	196,271	-
Total transactions with owners in their capacity as owners	**6,002,683**	**30,066**	**196,271**	**6,229,020**
Balance at 31 December 2022	**31,135,163**	**470,153**	**(18,348,649)**	**13,256,667**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 $	2022 $
Cash flow from operating activities			
Receipts from customers and other income		21,715,652	16,778,982
Interest received		132,358	20,425
Income taxes received		936,003	226,709
Payments to suppliers and employees		(21,438,551)	(18,802,505)
Net cash flows from continuing operating activities		**1,345,462**	**(1,776,389)**
Net cash flows from discontinued operating activities	7	**(244,466)**	**(199,049)**
Net cash provided by / (used in) operating activities	**26(b)**	**1,100,996**	**(1,975,438)**
Cash flow from investing activities			
Net receipts from disposal of assets		179,658	138,126
Transaction costs in relation to the proposed acquisition		(161,195)	(98,509)
Payments for plant and equipment		(78,008)	(883,376)
Payments for intangibles		(404,606)	(277,344)
Net cash flows from continuing investing activities		**(464,151)**	**(1,121,103)**
Net cash flows from discontinued investing activities	7	**-**	**(3,352)**
Net cash used in investing activities		**(464,151)**	**(1,124,455)**
Cash flow from financing activities			
Proceeds from share issues	22	10,000	6,191,000
Capital raising costs	22	(12,418)	(264,423)
Repayment of borrowings	30	(250,000)	(500,000)
Borrowing costs		(231,034)	(137,362)
Repayment of lease liabilities	17(b)	(3,059,981)	(2,340,225)
Net cash flows from continuing financing activities		**(3,543,433)**	**2,948,990**
Net cash flows from discontinued financing activities	7	**(47,305)**	**(48,426)**
Net cash (used in) / provided by financing activities		**(3,590,738)**	**2,900,564**
Net decrease in cash and cash equivalents		(2,953,893)	(199,329)
Cash and cash equivalents at beginning of year		6,075,190	6,274,519
Cash and cash equivalents at end of year	**26(a)**	**3,121,297**	**6,075,190**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. Statement of significant accounting policies

This Annual Report covers EDU Holdings and its controlled entities. EDU Holdings is a listed public company, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 1, 65 York Street, Sydney NSW 2000. For the purposes of preparing this Annual Report, EDU Holdings is a for-profit company.

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

The financial statements are presented in AUD dollars, the Group's functional and presentational currency.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity. Following is a summary of the material accounting policies adopted by the Group in the preparation and presentation of the Annual Report. The accounting policies have been consistently applied, unless otherwise stated.

a. 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.

b. Basis of preparation of the Annual Report

Statement of compliance

The Annual Report is a general-purpose financial report prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law where possible.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 February 2024. The Directors have the power to amend and reissue the financial statements.

c. Basis of preparation

The Annual Report has been prepared on the historical cost and accruals basis, except where stated otherwise.

Historical cost convention

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

Going concern

The Directors have prepared the Annual Report on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of $2,985,250 and had net cash inflows from operating activities of $1,100,996 for the year ended 31 December 2023. As at 31 December 2023, the consolidated entity had net current liabilities of $5,680,595.

The Directors believe that it is reasonable that the consolidated entity will continue as a going concern and that it is thus appropriate to present the financial report on a going concern basis after consideration of the following factors:

- At 31 December 2023, the consolidated entity had $3,121,297 in cash and cash equivalents on hand, of which $328,607 is subject to restrictions, resulting in available free cash of $2,792,690. Cash and cash equivalents have increased since year-end and as at 31 January 2024, the balance was $5,308,770 (unaudited);
- Included within current liabilities is $1,000,000 of borrowings, which are payable on a quarterly basis over the 12-month period ending 31 December 2024 and $2,714,710 of lease liabilities, which are payable on a monthly basis over the 12-month period ending 31 December 2024 ;
- Included within current liabilities is $1,682,266 of contract liabilities relating to tuition revenue (including enrolment and course material fees) which has been received in advance of the tuition beginning or the course materials being provided to students. This is largely in relation to Term 1 and Trimester 1, 2024, which have commenced, with teaching delivery underway;
- The Directors have considered cash flow forecasts, that indicate that the consolidated entity is expected to continue to operate within the limits of its available cash reserves; and
- If required, the Group has the ability to raise additional funds on a timely basis.

d. Principles of consolidation

Subsidiaries

The Annual Report incorporates the assets, liabilities and results of entities controlled by EDU Holdings as at the end of the reporting period.

A controlled entity is any entity over which EDU Holdings has the power to govern the financial and operating policies so as to obtain benefits from its activities.

All intercompany balances and transactions (if any) between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been aligned to ensure consistency with those policies adopted by the parent entity.

Where controlled entities have entered or left the Group during the year, their operating results have been included from the date control was obtained or until the date that control ceased.

Investments in subsidiaries are accounted for at cost, less any impairment (if any).

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 31.

e. Income tax

The income tax benefit / (expense) for the year comprises of the current tax benefit / (expense) and deferred tax expense. The charge for the current income tax benefit / (expense) is based on the (loss) / profit for the year, adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date. Current tax liabilities are measured at the amounts expected to be paid to the relevant tax authority. Deferred income tax expense reflects movements in deferred tax asset (DTA) and deferred tax liability (DTL) balances during the year, in addition to unused tax losses.

Deferred tax is accounted for using the balance liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income, except where it relates to items that may be credited directly to equity, in which case the deferred tax asset is adjusted directly against equity.

Deferred income tax assets are recognised only to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefit brought to account, or which may be realised in the future, is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax consolidation

The Company and its wholly-owned subsidiaries comprise an income tax consolidated group under tax consolidation legislation. Each entity within the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities / (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity.

f. Business combinations

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

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

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

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

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

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

Business combinations are initially accounted for on a provisional basis. The acquiror retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the re-measurement period, based on the new information obtained about the facts and circumstances that existed at the acquisition date. The re-measurement period ends on either the earlier of:

- 12 months from the date of the acquisition; or
- When the acquiror receives all the information possible to determine fair value.

g. Government grants

Government grants, including non-monetary grants at fair value, are only recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. If the Government grant cannot be determined with reasonable certainty, then the grant is only recognised on receipt.

h. Plant and equipment

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

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight–line method so as to write off the cost of each fixed asset over its estimated useful life on the following basis:

Class of fixed assets	Depreciation rate (useful life)
Office equipment	3 to 20 years
Leasehold improvements	3 to 10 years
Library resources	3 to 10 years

Leasehold improvements are depreciated over the unexpired period of the lease (including any option period, to the extent that it is reasonably certain that the option will be exercised) or their estimated useful life, whichever is shorter.

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimates accounted for on a prospective basis.

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

i. Right-of use assets and lease liabilities

The right-of-use assets (ROUA) relating to the operating lease and the lease liability is measured as the present value of the remaining unavoidable future lease payments and discounted using the Group's incremental borrowing rate at the date of initial application. In applying the modified retrospective approach, there is no requirement to restate either retained earnings or prior period comparatives.

The expensing of lease payments evenly over the lease period has been replaced with a depreciation charge against the leased ROUA and an interest expense against the recognised lease liability. In accordance with AASB 16, lease payments are no longer recognised as operating cash flows, but as financing cash flows in the Statement of Cash Flows.

The ROUA and corresponding lease liabilities have been recorded upon adoption of AASB 16. AASB 16 eliminates the distinction between operating and finance leases and brings all leases (other than short term and low value leases) onto the balance sheet. The Group recognises a ROUA, representing its right to use the underlying assets and a corresponding lease liability representing its obligation to make unavoidable future lease payments. The Group recognises ROUA and lease liabilities at the commencement date of the lease.

ROUA are initially measured at cost (present value of the lease liability plus deemed cost of acquiring the underlying asset and the cost of restoring the underlying asset, less any lease incentives received), and subsequently at cost less any accumulated depreciation, impairment losses and adjusted for remeasurement of the lease liability. The ROUA are depreciated using the straight-line method from the commencement date to the end of the lease term.

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

The lease liabilities are initially measured as the present value of the unavoidable future lease payments expected to be paid over the lease term, discounted using the Group's incremental borrowing rate as the interest rate implicit in the leases are not readily determinable. The lease liability is further re-measured if there is a change in the duration of the lease including any option period and estimated future lease payments change as a result of index or rate changes. The lease liabilities are subsequently increased by the interest cost on the lease liability and decreased by lease payments made.

The Group has applied some judgement in determining whether the lease term for specific lease contracts should include renewal options. This involved an assessment of whether the Group is reasonably certain as to the exercise of such options and thus the impact on the lease terms, thereby affecting the measurement of lease liabilities and ROUA recognised.

j. Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits at call with financial institutions, and other highly liquid investments with short periods to maturity (three months or less) which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, and bank overdrafts.

k. Trade and other receivables

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

A number of methods have been applied to measure expected credit losses including lifetime expected loss allowance, assessment of failed fee collection patterns and of days overdue. The outstanding trade receivables balance is compared to both the revenue recognised and recognisable balances recorded under contract liabilities as at the reporting date.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

l. Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standard or to achieve consistency in disclosure with current financial amounts and other disclosures.

m. Onerous contracts and discontinued operations

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

A discontinued operation is a component of the Group that represents a separate geographical area of operations and is part of a disposal plan. The results of discontinued operations are presented separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

n. Finance costs

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

o. Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which remain unpaid. The amounts are unsecured and are usually settled within 30 days of recognition.

p. Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are recognised as a deduction from equity, net of any tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, for the acquisition of a business, are not included in the cost of acquisition as part of the purchase consideration.

q. Dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of the financial year but not distributed at the reporting date.

r. Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing the operating profit after tax attributable to members of the Group by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income-tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

s. Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which employees render the related service. Examples of such benefits include wages and salaries and annual leave, including non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Long-term employee benefits

Long-term employee benefits not expected to be settled within 12 months of the reporting date, are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

The Group presents employee benefit obligations as current liabilities in the Statement of Financial Position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

Profit share and bonus plans

A liability for employee benefits in the form of profit sharing and bonus plans is recognised in other creditors when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- There are formal terms in the plan for determining the amount of the benefit;
- The amounts to be paid are determined before the time of completion of the Annual Report; or
- Past practice gives clear evidence of the amount of the obligation.

Superannuation

The consolidated entity participates in a defined contribution plan. The amount charged to the Statement of Profit or Loss and Other Comprehensive Income in respect of superannuation represents the contributions paid or payable by the consolidated entity to the superannuation fund during the reporting period.

Termination Benefits

Liabilities for termination benefits, not in connection with the acquisition of an entity or operation, are recognised when the Company is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. The liabilities for termination benefits are recognised in other creditors unless the amount or timing of the payment is uncertain, in which case they are recognised as provisions.

Liabilities for termination benefits include payments as a consequence of termination or those that are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled. Amounts expected to be settled more than 12 months from the reporting date are measured as the estimated cash outflows, discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future payments, where the effect of discounting is material.

Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employees' benefits to which they relate, are recognised as liabilities.

Share-based employee remuneration

The Company operates an Employee Option Plan (EOP). The purpose of the EOP is to provide eligible employees with an opportunity to acquire options over ordinary shares in the Company. By doing so, the EOP seeks to provide eligible employees with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer-term performance of the Company and its return to shareholders.

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

Performance rights

The Company has issued performance rights (zero exercise-price options) under the existing EOP to selected employees during the financial year ended 31 December 2023. An independent valuation of these performance rights was undertaken by an independent adviser, based on a barrier pricing model. Refer to Note 23 for details.

t. Financial instruments

Classification

The Group classifies its financial assets under the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- Those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (**FVOCI**).

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Refer to Note 1(k) for details on the policy in relation to the allowance for expected credit losses.

u. Provisions

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

v. Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that individual assets may be impaired. Where impairment indicators exist, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and its value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income. Impairment testing is performed annually for goodwill, right-of-use assets and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the assets belong. Refer to Note 1(z) for further details.

Goodwill

Goodwill on consolidation is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at the date of acquisition.

Computer software

Significant external costs associated with the implementation of the student management system have been deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of five years.

Course development and licences

Course development costs are recognised as an asset and measured at cost less any impairment. Once delivery of the course to which the costs relate, has commenced, the associated costs are then amortised over four years.

Licences include the higher education registration acquired in 2018 and independently valued. This cost is amortised from the date of acquisition for the reminder of the registration period, plus an estimate of one re-registration period.

Website development

Website development has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the asset over its estimated useful life, which is four years.

w. Foreign currency transactions and balances

Foreign currency transactions during the year are translated to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at the balance date are converted at the rates of exchange ruling at the date. The gains and losses from conversion of assets and liabilities, whether realised or unrealised, are included in profit or loss.

x. Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received. They are subsequently measured at amortised cost using the effective interest method.

y. Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received, that are subject to the constraining principle, are recognised as a refund liability.

Tuition revenue

Tuition revenue and other education related revenue such as course materials, are recognised as the service is provided. Application fees, which are non-refundable and relate to the enrolment application process, are recognised over the expected duration of the course of study, in line with the performance obligations. All revenue in relation to course tuition is initially recorded in deferred revenue and released into income over the period of the related course. Other administration fees, which are paid in addition to tuition (such as late fees) are recognised at the time they are invoiced.

Contract liabilities

Contract liabilities represent the Company's obligation to deliver courses to its students and are recognised when a student pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has fully delivered the course to the student.

Interest revenue

Interest revenue is recognised using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised at the effective interest rate.

Other revenue

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

z. Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the Annual Report based on historical knowledge and best available current information. Estimates assumed a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to an impairment of assets. Where an impairment indicator exists, the recoverable amount of the asset is determined. Value-in-use calculations have been performed in assessing recoverable amounts. These incorporate a number of key estimates. To determine value-in-use, management estimates expected future cash flows from each asset or CGU and also determines a suitable interest rate in order to calculate the present value of those cash flows. The financial forecasts used for impairment testing procedures are directly linked to the Group's latest approved budget. Discount factors are determined individually for each asset or CGU and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors. The discount rate calculation is based upon the specific circumstances of the Company and its CGUs and is derived from its weighted average cost of capital (WACC).

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets

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

Allowances for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. A number of methods have been applied to measure expected credit losses including lifetime expected loss allowance, assessment of failed fee collection patterns and of days overdue. Due to the pandemic, allowances for expected credit losses have been increased to account for the increased uncertainty around collection of receivables.

Lease renewal options

The Group has applied some judgement in determining whether the lease term for specific lease contracts should include renewal options. This involved an assessment of whether the Group is reasonably certain to exercise such options and thus the impact on the lease terms, thereby affecting the measurement of lease liabilities and ROUA recognised.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is independently determined by using a binomial model, taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next reporting period but may impact profit or loss and equity. Refer to Note 1(s) for further details.

Lease make-good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Provision for onerous contracts

In relation to the closure of ALG's Perth campus, the Group has recognised a provision for the onerous contracts. The provision for the onerous contracts is the Company's best estimation of the expenditure required to settle all present obligations. The provision is based on the estimated unavoidable cost of meeting all obligations under the associated contracts and is largely related to the lease agreement, teaching delivery, wages and other directly attributable operational expenses for the period up until 31 December 2023.

aa. Segment reporting

The Group has applied AASB8 Operating Segments. AASB8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The consolidated entity operates in one industry segment being the education industry but for internal purposes, differentiates between international and domestic student income and between higher education and vocational student income. As such, segment reporting has been provided in relation to a split between international and domestic business and between higher education and vocational business.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board.

bb. Goods and service tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. The GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are shown inclusive of GST. Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

cc. Current and non-current classification

Assets and liabilities are presented in the Consolidated Statement of Financial Position based on current and non-current classification.

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

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

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

dd. New accounting standards and interpretations

New standards and interpretations not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2023.

Other standards not yet applicable

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

2. Income tax

a. The components of income tax benefit comprise

	2023	2022
	$	$
Current tax - carried forward	-	(253,728)
Current tax - loss carry back provisions[1]	-	(936,003)
Deferred tax - origination and reversal of temporary differences	(1,096,584)	(310,948)
Other adjustments (including adjustments for prior periods)	-	19,145
	(1,096,584)	**(1,481,534)**

	2023	2022
	$	$
Income tax benefit from continuing operations	(1,050,516)	(1,444,350)
Income tax benefit from discontinued operations	(46,068)	(37,184)
	(1,096,584)	**(1,481,534)**

1 Under the loss carry back provisions (subject to prior taxable income and franking surplus restrictions), $936k during 2022 was recognised as income tax receivable in the Consolidated Statement of Financial Position and was received from the ATO in August 2023

b. The income tax benefit on loss from ordinary activities comprises

	2023	2022
	$	$
Loss before tax from continuing operations	(3,867,459)	(6,152,571)
Loss before tax from discontinued operations	(184,270)	(148,737)
	(4,051,729)	**(6,301,308)**
Tax benefit at 25%	(1,012,932)	(1,575,327)
Add / (deduct) tax effect of:		
Gain from disposal of assets	(44,914)	(34,532)
Share based payments	54,779	56,584
Other assessable / non-allowable items	(93,517)	71,741
Income tax benefit attributable to loss	**(1,096,584)**	**(1,481,534)**

The Company has recognised deferred tax assets on tax losses acquired based on the available fraction rule.

Forecast earnings for the three financial years following the reporting date was assessed and the Company expects to generate sufficient future assessable income to utilise the recognised deferred tax assets.

There are no deferred tax liabilities.

There is no income tax payable to ATO for the financial year ended 31 December 2023 (2022: $nil).

3. Deferred tax

Deferred tax assets comprise temporary differences attributable to:

	2023	2022
	$	$
Amounts recognised in profit or loss:		
Provisions for employee entitlements	258,819	221,671
Accrued expenses and other provisions	154,641	215,569
Plant, equipment and intangibles	700,947	424,776
Leases	799,317	722,286
Estimated assessed tax losses carried forward	1,021,354	260,278
Prepayments and other receivables	(30,798)	(24,774)
Blackhole expenditure	94,527	67,918
	2,998,807	**1,887,724**
Amounts recognised in equity and goodwill:		
Equity raising costs and 'blackhole' expenditure	42,147	53,542
Deferred tax asset	**3,040,954**	**1,941,266**
Movements:		
Opening balance	1,941,266	1,564,212
Credited to profit or loss	1,096,584	310,948
Credit to equity	3,104	66,106
	3,040,954	**1,941,266**

4. Revenue from contracts with customers and other income

	2023	2022
	$	$
Revenue from contracts with customers:		
Tuition related revenue	**21,174,758**	**17,618,997**
Other revenue:		
Student clinic revenue	**38,309**	**47,602**
Other income:		
Rental income	343,369	-
Other income	2,732	1,704
Total other income	**346,101**	**1,704**

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2023	2022
	$	$
Timing of revenue recognition from contracts with customers:		
Services transferred over time	21,123,678	17,517,382
Services transferred at a point in time	51,080	101,615
	21,174,758	**17,618,997**

All revenue has been derived in Australia.

5. Controlled entities

				Ownership interest	
Entity	**Acquired**	**Disposed**	**Country of incorporation**	**2023**	**2022**
Australian Learning Group Pty Limited	24 Mar 2016	-	Australia	100%	100%
Proteus Technologies Pty Ltd	4 Jul 2018	-	Australia	100%	100%
Tasman Institute Pty Limited	11 Jul 2017	-	Australia	100%	100%
EDU Corporate Services Pty Ltd	26 Oct 2021	-	Australia	100%	100%

6. Key management personnel compensation

	2023	**2022**
	$	**$**
Short-term employee benefits	900,862	810,773
Post-employment benefits	38,738	34,128
Share-based payments	219,115	226,337
	1,158,715	**1,071,238**

7. Discontinued operations

In response to an ongoing decline in student numbers in Perth, the Board decided to cease ALG's Perth campus operations during the financial year and to direct the Group's focus and resources to other campuses where the Group has stronger growth prospects. ALG has now fully wound down its Perth operations. The Group recognised onerous contract provisions for the ongoing lease, teaching delivery, employment contracts and for other directly attributable operational expenses.

The combined results of the discontinued operations included in the profit and loss for the period is set out below.

Loss from discontinued operations	2023	2022
	$	$
Revenue	198,167	452,782
Expenses	(412,542)	(601,519)
Loss before income tax	**(214,375)**	**(148,737)**
Attributable income tax benefit	46,068	37,184
Loss after income tax	**(168,307)**	**(111,553)**
Net cash outflows from operating activities	(244,466)	(199,049)
Net cash used in investing activities	-	(3,352)
Net cash used in financing activities	(47,305)	(48,426)
Net decrease in cash and cash equivalents from discontinued operations	**(291,771)**	**(250,827)**

8. Provision for onerous contracts

	2023	2022
	$	$
Employment costs	17,414	-
Other costs	12,690	-
Total provision for onerous contracts	**30,104**	**-**

9. Goodwill on acquisition

	2023	2022
	$	$
Australian Learning Group Pty Limited - Vocational Education and Training (VET)	1,314,720	1,314,720
Proteus Technologies Pty Ltd - Higher Education (HE)	10,603,408	10,603,408
Total goodwill	**11,918,128**	**11,918,128**

The recoverable amount of the Group's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5-year projection period approved by management, together with a terminal value in year 5.

Key assumptions are those to which the recoverable amount of cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for both the VET and HE segments:

- Pre-tax discount rate of 17.3% for both VET and HE (2022: 16.2% for both HE and VET (including 5% to account for the current uncertainty from the global pandemic and specific company risk in calculating the Company's cost of equity)
- Average tuition revenue growth for VET estimated at 29% and 30% for HE
- Terminal growth rate of 2.5% for VET and 3.0% for HE (2022: 2.5% VET and 3.0% for HE).

The pre-tax discount rate of 17.3% for both VET and HE reflects management's estimate of the time value of money and the Company's weighted average cost of capital, adjusted for the risk-free rate and the volatility of the share price relative to other businesses in the same industry.

Impact of possible changes in key assumptions

Management has carried out sensitivity analysis on the recoverable amounts based on a change in both the discount rate and the terminal growth rate of +/- 2.0%, as well as the impact of faster / (slower) growth in sales as set out below.

Sensitivity – VET	Change in valuation	Potential impairment
2.0% lower / (higher) post-tax discount rate (WACC)	$3,672,284	$nil
2.0% increase / (decrease) in terminal growth rate	$2,611,563	$nil
10.0% increase / (decrease) in sales growth rate	$8,324,233	$2,320,755

The carrying value of the VET CGU includes goodwill of $1,314,720, plant, equipment & other intangibles of $1,867,563 and ROUA of $4,904,473 (the discount rates applied range between 4.81% and 10.06%).

Based on the value-in-use model, the DCF valuation of $14,090,234 was in excess of the carrying value of the CGU at $8,086,756. Accordingly, management consider that there is no impairment required at 31 December 2023 (2022: $nil).

Sensitivity - HE	Change in valuation	Potential impairment
2.0% lower / (higher) post-tax discount rate (WACC)	$11,735,428	$nil
2.0% increase / (decrease) in terminal growth rate	$8,398,230	$nil
10.0% increase / (decrease) in sales growth rate	$16,495,603	$nil

The carrying value of the HE CGU includes goodwill of $10,603,408, plant, equipment & other intangibles of $2,111,484 and ROUA of $4,797,994 (the discount rates applied range between 4.81% and 10.06%).

Based on the value-in-use model, the DCF valuation of $46,705,081 was in excess of the carrying value of the CGU at $17,512,886. Accordingly, management consider that there is no impairment required at 31 December 2023 (2022: $nil).

10. Auditor's remuneration

	2023	2022
	$	$
Audit and review of financial statements		
- Current Group auditors - RSM Australia Partners	73,575	66,600
- Current auditors of Ikon and ALG - Allen and Wolfe	6,000	5,500
Other services (non-audit)		
- RSM Australia Pty Ltd for taxation compliance and other services	20,745	31,595
- Allen and Wolfe for other services	-	-
Total auditor's remuneration	**100,320**	**103,695**

11. Franking credits

	2023	2022
	$	$
Franking credits	3,012,000	3,948,003
Total franking credits	**3,012,000**	**3,948,003**

The balance of franking credits has been adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years.

12. Earnings per share

	2023	2022
	$	$
(a) Basic loss per share (cents per share)		
From continuing operations	(1.71)	(3.34)
From discontinued operations	(0.10)	(0.08)
(b) Diluted loss per share (cents per share)		
From continuing operations	(1.71)	(3.34)
From discontinued operations	(0.10)	(0.08)
(c) Reconciliation of loss in calculating earnings per share		
Loss from continuing operations attributable to ordinary equity holders of the Company	(2,816,943)	(4,708,221)
Loss from discontinued operations (net of tax) attributable to ordinary equity holders of the Company	(168,307)	(111,553)
	(2,985,250)	**(4,819,774)**
(d) Total shares		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	**165,214,443**	**140,905,362**

13. Trade and other receivables

	2023	2022
	$	$
Current		
Trade receivables	56,764	95,726
GST receivable	271,510	228,835
Other receivables	12,385	27,222
Less: allowance for expected credit losses	(36,798)	(58,302)
	303,861	**293,481**
Non-current		
Trade and other receivables	-	-
	-	-

Details in respect of debtors as at reporting date that are considered past due and are not considered fully recoverable are reflected below.

The Group recognised $99,283 of credit losses (2022: $208,606) in the Consolidated Profit or Loss and Other Comprehensive Income for the financial year ended 31 December 2023.

The ageing of the receivables and allowance for expected credit losses provided for current trade receivables above is as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2023	2022	2023	2022	2023	2022
	%	%	$	$	$	$
Not yet overdue	0%	0%	-	4,400	-	-
0 to 3 months overdue	53%	47%	42,322	62,728	(22,356)	(29,704)
3 to 6 months overdue	100%	100%	12,842	12,688	(12,842)	(12,688)
Over 6 months overdue	100%	100%	1,600	15,910	(1,600)	(15,910)
			56,764	**95,726**	**(36,798)**	**(58,302)**

Movements in the allowance for expected credit losses are as follows:

	2023	2022
	$	$
Opening balance	(58,302)	(121,879)
Additional allowance recognised	(86,873)	205,004
Receivables written off during the year as uncollectable	108,377	268,581
	(36,798)	**(58,302)**

14. Other assets

	2023	2022
	$	$
Current		
Prepayments	407,771	381,106
Deposits	7,875	6,355
Commission paid in advance	73,450	63,158
	489,096	**450,619**

Non-current		
Prepayments	12,515	34,623
Deposits	1,435	1,435
	13,950	**36,058**

15. Plant and equipment

	Office equipment	Leasehold improvements	Library resources	Total
	$	$	$	$
At 31 December 2023				
Cost	1,716,003	3,243,717	66,588	5,026,308
Accumulated depreciation	(1,116,572)	(1,521,344)	(33,291)	(2,671,207)
Accumulated impairment	(65,800)	(136,266)	-	(202,066)
	533,631	**1,586,107**	**33,297**	**2,153,035**
At 31 December 2022				
Cost	1,825,002	3,240,285	37,029	5,102,316
Accumulated depreciation	(1,020,461)	(1,101,016)	(25,105)	(2,146,582)
Accumulated impairment	(65,800)	(136,266)	-	(202,066)
	738,741	**2,003,003**	**11,924**	**2,753,668**

Reconciliations

Movement in the carrying amounts of each class of plant and equipment from the beginning to the end of the year:

	Office equipment	Leasehold improvements	Library resources	Total
	$	$	$	$
At 1 January 2023	738,741	2,003,003	11,924	2,753,668
Additions	41,168	41,840	29,559	112,567
Depreciation	(217,529)	(458,736)	(8,186)	(684,451)
Discontinued operations	(28,749)	-	-	(28,749)
At 31 December 2023	**533,631**	**1,586,107**	**33,297**	**2,153,035**
At 1 January 2022	963,348	1,648,197	15,713	2,627,258
Additions	67,209	832,824	4,455	904,488
Depreciation	(226,016)	(341,752)	(8,244)	(576,012)
Impairment of assets	(65,800)	(136,266)	-	(202,066)
At 31 December 2022	**738,741**	**2,003,003**	**11,924**	**2,753,668**

16. Intangible assets

	Course development and licences	Computer software	Website development	Total
	$	$	$	$
At 31 December 2023				
Cost	3,421,509	727,924	185,454	4,334,887
Accumulated amortisation	(1,244,908)	(521,699)	(9,848)	(1,776,455)
Accumulated impairment	-	(281)	-	(281)
	2,176,601	**205,944**	**175,606**	**2,558,151**
At 31 December 2022				
Cost	2,634,146	690,182	16,168	3,340,496
Accumulated amortisation	(1,230,880)	(428,436)	(11,222)	(1,670,538)
Accumulated impairment	-	(281)	-	(281)
	1,403,266	**261,465**	**4,946**	**1,669,677**

Reconciliations

Movement in the carrying amounts of each class of intangible assets from the beginning to the end of the year:

	Course development and licences	Computer software	Website development	Total
	$	$	$	$
At 1 January 2023	1,403,266	261,465	4,946	1,669,677
Additions	1,138,646	40,429	173,625	1,352,700
Amortisation	(364,996)	(93,936)	(2,965)	(461,897)
Discontinued operations	(315)	(2,014)	-	(2,329)
At 31 December 2023	**2,176,601**	**205,944**	**175,606**	**2,558,151**
At 1 January 2022	1,462,683	192,309	7,911	1,662,903
Additions	253,195	143,457	-	396,652
Amortisation	(312,612)	(74,020)	(2,965)	(389,597)
Impairment of assets	-	(281)	-	(281)
At 31 December 2022	**1,403,266**	**261,465**	**4,946**	**1,669,677**

17. Right-of-use assets (ROUA) and lease liabilities

a. ROUA at 31 December 2023

	Property	Equipment	Total
	$	$	$
Right-of use assets	12,003,986	102,020	12,106,006
Less: depreciation for the year	(2,380,861)	(22,678)	(2,403,539)
Less: impairment for the year	-	-	-
	9,623,125	**79,342**	**9,702,467**
Reconciliation			
Opening balance at 1 January 2023	12,733,087	102,020	12,835,107
Additions	-	-	-
Lease modifications	(686,374)	-	(686,374)
Reallocated to discontinued operations	(42,727)	-	(42,727)
Impairment of assets	-	-	-
Depreciation	(2,380,861)	(22,678)	(2,403,539)
At 31 December 2023	**9,623,125**	**79,342**	**9,702,467**

For impairment testing, the right-of-use assets have been allocated to each of the Group's CGUs (VET and HE). Refer to Note 9 for further information on the impairment testing, key assumptions and sensitivity analysis performed.

Refer to Note 1(i) for further details.

b. Lease liabilities

The Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of AASB 117 Leases. These liabilities have been brought to account as the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates as of 1 July 2019. The discount rates applied range between 4.81% and 10.06%.

	2023	2022
	$	$
Current	2,714,710	3,154,222
Non-current	9,605,597	11,989,077
Total lease liabilities	**12,320,307**	**15,143,299**

Reconciliation of movement in lease liabilities		
Lease liability opening balance	15,143,299	13,275,179
Additions	-	5,317,940
Interest expense – continued operations	978,273	849,580
Interest expense – discontinued operations	1,575	1,046
Lease modifications	(695,553)	(189,268)
Remeasurement of lease liability	-	(1,571,496)
Lease liabilities accrued, not yet paid	-	(151,030)
Repayment of lease liabilities – continued operations	(3,059,981)	(2,340,225)
Repayment of lease liabilities – discontinued operations	(47,305)	(48,427)
Total lease liabilities	**12,320,307**	**15,143,299**

Breakdown of interest expense		
Interest expense on lease liabilities	978,273	849,580
Interest expense on provisions[1]	9,296	5,500
Total interest expense	**987,569**	**855,080**

[1] Refer to Note 18 for details

18. Provisions

	2023	2022
	$	$
Current provisions		
Lease make-good	79,524	20,000
Total current provisions	**79,524**	**20,000**
Non-current provisions		
Lease make-good	499,904	560,953
Total non-current provisions	**499,904**	**560,953**
Total current and non-current provisions	**579,428**	**580,953**

Reconciliation of movements in lease make-good provisions	2023	2022
Carrying amount at 1 January 2023	580,953	484,064
Additional provisions recognised	9,179	91,389
Interest expense	9,296	5,500
Payments for make-good	(20,000)	-
Carrying amount at 31 December 2023	**579,428**	**580,953**

Lease make-good

The provisions represent the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease term.

19. Trade and other payables

	2023	2022
	$	$
Current		
Trade creditors	438,995	414,442
Other payables and accrued expenses	3,174,272	3,447,221
	3,613,267	**3,861,663**

Trade creditors at 31 December 2023 are not considered past due.

	2023	2022
	$	$
Non-current		
Trade and other payables	1,611,016	1,950,138
	1,611,016	**1,950,138**

Ikon received excess FEE-HELP advances of $0.5m during 2019 and $2.6m during 2020. Repayment of the 2020 excess advance is over eight annual instalments of $318k, commencing in April 2022 through to 2029.

The 2019 excess advance was repayable over four equal quarterly instalments of $140k, commencing from June 2022 to March 2023.

Refer to Note 29 for further information on financial instruments.

20. Contract liabilities

	2023	2022
	$	$
Current		
Contract liabilities	1,682,266	1,147,381
	1,682,266	**1,147,381**
Non-current		
Contract liabilities	307,706	114,897
	307,706	**114,897**

Contract liabilities relate to tuition revenue, enrolment fees and course materials fees which have been received in advance of the tuition beginning or the materials being provided to students. The planned duration of study is used to measure the progress of the performance obligation and thereby determine how much revenue should be recognised, and that revenue is then recognised as the performance obligation is satisfied. See further Note 1(y).

Unsatisfied performance obligations

The aggregate amount of the performance obligations that remains unsatisfied at 31 December 2023 was $1,989,972 (2022: $1,262,278). This is expected to be recognised as revenue in future periods as follows:

	2023	2022
	$	$
Within 6 months	1,410,842	938,335
6 to 12 months	271,424	209,046
More than 12 months	307,706	114,897
Total current and non-current contract liabilities	**1,989,972**	**1,262,278**

Note, contract liabilities are typically lower at 31 December compared to 30 June, given the timing of tuition fee payment dates. For ALG, the Term 1 (January intake) payment date is in early January and for Term 3 (July intake) in mid-June. This translates into higher fee collections pre-30 June compared with lower fee collections pre-31 December.

For Ikon, it is typical to have a higher balance at 30 June given Trimester 2 runs from May through to August, with the performance obligations only partially satisfied by 30 June. Trimester 3 runs from September and ends in December and thus the performance obligations are fully satisfied by 31 December with a resulting lower balance.

21. Employee benefits

	2023	2022
	$	$
Current employee benefits		
Annual leave	431,294	405,881
Long service leave	43,684	36,001
	474,978	**441,882**
Non-current employee benefits		
Long service leave	200,647	162,317
	200,647	**162,317**

Reconciliation of movements

	2023	2022
	$	$
Annual leave		
Opening balance	405,881	418,630
(Reversals) / additions	25,413	(12,749)
Closing balance	**431,294**	**405,881**
Current long service leave		
Opening balance	36,001	18,471
Additions	7,683	17,530
Closing balance	**43,684**	**36,001**
Non-current long service leave		
Opening balance	162,317	146,490
Additions	38,330	15,827
Closing balance	**200,647**	**162,317**

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take their full entitlement of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	2023	2022
	$	$
Current liabilities		
Employee benefits obligation expected to be settled after 12 months	92,955	57,711
	92,955	**57,711**

22. Share capital

Issued capital at 31 December 2023 amounted to $31,125,849 (165,214,443 ordinary shares).

a. Ordinary shares

	31 December 2023		31 December 2022	
	Number	$	Number	$
Opening balance	165,214,443	31,135,163	117,514,448	25,132,480
Shares issued	-	-	47,699,995	6,201,000
Capital raising costs (net of tax)	-	(9,314)	-	(198,317)
At reporting date	**165,214,443**	**31,125,849**	**165,214,443**	**31,135,163**

Capital raising costs of $9,314 (net of tax) were in relation to shares issued during FY22.

b. Issuance of ordinary shares

There were no movements in the issued capital of the Company during the financial year ended 31 December 2023.

c. Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

d. Capital risk management

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

To manage the above or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, take on borrowings or sell assets to reduce debt.

Capital is regarded as total equity, as recognised in the Statement of Financial Position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

23. Performance rights reserves

	31 December 2023			31 December 2022		
	Weighted average exercise price	Number	$	Weighted average exercise price	Number	$
Opening balance	$0.30	5,800,000	470,153	$0.30	5,800,000	440,087
Performance rights issued / expensed	$0.24	1,866,197	219,117	-	-	226,337
Performance rights expired	$0.34	(3,600,000)	(475,453)	-	-	(196,271)
At reporting date	**$0.24**	**4,066,197**	**213,817**	**$0.30**	**5,800,000**	**470,153**

Refer to Note 1(s) for further details.

For the performance rights granted during the year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Weighted average exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
23/5/2023	31/5/2026	$0.16	$0.24	63.87%	0.00%	3.32%	$0.14

The weighted average share price during the financial year was $0.165 (2022: $0.145).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.68 years (2022: 0.98 years).

24. Accumulated losses

	2023	2022
	$	$
Balance at the beginning of the financial year	(18,348,649)	(13,725,146)
Unvested and expired options and performance rights	475,453	196,271
Net loss for the year	(2,985,250)	(4,819,774)
	(20,858,446)	**(18,348,649)**

25. Segment reporting

The Company has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors (the chief operating decision-maker) in assessing performance and determining the allocation of resources. The Group operates in two segments, being ALG (the provision of vocational education to international students) and Ikon (the provision of higher education to both domestic and international students) and in one geographical segment, being Australia.

Year ended 31 December 2023	ALG	Ikon	Unallocated	Total
	$	$	$	$
Total revenue – international	9,586,795	5,490,886	-	15,077,681
Total revenue - domestic	(6,075)	6,103,152	-	6,097,077
Other revenue	38,309	-	-	38,309
Total revenue	**9,619,029**	**11,594,038**	**-**	**21,213,067**
Gain from disposal of assets	-	-	179,658	179,658
Other income	344,188	1,913	-	346,101
Interest income	12,735	21,678	97,945	132,358
Depreciation and amortisation	(2,143,857)	(1,262,356)	(143,674)	(3,549,887)
Profit / (loss) from continuing operations	(2,041,611)	384,636	(1,159,968)	(2,816,943)
Loss from discontinued operations (net of tax)	(168,307)	-	-	(168,307)
(Loss) / profit for the period	(2,209,918)	384,636	(1,159,968)	(2,985,250)

At 31 December 2023	ALG	Ikon	Unallocated	Total
Total segment assets	11,212,347	9,424,815	12,663,777	33,300,939
Total segment liabilities	(12,212,343)	(7,673,641)	(2,933,735)	(22,819,719)

Year ended 31 December 2022	ALG	Ikon	Unallocated	Total
	$	$	$	$
Total revenue – international	9,732,429	2,259,306	-	11,991,735
Total revenue - domestic	2,182	5,625,080	-	5,627,262
Other revenue	46,253	1,349	-	47,602
Total revenue	**9,780,864**	**7,885,735**	**-**	**17,666,599**
Gain from disposal of assets	-	-	138,126	138,126
Other income	990	714	-	1,704
Interest income	3,134	6,456	11,196	20,786
Gain on lease modification	-	86,663	-	86,663
Impairment of assets	(396,299)	-	-	(396,299)
Depreciation and amortisation	(2,047,634)	(1,261,113)	(143,732)	(3,452,479)
Loss from continuing operations	(2,458,798)	(861,160)	(1,388,263)	(4,708,221)
Loss from discontinued operations (net of tax)	(111,553)	-	-	(111,553)
Loss for the period	(2,570,351)	(861,160)	(1,388,263)	(4,819,774)

At 31 December 2022	ALG	Ikon	Unallocated	Total
Total segment assets	16,756,012	8,352,088	13,801,097	38,909,197
Total segment liabilities	(15,546,089)	(6,985,551)	(3,120,890)	(25,652,530)

Per AASB 134.16A(g)(iv), segment assets and liabilities have been categorised as unallocated as such segment amounts are not regularly reported to the chief operating decision-maker (the Board).

26. Cash flow information

a. Cash and cash equivalents

	2023	2022
	$	$
Cash at bank and on hand	3,121,297	6,075,190
	3,121,297	**6,075,190**

Included in the above amounts are tuition fees held in Tuition Protection Scheme (**TPS**) bank accounts in Australia. At 31 December 2023, the Group held $931,484 (2022: $499,386) in TPS accounts.

Under current legislation, the Group is required to maintain, in Australia, separate bank accounts (**TPS accounts**) for prepaid fees received from international students prior to commencement of their course. Once a student commences their course, the funds may be transferred from the TPS accounts to the Company's operating bank accounts. At all times, the Group must ensure that there are sufficient funds in the TPS accounts to repay any prepaid tuition fees to international students who have not yet commenced their course. The bulk of fees held in these accounts typically relate to the upcoming period of study, in ALG's case, the term that commenced on 29 January 2024 and in Ikon's case the trimester that commenced on 5 February 2024.

As at 31 December 2023, cash and cash equivalents contained $328,607 (2022: $336,626) of 'restricted cash', being amounts held by CBA in relation to bank guarantees issued in respect of certain ALG and Ikon campuses.

b. Reconciliation of cash flow from operations with loss after income tax

	2023	2022
	$	$
Loss from ordinary activities after income tax	**(2,985,250)**	**(4,819,774)**
Adjustments for non-cash items		
Gain on disposal of assets	(179,658)	(138,126)
Depreciation and amortisation expense	832,888	146,769
Employee share-based expenses	219,115	226,337
Borrowing costs classified as financing activity	231,034	137,362
AASB 16 lease movements (interest, depreciation and other)	3,415,410	3,353,521
Transaction costs in relation to proposed acquisitions	154,299	174,615
Changes in assets and liabilities		
Trade and other receivables	925,624	(936,614)
Other assets	(16,370)	(66,407)
Deferred tax asset	(1,099,688)	(377,055)
Plant & equipment and intangible assets	(638,117)	884,118
Trade and other payables	(587,517)	(256,768)
Contract liabilities	727,695	(324,024)
Employee benefits and other liabilities	101,531	20,608
Net cash provided by / (used in) operating activities	**1,100,996**	**(1,975,438)**

c. Reconciliation of liabilities arising from financing activities

	2023	2022
	$	$
Borrowing		
Opening balance	2,250,000	2,750,000
Repayment of loan	(250,000)	(500,000)
Closing balance	**2,000,000**	**2,250,000**

Refer to Note 29 for details.

27. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

28. Related party transactions

The parent entity is EDU Holdings Limited.

Interests in subsidiaries are set out in Note 5.

Disclosures relating to Key Management Personnel are set out in Note 6 and the detailed remuneration disclosures in the Directors' Report.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

29. Financial risk management

Financial risk management policies

The financial instruments of the Company consist of cash, receivables and payables. The Company did not use derivative financial instruments during the year.

Specific financial risk exposures and management

The main risks the Company is exposed to through its financial instruments are interest rate risk, credit risk, foreign currency risk and liquidity risk.

Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rate. The Company's policy is to ensure that the best interest rate is received for its short-term deposits. Borrowings obtained at variable rates expose the Company to interest rate risk. Details of the Company's bank loans outstanding are disclosed in Note 30. The Company's policy is to ensure that the best interest rate is paid on borrowings.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial arrangements entered into by the Company.

Foreign currency risk

The Company is not exposed to fluctuations in foreign currencies arising from the purchase of goods in currencies other than the Company's measurement currency.

Liquidity risk

The Company maintains sufficient liquid assets and available borrowing facilities to be able to pay its debts as and when they become due and payable. The Company manages liquidity risk by continuously monitoring forecast and actual cash flow, and matching maturity profiles of financial assets and liabilities. The Company is currently invested in cash or short-term deposits.

The material liquidity risk for the Company is the ability to raise equity in the future if and as required.

Sensitivity analysis

The Company has not performed a sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk at the balance date as the effect on profit or loss is not considered material.

Net fair values

The net fair value of cash, non-interest-bearing monetary assets and financial liabilities approximate their carrying value.

Financial instruments composition and maturity analysis

The Company held interest bearing transaction accounts with Commonwealth Bank of Australia (CBA) of $3,121,297 at 31 December 2023 (2022: $6,075,190), which have been disclosed as current in the Statement of Financial Position.

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the Statement of Financial Position.

At 31 December 2023	Weighted average effective interest rate	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Remaining contractual maturities
Financial assets						
Interest-bearing						
Cash & cash equivalents	2.88%	3,021,134	-	-		3,021,134
Non-interest bearing						
Cash & cash equivalents		100,163	-	-		100,163
Trade receivables		56,764	-	-	-	56,764
Total financial assets		**3,178,061**	**-**	**-**	**-**	**3,178,061**
Financial liabilities						
Interest-bearing						
Borrowings	10.03%	250,000	750,000	1,000,000	-	2,000,000
Non-interest bearing						
Trade and other payables		2,268,605	919,036	425,626	-	3,613,267
Lease liabilities	7.12%	678,678	2,036,032	4,705,767	4,899,830	12,320,307
Other payables[1]		-	318,403	1,292,613	-	1,611,016
Total financial liabilities		**3,197,283**	**4,023,471**	**7,424,006**	**4,899,830**	**19,544,590**

[1] FEE-HELP advance payments as disclosed in Note 19

At 31 December 2022	Weighted average effective interest rate	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Remaining contractual maturities
Financial assets						
Interest-bearing						
Cash & cash equivalents	0.34%	5,905,737	-	-	-	5,905,737
Non-interest bearing						
Cash & cash equivalents	-	169,453	-	-	-	169,453
Trade receivables	-	95,726	-	-	-	95,726
Total financial assets		**6,170,916**	**-**	**-**	**-**	**6,170,916**
Financial liabilities						
Interest-bearing						
Borrowings	7.20%	-	250,000	2,000,000	-	2,250,000
Non-interest bearing						
Trade and other payables	-	2,409,179	1,313,441	139,043	-	3,861,663
Lease liabilities	5.98%	788,556	2,365,667	9,174,247	2,814,829	15,143,299
Other payables[1]	-	-	337,404	1,612,734	-	1,950,138
Total financial liabilities		**3,197,735**	**4,266,512**	**12,926,024**	**2,814,829**	**23,205,100**

[1] FEE-HELP advance payments as disclosed in Note 19

30. Borrowings

The Company has a loan facility (secured by a first ranking charge over all present and after acquired property of the Group) with Commonwealth Bank of Australia (CBA), which was established in 2017. The components of the loan facility are set out in the table below:

	Facility limit	Drawn	Available
Loan facility	**($)**	**($)**	**($)**
Market rate loan	2,000,000	(2,000,000)	-
Bank guarantee (rental bonds)	1,050,000	(1,028,591)	21,409
Total loan facility	**3,050,000**	**(3,028,591)**	**21,409**

Market rate loan

In August 2022, the Company extended its $2.25m acquisition facility with CBA until August 2025. No principal repayments were required until November 2023, at which point $0.25m quarterly principal repayments recommenced. A final payment of $0.5m is due for payment in August 2025.

The facility attracts interest (referenced to the Bank Bill Swap Bid Rate) and has a line fee of 5.70% p.a.

	2023	2022
	$	**$**
Current	1,000,000	250,000
	1,000,000	**250,000**
Non-current	1,000,000	2,000,000
	1,000,000	**2,000,000**

$1,000,000 is considered current and repayable within 12 months and has been classified accordingly in the Consolidated Statement of Financial Position.

Bank guarantee (rental bonds)

A bank guarantee fee of 3.50% p.a. is payable half-yearly in advance, in respect of the drawn amount.

As at 31 December 2023, the Company has given bank guarantees of $1,028,591 (2022: $1,048,040) to various landlords.

Reconciliation of movements

	2023	2022
	$	$
Opening balance	2,250,000	2,750,000
Repayment of market rate loan	(250,000)	(500,000)
Closing balance	**2,000,000**	**2,250,000**

31. EDU Holdings Limited parent company information

	2023	2022
	$	$
(a) Summarised Statement of Financial Position		
Assets		
Current assets	(948,759)	389,116
Total assets	11,854,069	13,196,349
Liabilities		
Current liabilities	1,535,933	936,096
Total liabilities	2,562,023	2,954,136
Net assets	**9,292,045**	**10,242,213**
Equity		
Share capital	31,125,849	31,135,163
Reserves	213,817	470,154
Accumulated losses[1]	(22,047,621)	(21,363,104)
Total equity	**9,292,045**	**10,242,213**
(b) Summarised Statement of Profit or Loss and other Comprehensive Income		
(Loss) / profit for the period[2]	(1,159,970)	(1,388,263)
Total comprehensive (loss) / profit for the period	**(1,159,970)**	**(1,388,263)**

[1] During the year, $0.5m of unvested and expired options and performance rights, was reversed against accumulated losses (2022: $0.2m).

[2] The loss for the year ended 31 December 2023 included a $0.2m gain from disposal of associates (2022: $0.1m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1, except for the following:

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

Contingent liabilities

The parent entity had no contingent liabilities / assets at 31 December 2023 (2022: $nil).

The Group also had no contingent liabilities / assets at 31 December 2023 (2022: $nil).

The parent entity has given bank guarantees at 31 December 2023 of $1,028,591 (2022: $1,048,040) to various landlords.

In lieu of providing a bank guarantee or other form of security, the parent entity has guaranteed the obligations of ALG under a lease entered into during the year ended 30 June 2019 for premises at Level 1, 225 Clarence Street Sydney, NSW 2000. This lease will expire on 23 March 2024.

Capital commitments – plant and equipment

The parent entity had no capital commitments for plant and equipment at 31 December 2023 (2022: $nil).

DIRECTORS' DECLARATION

The Directors of the Company declare that:

a. the accompanying financial statements, notes and the additional disclosures are in accordance with the Corporations Act 2001 including:

   i. giving a true and fair view of the consolidated entity's financial position at 31 December 2023 and of its performance for the financial year ended on that date; and

   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), other mandatory professional reporting requirements and the Corporations Regulations 2001;

b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 31 December 2023.

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

On behalf of the Directors

Gary Burg
Non-Executive Chair
27 February 2024

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INDEPENDENT AUDITOR'S REPORT
To the Members of EDU Holdings Limited

Opinion

We have audited the financial report of EDU Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

Key Audit Matters

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

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Recognition of Revenue / Deferred Revenue
Refer to Note 1 (y) in the financial statements</td></tr>
<tr><td>Revenue from contracts with customers for the period ended 31 December 2023 was $21,174,758. The primary revenue stream is tuition related revenue.

Revenue is considered to be a Key Audit Matter because the application of AASB 15 Revenue from Contracts with Customers requires a significant number of assessments, judgements, and estimates by management, around the determination and allocation of the transaction price across the performance obligations given the nature of the business and fees being routinely received in advance of the courses being delivered.</td><td>Our audit procedures in relation to the recognition of revenue included:

• Obtaining an understanding of the systems and procedures put in place by management in adopting AASB 15, and evaluating their effectiveness;
• Obtaining a detailed understanding of each of the revenue streams and the process for calculating and recording revenue under AASB 15;
• Assessing whether the Company’s revenue recognition policies were in compliance with Australian Accounting Standards;
• Carrying out tests of controls over occurrence, accuracy and completeness of revenue, to test the effectiveness of the controls;
• Performing substantive analytical procedures on tuition related revenue. The substantive analytical review involved setting expectations of revenue by using the reports generated from the Company’s student management database;
• Performing tests of detail on each revenue stream on a sample basis to test the occurrence and accuracy of revenue. The detailed testing included: agreeing transactions to invoices issued by the Company, agreeing the receipt of cash to bank statements, agreeing course details from the letter of offer to the reports from the Company’s student management database; and
• Assessing the appropriateness of the disclosures in the financial report.</td></tr>
</table>

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<table>
<tr><th colspan="2">Recoverability of goodwill and other intangible assets
Refer to Note 9 in the financial statements</th></tr>
<tr>
<td>
At 31 December 2023, the Company’s Statement of Financial Position reflected goodwill with a carrying amount of $11,918,128, which represents approximately 35.8% of the Company’s total assets.
As required under AASB 136, management have tested goodwill for impairment. As goodwill does not generate cashflows that are largely independent from other assets, its recoverable amount was determined by calculating the recoverable amount of each cash generating unit ("CGU") to which it belongs. This recoverable amount was then compared to the CGU's carrying amount. In this instance, the recoverable amount was determined to be its value in use.
We determined the impairment review of goodwill to be a Key Audit Matter because of the materiality of the balances, and because of the significant management judgements and assumptions used to determine the value in use of the CGU which contains them.
Namely, the calculation of the recoverable amount of the CGU’s involves judgements about the future underlying cashflows of the CGUs, estimated growth rates for the CGUs for the next 5 years as well as in perpetuity, and judgements of an appropriate discount rate to apply to the estimated cashflows.
The uncertainty in relation to the timing and extent of the recovery of operations, as a result of the extended impact of COVID-19 remains uncertain. The current circumstances are considered to increase the risk in relation to the carrying value of the goodwill being potentially impaired.
</td>
<td>
Our audit procedures included:

Updating our understanding of management's annual impairment testing process;
Holding discussions with senior management, reviewing the Company's ASX announcement and reading minutes of the directors' meetings to gather sufficient information regarding the operations of the current reporting period, as well as the expectations going forward;
Assessing the reasonableness of management's determination that the goodwill should be allocated to a particular CGU in accordance with AASB 136 Impairment of Assets, based on the nature of the Company's business;
Assessing the valuation methodology used to determine the recoverable amount of the Goodwill associated to the CGUs;
Evaluating the methods and assumptions used to estimate the present value of future cash inflows of the Company, including, challenging the reasonableness of the following:

Future growth rates;
Discount rates;
Terminal value methodology;
The nature and quantum of cashflows included in the financial models;

Reviewing management's sensitivity analysis over the key assumptions used in the financial models, including the consideration of the available headroom and assessing whether the assumptions had been applied on a consistent basis across each scenario;
Checking the mathematical accuracy of the cashflow model and reconciling input data to supporting evidence, such as approved budgets, and considering the reasonableness of the evidence (such as budgets); and
Reviewing the completeness and accuracy of the disclosures included in the financial report to ensure compliance with Australian Accounting Standards.

</td>
</tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report
We have audited the Remuneration Report included in pages 40 to 47 of the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of EDU Holdings Limited, for the year ended 31 December 2023, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM Australia Partners

D Talbot

David Talbot
Partner

Sydney, 27 February 2024

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of EDU Holdings Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

D Talbot

David Talbot
Partner

Sydney, NSW
Dated: 27 February 2024

ASX ADDITIONAL INFORMATION

AT 7 FEBRUARY 2024

Ordinary shares

165,214,443 fully paid ordinary shares, held by 362 individual shareholders. All ordinary shares carry one vote per share.

Restricted securities

None.

Unquoted securities

1,866,197 performance rights (zero exercise price options) vesting on 31 May 2026 and exercisable before 1 July 2026, held by Mr Adam Davis and Mr Lyndon Catzel. 1/3rd of the performance rights can be exercised if the 20-day VWAP of EDU ordinary shares at 23 May 2026 exceeds $0.22, 1/3rd exercisable if the 20-day VWAP exceeds $0.24, and the remaining 1/3rd exercisable if the 20-day VWAP exceeds $0.27.

2,200,000 performance rights (zero exercise price options) vesting on 11 November 2024 and exercisable before 11 December 2024, held by Mr Adam Davis and Mr Lyndon Catzel. 1/3rd of the performance rights can be exercised if the 20-day VWAP of EDU ordinary shares at 11 November 2024 exceeds $0.20, 1/3rd exercisable if the 20-day VWAP exceeds $0.24, and the remaining 1/3rd exercisable if the 20-day VWAP exceeds $0.27.

DISTRIBUTION OF HOLDERS IN EACH CLASS OF EQUITY SECURITIES:

Total holders of fully paid ordinary shares

Range	Ordinary shares	%	No. of holders	%
100,001 and over	159,797,426	96.72	93	27.30
10,001 to 100,000	4,781,428	2.89	134	35.37
5,001 to 10,000	514,563	0.31	55	15.04
1,001 to 5,000	115,731	0.07	34	10.31
1 to 1,000	5,295	0.00	46	11.98
Total	**165,214,443**	**100.00**	**362**	**100.00**

Unmarketable parcels

There are 66 holders of unmarketable parcels of shares (being less than $500) at the share price at 7 February 2024 of $0.13.

AT 7 FEBRUARY 2024

Total holders of options

Range	Options	%	No. of holders	%
100,001 and over	4,066,197	100.00	2	100.00
10,001 to 100,000	-	-	-	-
5,001 to 10,000	-	-	-	-
1,001 to 5,000	-	-	-	-
1 to 1,000	-	-	-	-
Total	**4,066,197**	**100.00**	**2**	**100.00**

Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with Section 671B of the Corporations Act are:

Name	Ordinary shares	%
GLOBAL CAPITAL UCW (AUSTRALIA) PTY LTD	36,847,252	22.30
MULPHA EDUCATION INVESTMENTS PTY LTD	23,076,923	13.97
VIBURNUM FUNDS PTY LTD	13,154,009	7.96
MICROEQUITIES ASSET MANAGEMENT PTY LIMITED	10,408,326	6.30
ABD HOLDINGS PTY LIMITED	10,000,000	6.05

Top 20 holders of equity securities at 7 February 2024

Rank	Name	Ordinary shares	%
1	GLOBAL UCW PTY LIMITED	27,237,532	16.49
2	MULPHA EDUCATION INVESTMENTS PTY LTD	23,076,923	13.97
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	22,004,550	13.32
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,460,700	6.94
5	ABD HOLDINGS PTY LIMITED	10,000,000	6.05
6	GLOBAL UCW NO 2 PTY LIMITED	9,609,720	5.82
7	MR MATTHEW REEDE	5,330,823	3.23
7	BRAD RICHARD SEAMAN	2,750,000	1.66
8	SIMON PAUL & REBECCA JANE PAUL	2,750,000	1.66
8	HOLLOWAY COVE PTY LTD	2,255,519	1.37
9	DMX CAPITAL PARTNERS LIMITED	1,923,077	1.16
10	MATTHEW SMITH	1,666,667	1.01
11	MARGARET ARMSTRONG	1,666,667	1.01
12	MR CHRISTIAN JAMES HAUSTEAD	1,603,635	0.97
13	DIXSON TRUST PTY LIMITED	1,538,462	0.93
14	PROF ALAN JONATHAN BERRICK	1,500,000	0.91
15	VIVRE INVESTMENTS PTY LTD	1,485,000	0.90
16	OCEANVIEW SUPER FUND PTY LTD	1,478,598	0.90
17	DMX CAPITAL PARTNERS LIMITED	1,450,000	0.88
18	UNITED EQUITY PARTNERS PTY LTD	1,375,000	0.83
19	JD LIPMAN PTY LTD	1,313,855	0.80
20	DIXSON TRUST PTY LIMITED	1,247,110	0.75
	TOTAL	134,723,838	81.54

Holdings