

17 September 2025

ASX Limited
Listings Compliance
Attention: Dale Wang

By email: ListingsComplianceMelbourne@asx.com

Dear Dale

Mayfield Childcare Limited (MFD) – Response to Query

We refer to your letter dated 10 September 2025 in relation to the Company's half-year report for the half-year ended 30 June 2025 as released to ASX on 29 August 2025 (**Half-Year Report**) and reference to the qualified opinion in the independent auditor's report included in the Half-Year Report (**Auditor's Report**) and the basis for the qualified opinion (**Query Letter**).

We provide the following responses to the questions in the Query Letter, using corresponding numbering for ease of reference.

1. Is MFD able to confirm that in the Directors' opinion the Half-Year Report:

- (a) comply with the relevant Accounting Standards; and**
- (b) give a true and fair view of MFD's financial performance and position?**

MFD (the **Company**) confirms that, in the Directors' opinion, the Half-Year Report:

- (a) complies with the Accounting Standards; and
- (b) gives a true and fair view of MFD's financial performance and position for the half-year ended 30 June 2025.

2. Please explain why MFD has not been able to provide the Auditor with sufficient and appropriate audit evidence over the completeness and accuracy of related party disclosures required under AASB 124 Related Party Disclosures.

The Company carried out customary checks regarding related party disclosures in accordance with best practice requirements for the reporting period.

The Company subsequently provided its auditor, PKF Melbourne Audit & Assurance Pty Ltd (**Auditor**) with all documents in its possession in respect of disclosures by related parties for the reporting period.

However, as set out in Note 12 of the Half Year Report, after the reporting period had ended, the Company became aware of information previously not disclosed to the Company.

This instance of non-disclosure led the Auditor to question the completeness and accuracy of the related party disclosures required under *AASB 124 Related Party Disclosures* (**AASB 124**), despite the Directors' position that, to the best of their knowledge, relevant matters had been disclosed in line with the requirements of AASB 124.

Accordingly, and as set out in Note 12 of the Half Year Report, the Directors note the inherent challenges associated with verifying the completeness and accuracy of related party disclosures despite using their best efforts to do so.

3. Please explain what evidence was provided to the Auditor in respect of the related party transactions and disclosures for the half year ended 30 June 2025.

The following evidence was provided to the Auditor in respect of the related party transactions and disclosures for the half year ended 30 June 2025:

- (a) beneficial ownership and shareholding listing;
- (b) group structure;
- (c) financial and bank records, including all transactions during the period, to verify transactions;
- (d) copy of conflicts of interest register; and
- (e) representations from key management personnel confirming all related parties and transactions.

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4. **What steps does MFD intend to take to obtain an unmodified audit opinion with regards to its future financial statements?**

The Company is committed to achieving an unmodified audit opinion with regards to its future financial statements.

As stated in the response to question 7, the Board considers that MFD has a robust system of risk management and internal controls – which are operating effectively.

The Board acting in its capacity as the Audit and Risk Committee will continue to act in accordance with its stated terms of reference with respect to monitoring and reviewing any matters of significance affecting financial reporting, including the quality and integrity of disclosure practices.

The Company intends to enhance its internal review procedures in order to identify and address any identifiable discrepancies in disclosure matters as early as possible.

MFD will continue to maintain open and transparent communication with its Auditor and will engage with its legal and other advisors as necessary in relation to matters of significance or areas of concern.

5. **Does MFD consider that the financial condition of MFD is sufficient to warrant continued listing on ASX as required under Listing Rule 12.2? In answering this question, please also explain the basis for this conclusion.**

Listing Rule 12.2 states that 'An entity's financial condition (including operational results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing'.

The Company's total current assets as at 30 June 2025 were \$3,191,546. Total net assets were \$47,897,989.

MFD considers that the financial condition of the Company is sufficient to warrant the continued quotation of its securities and its continued listing as required by Listing Rule 12.2, consistent with the preparation of the Half-Year Report on a going concern basis. The Company has the intention and ability to continue its operations for the foreseeable future.

As set out in Note 1 of the Half Year Report, subsequent to the end of the reporting period, the Company's lenders Westpac Banking Corporation confirmed an extension of the Company's finance facility until 31 August 2026, as the parties work through the standard process of establishing a new facility.

In addition, the Company has the ability to raise further capital if required, subject to any shareholder approvals as may be necessary.

6. **If the answer to questions 5 is "no", please explain what steps MFD has taken, or proposes to take, to warrant continued listing on ASX under the requirements of Listing Rule 12.2.**

Not applicable.

7. **Commenting specifically on the Qualified Conclusion, does the Board consider that MFD has a sound system of risk management and internal control which is operating effectively?**

Further to the response to question 2, the Board notes that as stated in the Auditor's Report, the basis for the qualified opinion was limited to the sufficiency of audit evidence over the completeness of related party disclosures.

The Auditor noted in the Auditor's Report that in their opinion they have **not become aware of any matter**, except for the effects of the matters in relation to related party disclosures that makes them believe that the half-year financial report of MFD does not comply with the Corporations Act 2001 (Cth) including:

- (a) giving a true and fair view of the financial position of the Company Group as at 30 June 2025, and of its consolidated financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 (Cth).

The Board considers that MFD has a robust system of risk management and internal controls – which are operating effectively.

The Board meets regularly with management to receive reports and feedback, and, where required, seek further information on material transactions. In doing so, the Board satisfies itself that the Company's financial records have been properly maintained and, that the financial statements comply with the relevant accounting standards and present a true and fair view of the financial position and performance of MFD.

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8. ***Please confirm that MFD is complying with the Listing Rules and, in particular, Listing Rules 3.1 and 10.1.***

The Company confirms that it is complying with the Listing Rules, and in particular Listing Rules 3.1 and 10.1.

9. ***Please confirm that MFD's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its Board or an officer of MFD with delegated authority from the Board to respond to ASX on disclosure matters.***

This response has been authorised by the Board of MFD.

Yours sincerely



Roseanne Healy
Independent Non-Executive Chair
rhealy@mayfield.com.au

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10 September 2025

Reference: 112278

Ms Tamara Barr
Company Secretary
Mayfield Childcare Limited
Suite 1, Level 3, 108 Power Street
Hawthorn VIC 3122

By email: Tamara@csbcorpsservices.com

Dear Ms Barr

Mayfield Childcare Limited ('MFD'): Half-year report (reviewed financial report) - Query

ASX refers to the following:

- A. MFD's half-year report for the half-year ended 30 June 2025 lodged with ASX Market Announcements Platform and released on 29 August 2025 ('Half-Year Report').
- B. ASX notes that the Independent Auditor's Review Report attached to the Half-Year Report ('Auditor's Review Report') contains a Qualified Opinion, together with the Basis for Qualified Opinion ('Qualified Conclusion'):

"Based on our review, which is not an audit, we have not become aware of any matter, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, that makes us believe that the half-year financial report of Mayfield Childcare Limited does not comply with the Corporations Act 2001 including:

(a) giving a true and fair view of the financial position of the Group as at 30 June 2025, and of its consolidated financial performance for the half-year ended on that date; and

(b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

...

As disclosed in Note 12 Related Party Transactions the Directors have disclosed identified related party transactions and matters relevant that occurred during the period. As at the date of this report, the Directors to the best of their knowledge are of the opinion that relevant matters have been disclosed in line with AASB 124 Related Party Disclosures. Notwithstanding this, the Directors acknowledge the inherent challenges in verifying the completeness and accuracy of these disclosures. As such, we have been unable to obtain sufficient appropriate audit evidence over the completeness and accuracy of related party disclosures required under AASB 124 Related Party Disclosures."

- C. ASX also notes that the Auditor's Review Report contains a material uncertainty related to going concern paragraph as set out below:

"We draw attention to Note 1 of the half-year financial report, which indicates that the Group incurred a net loss of \$21.9m, inclusive of a \$19.4m impairment expense, during the period ended 30 June 2025 and, as of that date, the Group's current liabilities exceeded its total assets by \$20.2m. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

- D. Listing Rule 12.2 which states:

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12.2 An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

E. Listing Rule 19.11A which states:

19.11A If a listing rule requires an entity to give ASX accounts, the following rules apply.

- (a) If the entity controls an entity within the meaning of section 50AA of the Corporations Act or is the holding company of an entity, required by any law, regulation, rule or accounting standard, or if ASX requires, the accounts must be consolidated accounts.
- (b) The accounts must be prepared to Australian accounting standards. If the entity is a foreign entity the accounts may be prepared to other standards agreed by ASX.
- (c) If the listing rule requires audited accounts, the audit must be conducted in accordance with Australian auditing standards by a registered company auditor. If the entity is a foreign entity, the audit may be conducted in accordance with other standards agreed by ASX and may be conducted by an overseas equivalent of a registered company auditor.
- (d) If the listing rule requires accounts to be reviewed, the review must be conducted in accordance with Australian auditing standards. If the entity is a foreign entity, the review may be conducted in accordance with other standards agreed by ASX. Unless the listing rule says an independent accountant may conduct the review, it must be conducted by a registered company auditor (or, if the entity is a foreign entity, an overseas equivalent of a registered company auditor).
- (e) If there is a directors' declaration that relates to the accounts, the directors' declaration must be given to ASX with the accounts.
- (f) If there is a directors' report that relates to the period covered by the accounts, the directors' report must be given to ASX with the accounts.

Request for information

In light of the information contained in the Half-Year Report and the Auditor's Review Report, and the application of the Listing Rules stated above, please respond to each of the following questions:

1. Is MFD able to confirm that in the Directors' opinion the Half-Year Report:
 - (a) comply with the relevant Accounting Standards; and
 - (b) give a true and fair view of MFD's financial performance and position?
2. Please explain why MFD has not been able to provide the Auditor with sufficient and appropriate audit evidence over the completeness and accuracy of related party disclosures required under AASB 124 Related Party Disclosures.
3. Please explain what evidence was provided to the Auditor in respect of the related party transactions and disclosures for the half year ended 30 June 2025.
4. What steps does MFD intend to take to obtain an unmodified audit opinion with regards to its future financial statements?
5. Does MFD consider that the financial condition of MFD is sufficient to warrant continued listing on ASX as required under Listing Rule 12.2? In answering this question, please also explain the basis for this conclusion.

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6. If the answer to questions 5 is “no”, please explain what steps MFD has taken, or proposes to take, to warrant continued listing on ASX under the requirements of Listing Rule 12.2.
7. Commenting specifically on the Qualified Conclusion, does the Board consider that MFD has a sound system of risk management and internal control which is operating effectively?
8. Please confirm that MFD is complying with the Listing Rules and, in particular, Listing Rules 3.1 and 10.1.
9. Please confirm that MFD’s responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its Board or an officer of MFD with delegated authority from the Board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00AM AEST Wednesday, 17 September 2025**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MFD’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require MFD to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsComplianceMelbourne@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in MFD’s securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to MFD’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that MFD’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Kind regards

ASX Compliance