ASX RELEASE **27 SEPTEMBER 2023**

2023 ANNUAL REPORT

NextEd Group Limited (**ASX:NXD**) is delighted to release its 2023 Annual Report, which includes the audited financial report for the year ended 30 June 2023 (FY23).

Financial highlights for FY23 included:

- Record revenue of $102.2 million, 118% higher than the previous corresponding period (pcp) (FY22: $46.8 million);
- Record EBITDA of $16.7 million, 366% higher than pcp (FY22: $3.6 million excluding M&A costs);
- Net profit after tax adjusted for the impact of acquired intangibles (NPAT(A)) of $5.5 million, $9.4 million higher than pcp (FY22: loss of $3.9 million excluding M&A costs);
- Operating cash flows of $25.2 million, 48% higher than pcp (FY22: $17.0 million excluding M&A costs);
- Cash at bank at 30 June 2023 of $40.2 million (30 June 2022: $30.2 million), including $9.9 million of term deposits providing security over bank guarantees for property leases (30 June 2022: $3.0 million), and approximately $10.0m set aside for future course delivery obligations under the ESOS Act;
- Nil debt at 30 June 2023 (30 June 2022: $0.4 million); and
- Contract liabilities (deferred revenue) balance at 30 June 2023 of $43.5 million, an increase of 42% against the previous corresponding date (30 June 2022: $30.7 million).

This announcement has been approved by the Board of NextEd Group Limited.

For further information

Glenn Elith
Chief Executive Officer
glenn.elith@nexted.com.au

Lisa Jones
Company Secretary
lisa.jones@nexted.com.au

About NextEd Group

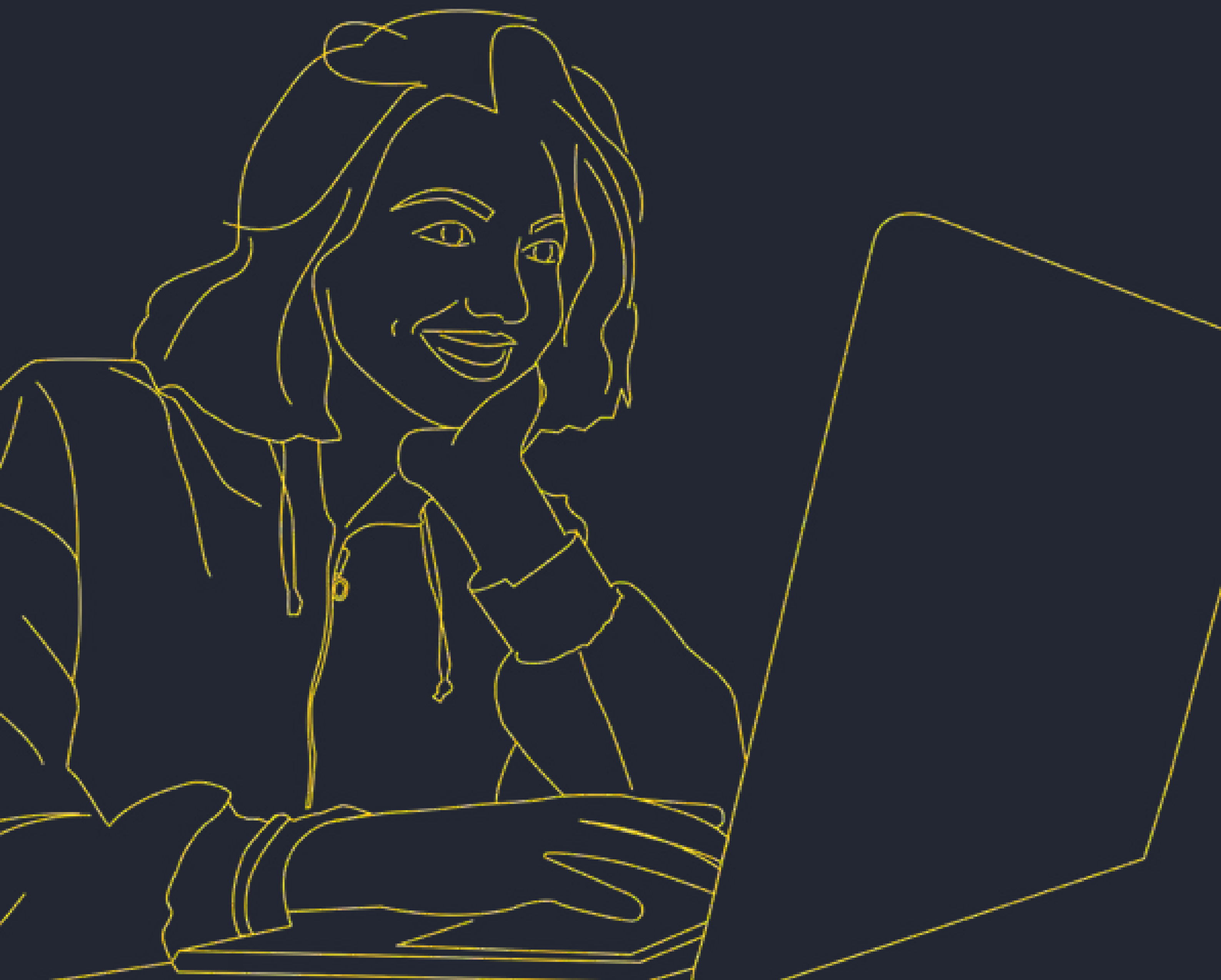
NextEd Group is one of Australia's largest listed private education organisations, providing educational services to more than 25,000 students each year. The group delivers courses across the English language, Vocational and Higher Education sectors, to both domestic and international students. Its vision is to "*unleash potential through inspiring learning and experiences*", ensuring that its graduates are equipped with the skills and learning outcomes to fulfill their personal and career ambitions.

Registered Address: Level 2, 7 Kelly Street, Ultimo, NSW, 2007 Phone: 02 8355 3820 ABN: 75 105 012 066 nexted.com.au

NextEd Group

Annual Report 2023

Corporate directory



Corporate directory

DIRECTORS

Catherine (Cass) O'Connor – Independent non-executive chair (appointed 29 July 2022)
Simon Tolhurst – Independent non-executive director (Independent chairman until 29 July 2022)
William Deane – Independent non-executive director
Sandra Hook – Independent non-executive director

COMPANY SECRETARY

Lisa Jones

REGISTERED OFFICE

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Email: investors@nexted.com.au
Website: www.nexted.edu.au

AUDITOR

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Sydney NSW 2000
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SHARE REGISTRY

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Nedlands WA 6009
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Fax: +61 (08) 6370 4203
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Website: www.advancedshare.com.au

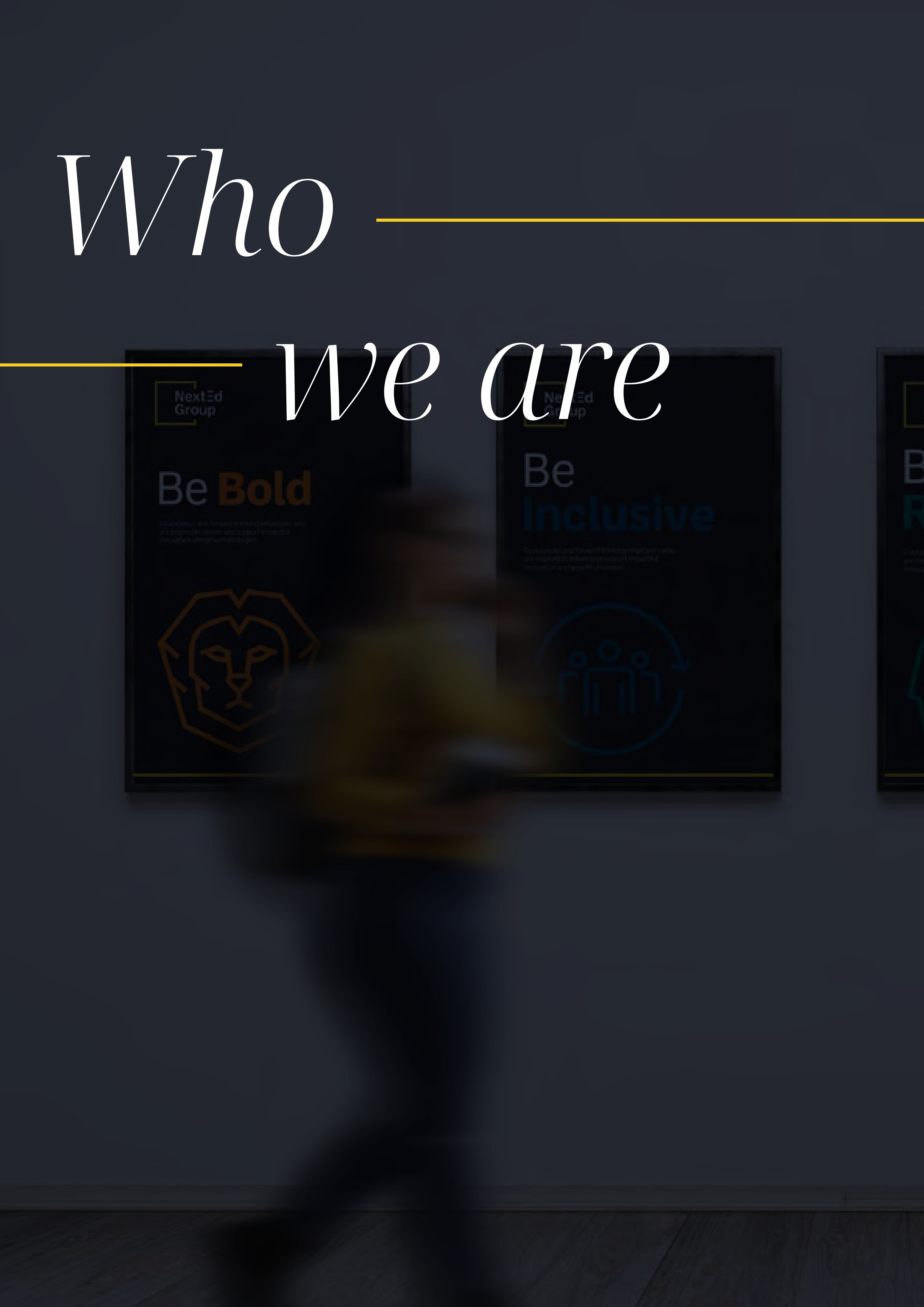
SECURITIES EXCHANGE

ASX Code: NXD
Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000
Telephone: 131 ASX (131 279) – within Australia
Telephone: +61 (02) 9338 0000
Website: www.asx.com.au

REGISTRATIONS NUMBERS

ACN: 105 012 066
ABN: 75 105 012 066

Who we are



Unleashing potential through inspiring learning *and* experiences

Be Bold

Courageous and forward thinking people who are inspired to deliver and support impactful innovation and growth strategies

Be Inclusive

Diverse and engaged teams who are agile, connected and aligned to putting collective success before individual achievements

Be Respectful

Honest and considerate people who show gratitude for the efforts of others and take responsibility for their actions

Be Excellent

Passionate and results driven people who are renowned for delivering great student experiences and outcomes

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Letter from the Chair and CEO

Dear NextEd Group Shareholders,

FY23 was an outstanding year for NextEd Group Limited ('NextEd'). We achieved record growth in revenues, profits, operating cash flows, cash balances and student numbers.

NextEd grew its campus footprint from 170 classrooms in August 2022 to 258 classrooms in June 2023, and increased aggregate daytime campus utilisation to 95% by the end of the financial year. We have further campus investments planned in FY24 as we relocate to larger quality premises in Adelaide and Gold Coast and further expand our Sydney, Melbourne and Brisbane campuses.

At the Annual General Meeting in November 2022, shareholders approved the renaming of the company to NextEd Group Limited (formerly iCollege Limited) to herald the organisation's transformation and reflect its forward-looking approach and high growth mindset. This name change has assisted to lift NextEd's brand profile with key stakeholders and enhanced the impact of our refreshed vision of "unleashing potential though inspiring learning and experiences".

We welcome recently announced Australian Government actions to encourage genuine international students and constrain non-genuine students and operators. International education is an important export earner for Australia, and moves to ensure high standards are maintained will assist to strengthen the industry's reputation and global competitiveness.

International education has a critical strategic role to play in Australia's migration policy, including in ensuring that Australia has the skilled workers necessary to fill current and emerging workforce demands. The Australian Government has said it is undergoing a review of the migration system, and we look forward to seeing how suitably qualified and skilled international students form part of a sustainable solution.

We take this opportunity to thank our loyal employees for their enthusiasm and dedication to delivering great student experiences and outcomes. NextEd's achievements are a credit to our people and are a consequence of our collaborative, connected and results driven culture.

We are delighted to present this 2023 Annual Report, and we thank you for your support.

Cass O'Connor
Chair of the Board of Directors

Glenn Elith
Chief Executive Officer

27 September 2023, Sydney

Directors' report

The directors present their report, together with the financial statements, for the consolidated entity (referred to as the 'consolidated entity' or 'NextEd') consisting of NextEd Group Limited (referred to as the 'company' or 'parent entity') and the entities it controlled for the year ended 30 June 2023 ('FY23').

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report unless otherwise noted:

Catherine (Cass) O'Connor – Independent non-executive chair (appointed 29 July 2022)

Simon Tolhurst – Independent non-executive director (Independent non-executive chair until 29 July 2022)

William Deane – Independent non-executive director (appointed 8 November 2021)

Sandra Hook – Independent non-executive director (appointed 8 November 2021)

Ashish Katta – Non-executive director (resigned 29 July 2022)

Badri Gosavi – Executive director (resigned 29 July 2022)

Information on directors

Cass O'Connor

TITLE: Independent non-executive chair

QUALIFICATIONS:
Bachelor of Business (UTS)

Graduate of the Australian Institute of Company Directors (GAICD)

EXPERIENCE AND EXPERTISE:
Cass has over 30 years' executive and non-executive experience which spans various industries including investment banking, private equity, media, technology, real estate and the arts. In addition to running her own corporate advisory firm, Cass currently chairs Carriageworks, the largest multi-arts precinct in Australia; TRIBE, a global generator of creator content and Ultraceuticals, an Australian founded and owned cosmeceutical business.

She recently Chaired Prime Media Group (ASX:PRT) through its successful sale to Seven West Media (ASX:SWM).

OTHER CURRENT LISTED DIRECTORSHIPS:
Airtasker Limited (ASX:ART) – appointed July 2023.

FORMER DIRECTORSHIPS *(IN THE LAST 3 YEARS)*:
Prime Media Group (ASX:PRT) - April 2015 to October 2021.

SPECIAL RESPONSIBILITIES:
Cass is Chair of the Board of Directors and a member of the Nominations and Remuneration Committee.

INTERESTS IN SHARES: 100,000 ordinary shares

INTERESTS IN OPTIONS: 107,134 options over ordinary shares

Simon Tolhurst

TITLE: Non-executive director

QUALIFICATIONS:
Bachelor of Laws, Master of Laws (Hons)
Grad Diploma Legal Practice
Solicitor to the Supreme Court Queensland
Solicitor High Court of Australia

EXPERIENCE AND EXPERTISE:
Former Chairman of iCollege (now NextEd) between 2017 and 2021, Simon brings to his non-executive role both hands on experience with NextEd's business as well as 30 years' legal experience, having been a partner of national law firm, HWL Ebsworth ('HWLE'). As a lawyer, Simon was recognised in the Australian Financial Review's Best Lawyers list, Doyle's Guide, a member of HWLE's National Competition Law and Anti-Trust Group that was recognised by both Chambers and Legal 500.

No longer practicing in the law, Simon is now actively involved on the boards of a number of listed and unlisted public companies including Echo IQ (ASX:EIQ), a company that uses proprietary artificial intelligence to help identify patients at risk of structural heart disease; Great Divide Mining (ASX:GDM), a gold and critical metals resource company developing multiple brown-field opportunities in Queensland; Biortica Agrimed Limited (Chairman), Australia's largest cultivator of medicinal cannabis and owner of one of the world's largest cannabis genetics libraries; Smoke Alarm Holdings Limited, one of Australia's largest smoke alarm installation, testing and monitoring services; and Share the Dignity Limited (Chairman), a not-for-profit that strives to alleviate period poverty.

OTHER CURRENT LISTED DIRECTORSHIPS:
Great Divide Mining Limited (ASX:GDM) - appointed February 2023.
Echo IQ Limited (ASX:EIQ) - appointed June 2023.

FORMER DIRECTORSHIPS *(IN THE LAST 3 YEARS)*: None

SPECIAL RESPONSIBILITIES:
Simon is a member of the Audit and Risk Management Committee.
He ceased being the Chair of NextEd on 29 July 2022.

INTERESTS IN SHARES: 252,124 ordinary shares

INTERESTS IN OPTIONS: 67,858 options over ordinary shares

William Deane

TITLE: Non-executive director

QUALIFICATIONS:
BA (University of Sydney)
LLB (Bond University)
Admitted as a Solicitor and Barrister to the Supreme Court of Victoria
Admitted to the New York Bar

EXPERIENCE AND EXPERTISE:
Will is a managing director of Exto Partners Pty Ltd, a Sydney-based private investment firm specialising in technology ventures. Will is a director of several of Exto Partners' unlisted investee companies including Block 3 Ventures, Tribe Group, Tuned Global and Zetaris. He has practised as a corporate lawyer in Australia with Ashurst (formerly Blake Dawson) and in the United States with Skadden, Arps, Slate, Meagher & Flom LLP and Sidley Austin LLP. As a lawyer he focussed on equity capital markets and mergers and acquisitions.

OTHER CURRENT LISTED DIRECTORSHIPS: None

FORMER DIRECTORSHIPS *(IN THE LAST 3 YEARS)*: None

SPECIAL RESPONSIBILITIES:
Will is the Chair of the Audit and Risk Management Committee and a member of the Nominations and Remuneration Committee.

INTERESTS IN SHARES:
483,867 ordinary shares are beneficially held through Exto Partners Australia Pty Ltd and due to the ownership structure of that company Will only claims an interest in 50% of those ordinary shares.

66,680 shares are held by Altstadt Pty Ltd as trustee for the Altstadt Super Fund of which Will is director and a beneficiary.

INTERESTS IN OPTIONS:
67,858 options over ordinary shares are beneficially held through Exto Partners Australia Pty Ltd and due to the ownership structure of that company Will only claims an interest in 50% of those options.

Sandra Hook

TITLE: Non-executive director

QUALIFICATIONS:
Graduate of the Australian Institute of Company Directors (GAICD)

EXPERIENCE AND EXPERTISE:
Sandra has over 25 years' experience in sales and marketing, building and leading commercially successful businesses, driving growth and leading change. She has a track record in delivering brand and portfolio strategies, transitioning traditional organisations in rapidly evolving environments and brings a strong focus on customer-centric growth and digital transformation at board level.

Sandra was formerly Managing Director and CEO of NewsLifeMedia, a division of News Limited, CEO of News Magazines, and various senior executive roles with Australia's largest media companies including News Limited, Foxtel, Federal Publishing Company, Murdoch Magazines and Fairfax.

OTHER CURRENT LISTED DIRECTORSHIPS:
Sandra is currently a non-executive director of MedAdvisor Limited (ASX: MDR) appointed January 2016, and IVE Group Limited (ASX: IGL) appointed June 2016.

FORMER DIRECTORSHIPS *(IN THE LAST 3 YEARS)*:
RXP Services Limited (ASX: RXP) – February 2016 to November 2020.

SPECIAL RESPONSIBILITIES:
Sandra is the Chair of the Nominations and Remuneration Committee and a member of the Audit & Risk Management Committee.

INTERESTS IN SHARES: 116,769 ordinary shares

INTERESTS IN OPTIONS: 67,858 options over ordinary shares

Former directorships (in the last 3 years) quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company Secretary

Lisa Jones was appointed as Company Secretary on 8 November 2021. Lisa is an experienced corporate lawyer and corporate governance professional with more than 20 years' experience in commercial law and corporate affairs, working with both public and private companies in Australia and in Europe. Lisa has particular experience working with high growth and emerging companies in the technology, biotech and oil & gas sectors. She was a senior associate in the corporate & commercial practice of Allen Allen & Hemsley and has held executive positions with private and public listed companies in Australia and in Italy.

Operating and financial review

PRINCIPAL ACTIVITIES

During the financial year, the consolidated entity's principal activities were:

- delivering high quality English language, building and construction, hospitality, healthcare, creative digital technologies, managerial, marketing, computer coding and interior design and styling courses; and
- providing education recruitment agency services to international students.

There have been no significant changes in the nature of these activities during the year.

FY23 FINANCIAL PERFORMANCE

	FY23 $'000	FY22 $'000
Revenue from operations	102,220	46,819
EBITDA incl. M&A costs	16,674	334
EBITDA excl. M&A costs	16,674	3,576
Net profit / (loss) after tax	3,608	(8,695)
Net profit / (loss) after tax adjusted	5,465	(3,914)
Cash flows from operations incl. M&A	25,180	11,200
Cash flow from operations excl. M&A	25,180	17,013

NON-IFRS INFORMATION

The company uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards ('AAS'). These measures are collectively referred to as non-IFRS financial measures. Although the company believes that these measures provide useful information about the financial performance of the company, they should be considered as supplemental to the measures calculated in accordance with AAS and not as a replacement for them. Because these non-IFRS financial measures are not based on AAS, they do not have standard definitions, and the way the company calculates these measures may differ from similarly titled measures used by other companies.

The non-IFRS measures used by the company include EBITDA and adjusted net profit after tax ('NPAT(A)').

EBITDA is earnings before interest, tax, depreciation and interest. NPAT(A) is calculated as the net profit after tax adjusted for the after-tax impact of amortisation associated with acquired intangible assets and merger and acquisition costs.

Reconciliations between EBITDA and profit after income tax, and net profit after tax and NPAT(A) for the year ended 30 June 2023 are noted below.

EBITDA reconciliation	FY23 $'000	FY22 $'000
Net profit / (loss) after tax	3,608	(8,695)
ADD BACK:		
Depreciation & amortisation	11,986	7,764
Finance costs net of interest income	1,772	1,767
Less:		
Income tax benefit	(692)	(502)
EBITDA	16,674	334
ADD BACK ABNORMAL EXPENSES:		
Merger and acquisition costs	-	3,242
EBITDA excluding M&A costs	16,674	3,576

NPAT(A) reconciliation	FY23 $'000	FY22 $'000
Net profit / (loss) after tax	3,608	(8,695)
ADD BACK:		
Amortisation of acquired intangible assets	2,652	2,052
Merger and acquisition costs	-	3,242
Less:		
Income tax on acquired intangibles	(795)	(513)
Net profit / (loss) after tax adjusted	5,465	(3,914)

COMMENTS ON FINANCIAL PERFORMANCE

Highlights for FY23 included:

- Record revenue of $102.2 million, 118% higher than the previous corresponding period (pcp) (FY22: $46.8 million);
- Record EBITDA of $16.7 million, 366% higher than pcp (FY22: $3.6 million excluding M&A costs);
- Net profit after tax adjusted for the impact of acquired intangibles ('NPAT(A)') of $5.5 million, $9.4 million higher than pcp (FY22: loss of $3.9 million);
- Operating cash flows of $25.2 million, 48% higher than pcp (FY22: $17.0 million excluding M&A costs);
- Cash at bank as at 30 June 2023 of $40.2 million (30 June 2022: $30.2 million), including $9.9 million in term deposits providing security over bank guarantees for property leases (30 June 2022: $3.0 million);
- Nil debt as at 30 June 2023 (30 June 2022: $0.4 million); and
- Contract liabilities (deferred revenue) balance at 30 June 2023 of $43.5 million, an increase of 42% against the previous corresponding date (30 June 2022: $30.7 million).

Revenue

FY23 revenues increased by $55.4 million vs pcp with strong growth in International Vocational (218% vs pcp), Technology & Design (49% vs pcp) and Go Study (52% vs pcp). Revenue in the Domestic Vocational segment declined by 19% due to the discontinuation of unprofitable courses and programmes. However, profitability in that segment improved following the discontinuation of unprofitable courses, the reorganisation of back-office functions and the recruitment of new senior management.

EBITDA

FY23 EBITDA increased to $16.6 million, up $13.0 million or 366% vs pcp (FY22: $3.6 million excluding M&A costs). This exceptional growth was driven by geographic and course range expansion activities, and operating leverage achieved from higher utilisation of campuses as a result of the rapid increase in international student numbers following the reopening of Australia's borders.

Cash flows and balance sheet

FY23 operating cash flows were $25.2 million, an increase of $8.2 million vs pcp (FY22: $17.0 million excluding M&A costs). This result was driven by earnings growth and positive working capital movements.

Investing cash outflows in FY23 were $6.1 million, with $5.1 million invested in fitting out of new campus facilities. This included $3.0 million in Brisbane, $1.4 million in Melbourne, $0.5 million in Sydney and $0.2 million for a new Gold Coast campus which will be launched in early 2024.

As at 30 June 2023 cash on hand (including term deposits) was $40.2 million (30 June 2022: $30.2 million). $27.3 million of cash on hand as at 30 June 2023 was held in interest-bearing term deposits with an average term of 120 days, inclusive of $9.3 million held as security over bank guarantees.

The company is well capitalised to invest in revenue and profit generating opportunities including potential M&A transactions.

Contract liabilities (deferred revenue) as at 30 June 2023, which represents student tuition fees invoiced but not yet earned, grew to $43.5 million, an increase of $12.9 million over June 2022. Contract liabilities are recognised as revenue evenly over the period that education services are delivered to students.

NO DECLARATION OF DIVIDEND

No dividend has been declared in relation to FY23.

OPERATIONAL REVIEW

NextEd operates a group of education businesses plus an international student recruitment agency with offices located in Europe, South America and Australia. NextEd currently educates and inspires approximately 25,000 students per year across the English language, Vocational and Higher Education sectors. NextEd's broad and diverse mix of domestic and international students undertake their courses either online or at one of its 9 campuses located across Australia. In addition to this, some students are offered structured work placement and internship opportunities to complement their learning experience.

Company name changed to NextEd Group Limited

At the Annual General Meeting in November 2022, shareholders approved the renaming of the company to NextEd Group Limited (formerly iCollege Limited) to herald the organisation's transformation and reflect its forward-looking approach and high growth mindset. NextEd is confident that this name change will assist to lift the company's brand profile with key stakeholders and enhance the impact of its refreshed vision and values which were implemented as foundations to guide and support future strategy.

Highlights for FY23 included:

- 17,643 confirmed new student enrolments into English language and vocational courses in FY23, a 102% increase against pcp (FY22: 8,748 enrolments);
- 6,505 English language students actively studying at NextEd at 30 June 2023, a 325% increase against pcp (30 June 2022: 1,531 students);
- English language and vocational courses were launched to international students at the new Brisbane campus in August 2022, with strong demand resulting in that campus size being doubled in May 2023;
- Expanded the Sydney campus footprint, with a new campus featuring an additional 18 classrooms commencing operations in March 2023;
- English language and vocational courses were launched to international students at the Gold Coast campus in January 2023;
- 6 new vocational hospitality and cookery courses were launched in Perth, Brisbane and Gold Coast in January 2023, and in Melbourne and Sydney in August 2023; and
- Launched 4 new bachelor degrees (Bachelor of 2D Animation, Bachelor of 3D Animation, Bachelor of Film and Bachelor of Game Design) in Sydney and Melbourne in February 2023, which are being delivered to both international and domestic students.

INTERNATIONAL VOCATIONAL SEGMENT

International Vocational operating segment revenues in FY23 were $74.7 million, an increase of $51.3 million or 218% against pcp (FY22: $23.5 million). English language course revenues made up a larger proportion of the revenue mix as students returning to Australia post covid seek English language proficiency before undertaking further study or seeking employment or travel options. A broad nationality mix made up revenues across English language, Management and Hospitality courses as part of a balanced target strategy.

Operating leverage from material revenue growth and higher campus utilisation in FY23 improved EBITDA by 5.5 times.

FY24 revenue and EBITDA are expected to exceed those of FY23.

DOMESTIC VOCATIONAL SEGMENT

Domestic Vocational operating segment revenues in FY23 were $8.2 million, a decline of $1.9 million or 19% decrease against pcp (FY22: $10.1 million). Lower revenues in FY23 resulted from focusing on transitioning from unprofitable to profitable revenue.

FY23 EBITDA improved against pcp from a divisional restructure, strong cost management and ceasing delivery of unprofitable courses.

FY24 revenue and EBITDA are expected to exceed those of FY23.

TECHNOLOGY & DESIGN SEGMENT

Technology & Design operating segment revenues in FY23 were $15.5 million, an increase of $5.1 million or 49% increase against pcp (FY22: $10.3 million). Revenues from H2 FY23 impacted by a higher number of completing students than commencements due to a lack of enrolments during covid and some international students switching to lower priced vocational courses.

FY24 revenue and EBITDA are expected to be lower than those of FY23.

GO STUDY SEGMENT

Go Study operating segment revenues in FY23 were $5.1 million, an increase of $1.7 million or 52% increase against pcp (FY22: $3.4 million). Offshore offices contributed approximately 43% of revenues in the period, up from 25% in the pcp, driven by the reopening of international borders. Start-up costs associated with the reopening of offshore recruitment offices negatively impacted H1 FY23 EBITDA. Go Study returned to positive EBITDA in H2 FY23.

FY24 revenue and EBITDA are expected to exceed those of FY23.

BUSINESS STRATEGY AND FUTURE PROSPECTS

NextEd is further expanding its campus footprints in Melbourne, Brisbane, Sydney, Adelaide, Gold Coast and Perth in FY24, to increase market penetration and enable the launch of new courses in those locations.

Growth drivers in FY24 are expected to include:

- Growing English language and vocational course student numbers at the Gold Coast campus, which were first launched in January 2023;
- Expanding the Melbourne campus from 75 to 91 classrooms including an industrial teaching kitchen from August 2023, with the incremental classrooms expected to achieve at least 50% daytime utilisation shortly after opening based upon secured new student enrolments;
- Expanding the Brisbane campus from 24 to 37 classrooms from early 2024;
- Relocating to a new high-quality campus in Adelaide in November 2023;
- Launching English language and international student management courses into the Adelaide market in early 2024;
- Relocating to a new Gold Coast campus in early 2024 to cater for expected growth in both international and domestic student numbers;
- Growing international student management and hospitality course student numbers at the Perth campus, which were first launched in January 2023; and
- Growing domestic student vocational course revenues in healthcare, community services, hospitality and business management using NextEd's specialist facilities in Perth, Adelaide, Brisbane, Gold Coast and Melbourne.

In addition to the current growth drivers, there are other opportunities for NextEd to invest in growth through further course range, geographic and addressable market expansion, and through applying its strong cash position and organisational capabilities to considering strategic M&A.

No further information in respect of NextEd's business strategies and prospects has been included, as the directors believe that this information is of a confidential nature in a highly competitive industry and that more detail would be likely to result in unreasonable prejudice to NextEd.

KEY RISKS

Risk management is viewed by NextEd as integral to its objective of creating and maintaining shareholder value. NextEd is committed to its embedded risk management practices through all levels of the organisation to support the achievement of business objectives and to fulfil its corporate governance obligations. A formal annual review process has been adopted which identifies controllable business risk and develops and implements risk management controls.

Certain material business risks are partially or completely outside of the control of NextEd and could have an adverse impact on future financial performance or outcomes. The risks set out below are not exhaustive, and the likelihood of occurrence and consequences of risks may change over time.

REGULATORY REGISTRATIONS AND ACCREDITATIONS:

There is a risk that NextEd is unable to manage the impact of future regulatory changes, is unable to retain existing registrations or experiences delays in obtaining new approvals of registrations or certifications.

EXPOSURE TO AUSTRALIAN GOVERNMENT FUNDING AND TUITION LOAN ARRANGEMENTS:

There is a risk that future changes to Higher Education Loan Program ('HELP') legislation or regulations, or an inability by NextEd to retain or renew HELP accreditations.

PROTECTION AND SECURITY OF PERSONAL INFORMATION AND DATA:

There is a risk that NextEd fails to comply with laws, regulations or other commitments made including privacy obligations.

RELIANCE UPON THIRD PARTY AGENTS:

There is a risk that NextEd fails to maintain and develop positive relationships with a diverse mix of international student agents.

SERVICE DELIVERY QUALITY AND STUDENT SATISFACTION:

There is a risk that NextEd fails to provide a positive student experience including quality learning outcomes.

GLOBAL PANDEMIC:

There is a risk that NextEd is impacted by a future global pandemic that results in lockdowns and / or disruption to international travel triggering a decline in demand for international students to study in Australia.

INTERNATIONAL STUDENT VISA AND IMMIGRATION POLICIES:

There is a risk that NextEd is unable to manage the impacts of any future changes to international student visa requirements or to Australian immigration policies for students from NextEd's source markets.

TECHNOLOGY PLATFORMS MAY BE DISRUPTED, FAIL OR BE INSUFFICIENT:

There is a risk that NextEd's critical systems, platforms and technology infrastructure are compromised by a cyber, vendor or internal event.

COMPETITION AND MARKET DISRUPTION:

There is a risk that NextEd fails to anticipate or respond to changing market conditions and student expectations and preferences.

HUMAN RESOURCES AND ORGANISATIONAL CULTURE:

There is a risk that NextEd is unable to maintain and build upon an agile and resilient culture that is built upon talented people, ethical behaviours and a student centric mindset.

INDUSTRY AND BRAND REPUTATION:

There is a risk that NextEd is unable to maintain its good reputation with other industry stakeholders or is impacted by allegations of poor practices at other industry participants.

CYBER DISRUPTION:

There is a risk that NextEd is subject to cyber-attack leading to a loss of confidential data and / or disruption to critical systems.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 10 July 2023, 2,000,000 options were exercised and converted to fully paid shares at $0.25. Consideration of $500,000 was received in relation to these options and the number of shares on issue increased to 221,376,773.

Apart from the matters noted above, there has been no additional matter or circumstance that has arisen after balance sheet date 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 reporting periods.

ENVIRONMENTAL REGULATION

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

MEETINGS OF DIRECTORS

The number of meetings of the company's directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director are as follows:

	Board		Audit and Risk Management Committee		Remuneration & Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held
Cass O'Connor	9	9	-	-	-	-
Simon Tolhurst	11	11	3	3	1*	1*
William Deane	11	11	3	3	1	1
Sandra Hook	11	11	3	3	1	1
Ashish Katta	2**	2**	-	-	-	-
Badri Gosavi	2**	2**	-	-	-	-

* Simon Tolhurst was a member of the remuneration and nomination committee until 26 September 2022.

** Ashish Katta and Badri Gosavi attended two Board meetings in the month of July 2022 before resigning on 29 July 2022.

Held: represents the number of meetings held at which the director was eligible to attend, during the time the director held office or was a member of the relevant committee.

Cass O'Connor was appointed as a director on the 29 July 2022.

Remuneration report (audited)

The remuneration report details the director and other key management personnel ('KMP') remuneration arrangements for the consolidated entity and the parent entity.

KMP are defined as those who have the authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any director of the entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Service agreements
D. Share-based compensation
E. Additional disclosures relating to key management personnel
F. FY23 remuneration outcomes and alignment to performance
G. Other transactions with KMP

A. Principles used to determine the nature and amount of remuneration

The Nominations and Remuneration Committee is responsible for all matters relating to director succession planning, nomination of directors and the CEO, and remuneration of the directors, CEO and senior executives that report to the CEO. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performing and high quality personnel.

Remuneration of directors and senior management is determined with regard to the performance of the company, the performance and skills and experience of the particular person and prevailing remuneration expectations in the market. Details of remuneration of directors and KMP are disclosed in the Remuneration Report. The performance and remuneration of the senior management team is reviewed at least annually.

The Remuneration Committee from time to time use external consultants to assist in development of remuneration strategy, as detailed in the 'Use of remuneration consultants' section below.

In accordance with best practice corporate governance, the structure of executive and non-executive director remuneration is dealt with separately.

Non-executive director remuneration

The approved aggregate maximum amount payable to non-executive directors as director fees (excluding salary payments to the executive directors) is $550,000 per annum.

Fees paid to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. These fees are reviewed annually to ensure they are appropriate and in line with the market.

The Chair's fees are determined independently of the fees of other non-executive directors based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of their own remuneration.

Non-executive directors may be offered equity as part of their remuneration, subject to shareholder approval.

Executive remuneration

Senior executives are engaged under the terms of individual employment contracts. Such contracts are based upon standard terms drafted by the company’s lawyers. Executive directors do not receive any directors’ fees in addition to their remuneration arrangements. Base salaries are set to reflect the market salary for a position and individual of comparable responsibility and experience. Base salaries are regularly compared with the external market and during recruitment activities generally. It is the policy of the company to maintain a competitive salary structure to ensure continued availability of experienced and effective management and staff.

Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

FIXED REMUNERATION

Fixed remuneration is reviewed annually by the Board. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the company.

VARIABLE REMUNERATION

The short-term incentives ('STI') program is designed to align the targets of the business units with the targets of those executives responsible for meeting those targets. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product innovation management.

The company introduced a long-term incentive ('LTI') scheme during FY23. The LTI scheme has been designed to reward the executive's critical contribution towards the long-term success of NextEd by providing a potential entitlement to cash payments linked to NextEd's share price performance, business performance and the executive's individual performance against agreed KPI's. Further details are provided in the share-based compensation section of this report.

The directors consider that there is a positive correlation between the company's remuneration policies and its financial performance.

Use of remuneration consultants

The Remuneration Committee did not engage the services of remuneration consultants during the year.

Voting and comment made on the Group's 2022 Annual General Meeting

The company received 100.0% of "yes" votes on its remuneration report for the 2022 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

B. Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors and other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity) are set out in the following tables.

The key management personnel of the consolidated entity during the year ended 30 June 2023 comprised the directors of NextEd Group Limited, Glenn Elith, the Chief Executive Officer, and Michael Fahey, the Chief Financial Officer.

	Short term benefits			Post employment benefits	Long-term benefits	Share-based payments				
	Cash salary & fees**	Annual leave**	Bonus	Super-annuation	Long service leave****	Equity settled	Cash settled***	Termination payment	Total	Performance related
2023	$	$	$	$	$	$	$	$	$	%
Non-executive directors:										
Cass O'Connor	124, 957	-	-	13,121	-	14,151	-	-	152,229	-
Simon Tolhurst	77,083	-	-	-	-	8,963	-	-	86,046	-
William Deane	95,000	-	-	-	-	8,963	-	-	103,963	-
Sandra Hook	97,363	-	-	-	-	8,963	-	-	106,326	-
Ashish Katta*****	5,682	-	-	597	-	-	-	-	6,279	-
Executive director:										
Badri Gosavi*****	29,167	1,016	-	6,323	-	-	-	205,285	241,791	-
Key Management Personnel:										
Glenn Elith*	465,325	8,218	145,414	25,292	10,882	-	69,685	-	724,816	31.6%
Michael Fahey*	349,700	(11,033)	109,282	25,292	-	-	39,947	-	513,188	29.9%
	1,244,277	(1,799)	254,696	70,625	10,882	41,040	109,632	205,285	1,934,638	22.6%

*The CEO had a STI target opportunity of 25% of base salary subject to achievement of financial (weighting 50%) and personal (weighting 50%) performance objectives. Performance was assessed and bonus payments awarded equivalent to 125% of the target opportunity. The CFO had a STI target opportunity of 25% of base salary subject to achievement of financial (weighting 50%) and personal (weighting 50%) performance objectives. Performance was assessed and bonus payments awarded equivalent to 125% of the target opportunity.

**Cash salary and fees represent base salary. Annual leave amounts represents the amount expensed for annual leave taken and movement in provisions.

***The CEO had an LTI target opportunity of 40% of fixed remuneration subject to achievement of total shareholder return (33% weighting), earnings per share (33% weighting) and personal (34% weighting) targets. The CEO was allocated 224,791 notional share units at grant date based on the volume weighted average share price ('VWAP') for the first 10 days following the release of the FY22 full year financial results. Performance was assessed and the earnings per share, personal targets and the total shareholder return targets were achieved.

The LTI will be cash settled over a three-year period and any future payments are subject to movements in the NextEd share price.

The CFO had an LTI target opportunity of 30% of fixed remuneration subject to achievement of total shareholder return (33% weighting), earnings per share (33% weighting) and personal (34% weighting) targets. The CFO was allocated 128,861 notional share units at grant date based on the VWAP for the first 10 days following the release of the FY22 full year financial results. Performance was assessed and the earnings per share, personal targets and the total shareholder return targets were achieved. The LTI will be cash settled over a three-year period and any future payments are subject to movements in the NextEd share price.

****Other long-term benefits as per Corporations Regulation 2M.3.03(1) Item 8. The amounts disclosed in this column represents the expense for long service leave taken and movement in provisions.

*****Ashish Katta and Badri Gosavi resigned on 29 July 2022.

	Short term benefits			Post employment benefits	Long-term benefits	Share-based payments				
	Cash salary & fees**	Annual leave**	Bonus	Super-annuation	Long service leave****	Equity settled	Cash settled***	Termination payment	Total	Performance related
2022	$	$	$	$	$	$	$	$	$	%
Non-executive directors:										
Simon Tolhurst	100,000	-	25,000	-	-	-	-	-	125,000	20.0%
William Deane	71,250	-	-	-	-	-	-	-	71,250	-
Sandra Hook	68,651	-	-	-	-	-	-	-	68,651	-
Ashish Katta*****	159,946	(62,053)	50,000	13,610	-	-	-	204,400	365,903	23.8%
Executive director:										
Badri Gosavi*****	336,737	16,769	100,000	16,092	-	-	-	-	469,598	22.9%
Key Management Personnel:										
Glenn Elith*	333,701	(39,713)	186,857	17,676	24,135	-	-	-	522,656	35.9%
Michael Fahey*	243,564	16,754	159,062	17,676	-	-	-	-	437,056	39.5%
	1,313,849	(68,243)	520,919	65,054	24,135	-	-	204,400	2,060,114	28.4%

*The CEO had a STI target opportunity of 25% of base salary subject to achievement of financial (weighting 50%) and personal (weighting 50%) performance objectives. Performance was assessed and bonus payments awarded equivalent to 100% of the target opportunity. The CFO had a STI target opportunity of 25% of base salary subject to achievement of financial (weighting 50%) and personal (weighting 50%) performance objectives. Performance was assessed and bonus payments awarded equivalent to 100% of the target opportunity.

**Cash salary and fees for Mr Elith and Mr Fahey represent base salary from 1 October 2022. Cash salary and fees represent base salary. Annual leave represents the amount expensed for annual leave taken and movement in provisions.

***Other long-term benefits as per Corporations Regulation 2M.3.03(1) Item 8. The amounts disclosed in this column represents the expense for long service leave taken and movement in provisions.

****Bonus payments represent completion payments following the RedHill acquisition.

C. Service agreements

Remuneration and other terms of employment for continuing key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Glenn Elith
Title:	Chief Executive Officer
Agreement commenced:	1 October 2021
Term of agreement:	Mr Elith is employed under a continuing contract with no fixed term.
Details:	Gross salary per annum of $465,325 plus statutory superannuation. 4 months termination notice by either party.

Name:	Michael Fahey
Title:	Chief Financial Officer
Agreement commenced:	1 October 2021
Term of agreement:	Mr Fahey is employed under a continuing contract with no fixed term.
Details:	Gross salary per annum of $349,701 plus statutory superannuation. 12 weeks termination notice by either party.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

D. Share-based compensation

Issue of shares

During the year ended 30 June 2023 no directors or KMP were issued NextEd shares.

Long term incentive scheme

NextEd established a long-term incentive (LTI) scheme during FY23. Executives were invited to apply for a grant of notional share units in NextEd. The number of notional share units granted to executives range from the equivalent of 10% to 40% of their annual total fixed remuneration. The actual allocation of shares will be determined based on their performance against agreed KPI's and calculated in accordance with the following formula:

$$\frac{\text{Awarded LTI outcome as a \% of LTI target opportunity x maximum incentive opportunity \$}}{\text{Market value of a NextEd share at grant}}$$

Market value of a NextEd share at grant for the FY23 LTI program is defined as the volume weighted average price (VWAP) of a NextEd share over the first 10 trading days following announcement of full-year FY22 financial results.

The notional share units may vest in three equal tranches subject to meeting certain vesting conditions at the applicable vesting date, approximately one, two and three years respectively after the publication of the FY22 financial results. The vesting conditions require the executives to be continuously employed by the NextEd until the relevant Vesting Date and for the applicable performance targets to have been achieved.

Upon vesting, in respect of each notional share unit, the executives are entitled to a cash payment received in each tranche determined as follows:

- Number of vested notional share units in each tranche x market value of a NextEd share at vesting.
- Market value of a NextEd share at vesting is defined for this purpose as the VWAP of a NextEd share over the first 10 trading days following announcement of full-year financial results for the relevant financial year.

Vesting of the FY23 LTI program is subject to achievement of the following performance targets:

- Total shareholder return (TSR) of NextEd at the vesting date for tranche 1 to outperform a basket of Australian Securities Exchange (ASX) listed peers by 5.0% or more.
- Diluted earnings per share (diluted EPS) for FY23 to exceed the approved target by 5.0% or more. The diluted EPS target will be adjusted for any material unplanned expenditure approved by the Board.
- Achievement of personal objectives.

E. Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of KMP of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals	Balance at the end of the year
Ordinary shares*					
Cass O'Connor	-	-	50,000		50,000
Simon Tolhurst	1,431,093	-	222,124	(1,431,093)	222,124
William Deane**	483,867	-	21,180	-	505,047
Sandra Hook	79,167	-	-	-	79,167
Glenn Elith	2,298,156	-	-	(630,000)	1,668,156
Michael Fahey	492,820	-	-	-	492,820
	4,785,104	-	293,304	(2,061,093)	3,017,315

*The number of shares held at the beginning of the period have been converted to show the number held on a post share consolidation basis as NextEd's shares were consolidated on a 5:1 basis in November 2022.

**William Deane holds the beneficial interest in ordinary shares through Exto Partners Australia Pty Ltd and due to the ownership structure of that company he only claims an interest in 50% of these ordinary shares.

Options

The number of options in the company held during the financial year by each director and other members of KMP of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals	Balance at the end of the year
Options					
Cass O'Connor	-	107,143	-	-	107,143
Simon Tolhurst	-	67,858	-	-	67,858
William Deane*	-	67,858	-	-	67,858
Sandra Hook	-	67,858	-	-	67,858
Glenn Elith	-	-	-	-	-
Michael Fahey	-	-	-	-	-
	-	310,717	-	-	310,717 **

* William Deane holds the beneficial interest in options through Exto Partners Australia Pty Ltd and due to the ownership structure of that company he only claims an interest in 50% of these ordinary shares.

** Tranche 1 (103,571) vesting on 31 December 2023, Tranche 2 (103,571) vesting on 31 December 2024 and Tranche 3 (103,575) vesting on 31 December 2025.

The terms and conditions of each grant of options affecting remuneration of this financial year or future reporting years are as follows:

Grant Date	Expiry date	Share price at grant date	Exercise price	Number of options issued	Fair value at grant date
15/12/2022	31/12/2028	$1.15	$1.40	103,571	$0.27
15/12/2022	31/12/2029	$1.15	$1.40	103,571	$0.42
15/12/2022	31/12/2030	$1.15	$1.40	103,575	$0.53

Options granted carry no dividend or voting rights.

F. FY23 remuneration outcomes and alignment to performance

NextEd delivered a record financial performance in FY23, across all financial metrics including revenue, EBITDA, NPAT(A), earnings per share. The share price rose over 130% vs the pcp. This demonstrates a clear alignment between remuneration outcomes and financial performance.

Measure	FY23	FY22	FY21	FY20	FY19
Revenue ($'000)	102,220	46,819	16,277	10,806	8,543
EBITDA* ($'000)	16,674	3,576	2,021	(1,043)	(1,248)
NPAT(A)** ($'000)	5,465	(3,914)	308	(2,640)	(13,495)
Diluted EPS (cents per share)	1.61	(0.94)	0.05	(0.50)	(2.66)
Share price as at 30 June ($)	$1.51	$0.65	$0.60	$0.15	$0.33
Average STI payout (% of target)	125%	100%	N/A	N/A	N/A
LTI outcome (% vested)	100%	N/A	N/A	N/A	N/A

*EBITDA is earnings before interest, tax, depreciation and interest. Excludes merger and acquisition expenses in prior corresponding period (FY23: nil; FY22: $3.2m).

**Net profit after tax (adjusted) is calculated as the net profit after tax adjusted for the after-tax impact of amortisation associated with acquired intangible assets and merger and acquisition costs.

G. Other transactions with KMP

In addition to the remuneration paid to KMP, amounts to related parties of the CEO totalling $5,814 were paid during the period for administrative support services (year ended 30 June 2022: $20,917).

Legal fees of $1,737 (year ended 30 June 2022: $16,355) were paid to HWL Ebsworth, a firm where Simon Tolhurst was formerly a partner. Fees were paid on normal commercial terms and conditions.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of iCollege Limited under option at the date of this report are as follows:

Grant date	Expiry date	Number under option	Exercise prices
09/11/2020	09/11/2023	2,400,000	$0.75
09/11/2020	09/11/2023	360,000	$0.75
20/05/2021	09/11/2023	340,000	$0.75
15/12/2022	31/12/2028	103,571	$1.40
15/12/2022	31/12/2029	103,571	$1.40
15/12/2022	31/12/2030	103,575	$1.40
Total		3,410,717	

No option holder has any right to participate in any other share issue of the company. There were 300,000 options exercised during FY2023, refer to Note 32. On 10 July 2023, 2,000,000 options were exercised and converted to fully paid shares at $0.25, refer to Note 35.

Indemnity and insurance of officers

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

During the financial year, the company paid an insurance premium in respect of a directors' and officers' liability insurance policy to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related party against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

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

Non-audit services

During the year, Hall Chadwick WA Pty Ltd and Pitcher Partners Advisors Pty Ltd provided no services in addition to their statutory audit services. Hall Chadwick WA Pty Ltd provided audit transition services amounted to $2,000 (FY22: $nil).

In the event that non-audit services are provided by Hall Chadwick WA Audit Pty Ltd or Pitcher Partners Advisors Pty Ltd, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001. These procedures include:

- Non-audit services will be subject to the corporate governance procedures adopted by the company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- Ensuring non-audit services do not involve 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.

Officers of the company who are former audit partners

There are no officers of the company who are former audit partners of Hall Chadwick WA Audit Pty Ltd and Pitcher Partners Advisors Pty Ltd.

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, to the nearest dollar.

Auditors independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor

Pitcher Partners Sydney Partnership (Pitcher Partners) has been appointed as auditor of the company, with effect from 1 June 2023. This appointment follows the resignation of Hall Chadwick WA Audit Pty Ltd (Hall Chadwick). Pitcher Partners will continue in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors:

Cass O'Connor
Director
27 September 2023

Auditor's independence declaration

Pitcher Partners Sydney Partnership

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Sydney NSW 2000

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e. sydneypartners@pitcher.com.au

Auditor's Independence Declaration
To the Directors of NextEd Group Limited
ABN 75 105 012 066

In relation to the independent audit of NextEd Group Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of NextEd Group Limited and the entities it controlled during the year.

Rod Shanley
Partner

Pitcher Partners
Sydney

27 September 2023

Financial report

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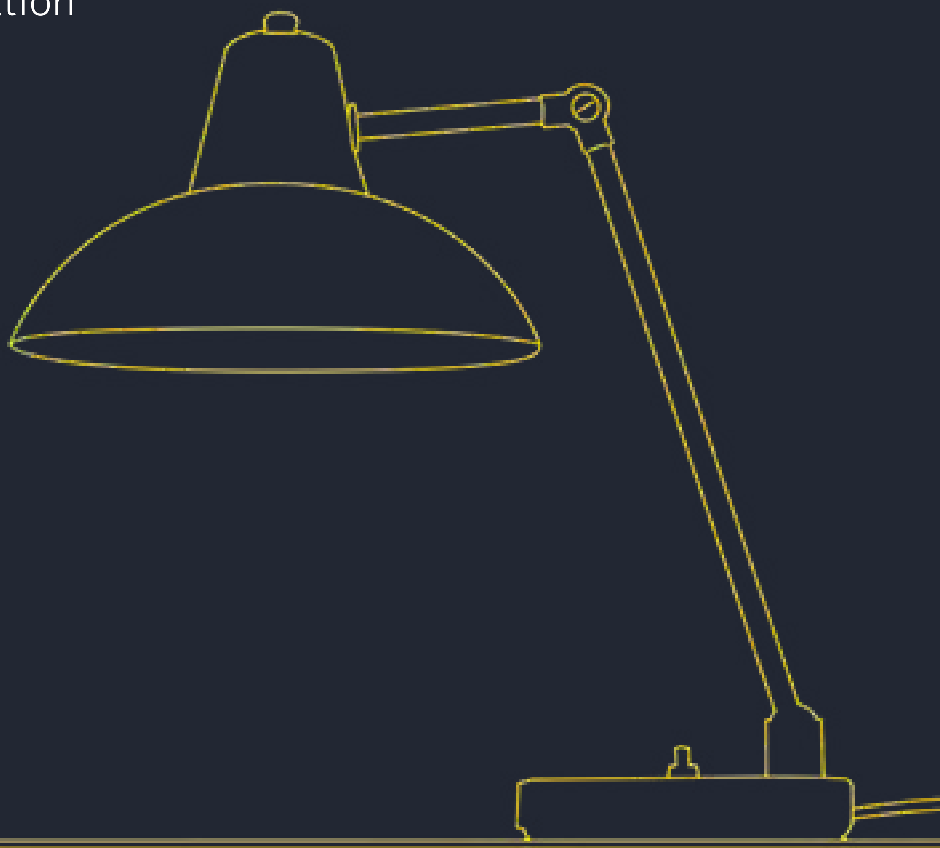


Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	30 June 2023 $'000	30 June 2022 $'000
Revenue from continuing operations	2a	102,220	46,819
Cost of sales		(45,352)	(18,085)
Gross profit		56,868	28,734
Other income	2b	37	1,482
Interest revenue	2b	833	9
Salaries and employee benefits expense		(24,573)	(16,280)
Depreciation and amortisation expense	4	(11,986)	(7,764)
Impairment of assets		-	(120)
Impairment of receivables		(1,860)	(617)
Property and occupancy costs		(4,514)	(2,199)
Professional and consulting fees		(1,229)	(1,586)
Marketing expenses		(3,729)	(2,830)
Public company related costs		(1,037)	(890)
Mergers and acquisition costs		-	(3,242)
Other expenses		(3,289)	(2,118)
Finance costs	4	(2,605)	(1,776)
Profit / (loss) before tax		**2,916**	**(9,197)**
Income tax benefit	5	692	502
Net profit / (loss) for the year		**3,608**	**(8,695)**
Other comprehensive (loss) / income for the year net of tax		(4)	43
Total comprehensive income / (loss) attributable to members of the parent entity		3,604	(8,652)
Earnings per share:			
Basic profit / (loss) per share (cents per share)	31	1.65	(0.94)
Diluted profit / (loss) per share (cents per share)	31	1.61	(0.94)

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

Consolidated statement of financial position

As at 30 June 2023

	Note	30 June 2023 $'000	30 June 2022 $'000
CURRENT ASSETS			
Cash and cash equivalents	6	30,264	27,161
Trade receivables	7	7,563	7,355
Inventories		341	174
Prepayments and other assets	8	12,280	7,309
Total current assets		50,448	41,999
NON-CURRENT ASSETS			
Property, plant and equipment	9	9,696	6,383
Right-of-use assets	10	38,665	17,699
Intangible assets	11	63,330	65,559
Prepayments and other assets	8	9,931	3,050
Total non-current assets		121,622	92,691
Total assets		172,070	134,690
CURRENT LIABILITIES			
Trade and other payables	12	9,802	10,665
Contract liabilities	13	43,546	30,652
Borrowings	14	-	138
Lease liabilities	15a	5,996	5,375
Employee benefits	17a	2,179	2,222
Provisions	16a	194	397
Total current liabilities		61,717	49,449
NON-CURRENT LIABILITIES			
Borrowings	14	-	224
Deferred tax liabilities	18	4,294	5,045
Employee benefits	17b	207	131
Provisions	16b	2,570	2,625
Lease liabilities	15b	37,844	15,648
Total non-current liabilities		44,915	23,673
Total liabilities		106,632	73,122
Net assets		**65,438**	**61,568**
EQUITY			
Issued capital	19	102,657	102,427
Reserves	20	3,154	3,122
Accumulated losses	21	(40,373)	(43,981)
Total equity		65,438	61,568

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2023

	Note	Contributed equity	Accumulated losses	Share-based payments reserve	Foreign currency translation reserve	Total equity
		$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2022		**102,427**	**(43,981)**	**3,079**	**43**	**61,568**
Profit for the year		-	3,608	-	-	3,608
Other comprehensive loss for the year		-	-	-	(4)	(4)
Total comprehensive income / (loss) for the year		**-**	**3,608**	**-**	**(4)**	**3,604**
Transactions with owners						
Fair value of exercised options	19	230	-	-	-	230
Options issued in FY23	19	-	-	36	-	36
Balance as at 30 June 2023		**102,657**	**(40,373)**	**3,115**	**39**	**65,438**

	Note	Contributed equity	Accumulated losses	Share-based payments reserve	Foreign currency translation reserve	Total equity
		$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2021		**34,194**	**(35,286)**	**3,079**	**-**	**1,987**
Loss for the year		-	(8,695)	-	-	(8,695)
Other comprehensive income for the year		-	-	-	43	43
Total comprehensive income / (loss) for the year		**-**	**(8,695)**	**-**	**43**	**(8,652)**
Transactions with owners						
Shares issued net of cost		68,233	-	-	-	68,233
Balance as at 30 June 2022		**102,427**	**(43,981)**	**3,079**	**43**	**61,568**

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

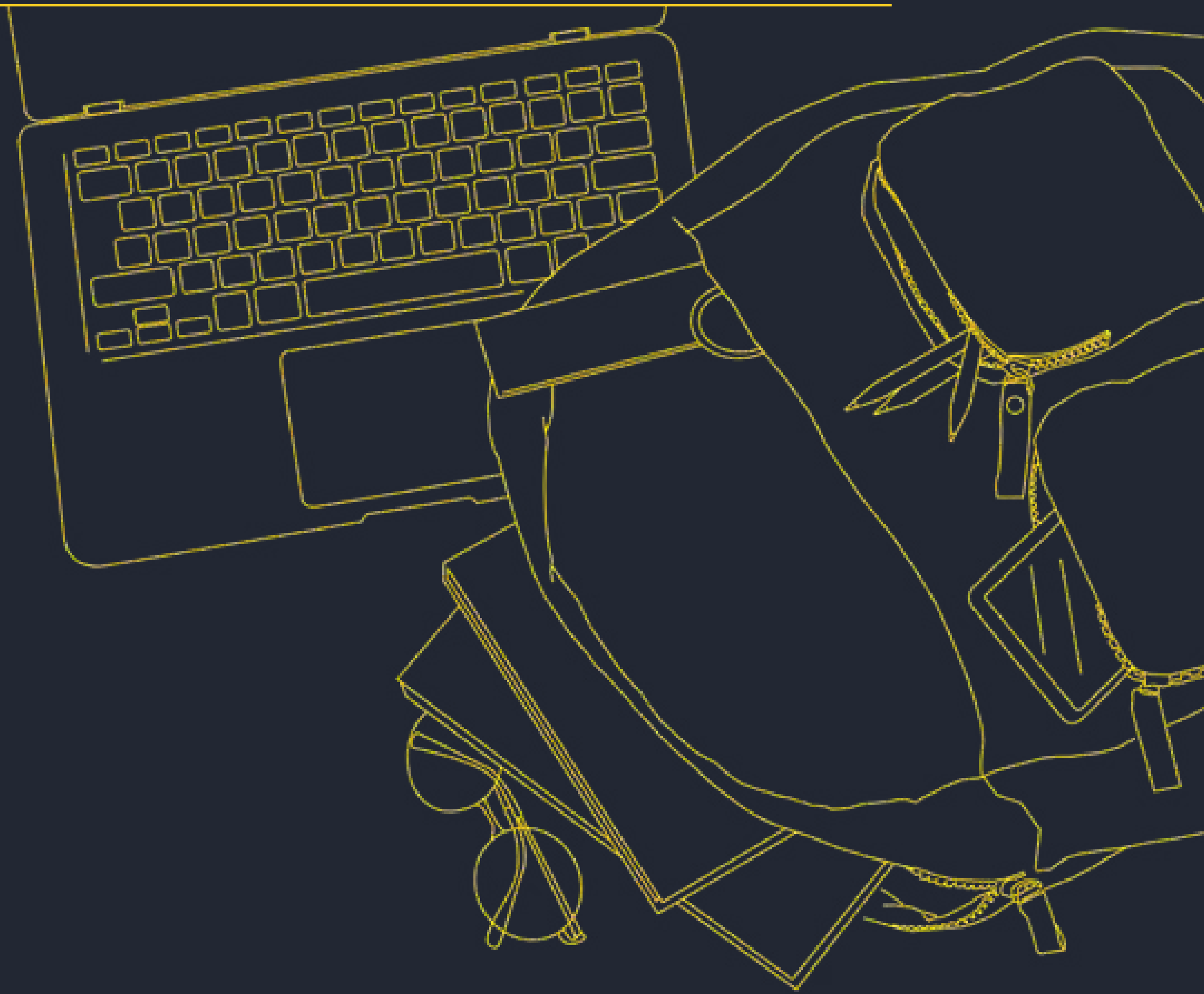
Consolidated statement of cash flows

For the year ended 30 June 2023

	Note	30 June 2023 $'000	30 June 2022 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		110,005	63,781
Receipts from government grants	2(b)	37	1,482
Interest received		833	9
Interest paid		(6)	(89)
Payment to suppliers and employees		(85,689)	(48,170)
Payments related to mergers and acquisitions		-	(5,813)
Net cash from operating activities		**25,180**	**11,200**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(5,313)	(2,271)
Payments for intangibles		(833)	(656)
Cash acquired upon the acquisition of RedHill		-	21,343
Net cash provided by / (used in) investing activities		**(6,146)**	**18,416**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		225	-
Repayment of borrowings		(362)	(583)
Proceeds from borrowings		-	95
Payment of security deposits and bank guarantees		(6,881)	(291)
Repayment of lease liabilities – interest component		(2,600)	(1,687)
Repayment of lease liabilities – principal component		(6,313)	(4,538)
Net cash used in financing activities		**(15,931)**	**(7,004)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**3,103**	**22,612**
Cash and cash equivalents at the beginning of the year		27,161	4,549
Cash and cash equivalents at the end of the year	6	**30,264**	**27,161**

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements



NOTE 1. Basis of preparation and significant accounting policies

1.1 REPORTING ENTITY

The Financial Report covers NextEd Group Limited (NextEd or the company) and its controlled entities (the consolidated entity). NextEd is a for profit company limited by shares whose shares are publicly traded on the Australian Securities Exchange (ASX). The company is primarily involved in businesses which deliver accredited and non-accredited English language, vocational education and higher education course as well as education recruitment agency services to international students.

1.2 BASIS OF PREPARATION

The financial report has been prepared on the historical cost and accrual basis except where stated otherwise.

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB).

Australian Accounting Standards Board set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, event and conditions to which they apply.

The financial statements were authorised for issue on 27 September 2023 by the directors of the company.

1.3 COMPLIANCE WITH IFRS

Compliance with AASBs ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the IASB and the *Corporations Act 2001 (Cth).*

1.4 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:
Conceptual Framework for Financial Reporting (Conceptual Framework)

1.5 RECLASSIFICATION OF SEGMENT INFORMATION

Operating segments for domestic and international vocational students were restructured at the beginning of FY23 to better service student markets and leverage organisational capabilities.

The restructure has enabled the centralisation of student support functions to deliver operational efficiencies and will support future growth. Segment results have been reported under the new organisational structure.

Prior period segment results have been restated to ensure comparability between periods. There is no change to the consolidated results.

1.6 SHARE CONSOLIDATION AND RESTATEMENT OF COMPARATIVE FIGURES

Shareholders approved a 5 to 1 share consolidation at the company's AGM held on 18 November 2022. This reduced the number of shares on issue from 1,096,883,865 to 219,376,773 (FY22: 1,095,383,865 to 219,076,773).

Comparative figures have been amended where appropriate to ensure comparability between periods.

1.7 GOING CONCERN

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realization of assets and settlement of liabilities in the ordinary course of business.

The consolidated entity has traded profitably during the year and generated $25.2 million in operating cash flow during the year. As at 30 June 2023, the consolidated entity is debt-free and held $30.3 million of cash and cash equivalents including term deposits, an increase of $3.1 million from June 2022. In addition to cash and cash equivalents, there are term deposits of $9.9 million classified within non-current assets.

The directors have a reasonable expectation that the consolidated entity has sufficient funds on hand to pay its debts as and when they fall due over the next twelve months.

1.8 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the recovery from COVID-19 pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 7, is calculated based on the information available at the time of preparation. The actual credit losses incurred in future years may be higher or lower.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down (refer to note.1.18 and 1.21).

Income tax

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

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Management have exercised their judgement in determining if it is probable that sufficient future taxable income will be available to utilise all tax losses. The directors consider it prudent to not recognise the deferred tax assets until there is more certainty in relation to the probability that the consolidated entity will have sufficient future taxable profits available against which the unused tax losses and unused tax credits can be utilised. The directors have assessed the carrying value of deferred tax assets in the consolidated entity as appropriate at 30 June 2023.

Lease term

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

Incremental borrowing rate

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

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 dollar per square meter at reporting date. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting both the expense or asset, if applicable, and provision.

Share-based payments

The consolidated entity measures the cost of equity settled and cash 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 determined by an internal valuation using a Black-Scholes option pricing model (details are disclosed in note 32).

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The judgements, estimates and assumptions are applied in the consolidated financial statements, including the key sources of estimation uncertainty were the same as those applied in the consolidated entity's last annual financial statements for the year ended 30 June 2022.

Impairment of non-financial assets

The consolidated entity assess impairment at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment, the recoverable amount of the asset is then determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

To determine value in use, management has estimated expected future cash flows from each cash generating unit (CGU) and also determined a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing is directly linked to the latest approved budget.

The discount rate calculation is based upon specific circumstances of the consolidated entity and is derived from its weighted average cost of capital (details are disclosed in note 11).

1.9 ROUNDING OF AMOUNTS

The company is of a kind referred to in Corporations Instrument 2016/191 (Rounding in Financial/Director's Reports), 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.

1.10 FOREIGN CURRENCY TRANSLATION

The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

Foreign currency transactions

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

Foreign operations

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

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

1.11 CURRENT AND NON-CURRENT CLASSIFICATION

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

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

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

1.12 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of NextEd Group Limited as at 30 June 2023 and the results of all subsidiaries for the year then ended. Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

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

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

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

1.13 REVENUE RECOGNITION

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; 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.

Tuition related revenue

Tuition revenue and other education material related revenue are recognised when the consolidated entity satisfies its performance obligation by delivering tuition services and other educational material to the student over time.

Commission revenue

Commission revenue is recognised at the point in time at which the consolidated entity is deemed to have fulfilled its commitment as an agent by placing the student in the course of their choice. This usually occurs upon commencement of the course by the student, at which point in time non-refundable enrolment and tuition fees have been paid by them to the education provider.

Interest

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

Student co-contribution revenue for government funded courses

Administration fees for allowing the student to perform the required pre-admission literacy test are student co-contribution revenue. This revenue is recognised using the point in time recognition when the performance obligations are satisfied (i.e., when students have completed the literacy test for eligibility into the funded course and enrolments are confirmed).

Government funded courses

Revenue is recognised when the student has successfully completed the course and has submitted the claim to the government.

1.14 GOVERNMENT GRANTS

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received, and the consolidated entity will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

1.15 INCOME TAX

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

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

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

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

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

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

The company and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The company and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'group allocation' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the company to the subsidiaries nor a distribution by the subsidiaries to the parent entity.

Where the tax consolidated group receives the Australian Government’s Research and Development Tax Incentive, the consolidated group accounts for the refundable tax offset under AASB 112. Funds are received as a rebate through the parent company’s income tax return.

1.16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.17 TRADE AND OTHER RECEIVABLES

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

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

1.18 PROPERTY, PLANT AND EQUIPMENT

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	5-10 years
Plant and equipment	2-10 years
Motor vehicles	5 years

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

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodies within the part will flow to the consolidated entity and its cost can be measured reliably. Any costs of the day-to-day servicing of plant and equipment are recognised in the income statement as an expense as incurred.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter. Any landlord incentives that are specific to leasehold improvements have been offset against the costs of those assets.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity.

1.19 ASSETS UNDER CONSTRUCTION

This expenditure includes net direct costs of construction, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads.

Once a project is complete and is ready for operations, all aggregated costs of construction are transferred to either leasehold improvements or plant and equipment as appropriate.

1.20 RIGHT-OF-USE ASSETS

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

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

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

1.21 INTANGIBLE ASSETS

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Where an entity or operation is acquired in a business combination, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of the acquisition over the fair value of the identifiable net assets acquired is brought to account as goodwill. Goodwill is not amortised. Instead, goodwill is tested for impairment (if not already fully impaired) annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed. For the purposes of impairment testing, goodwill is allocated to each of the consolidated entity's cash-generating units (CGU) (or groups of CGUs) that is expected to benefit from the synergies of the combination. On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Brand names

Brand names acquired as part of a business combination are recognised at fair value on acquisition. Brand names are not amortised. Instead, brand names are tested for impairment (if not already fully impaired) annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on brand names are taken to profit or loss and are not subsequently reversed.

Training materials

Training materials acquired as part of a business combination are recognised at fair value on acquisition.

Agent relationships

Agent relationships acquired as part of a business combination are recognised at fair value on acquisition.

No asset is recognised for internally generated agent relationships.

Copyrights and licenses

Course development expenditure includes copyrights and licenses which are recognised as an asset at cost less any impairment losses. Once delivery of the course to which the development costs relate has commenced the associated costs are amortised over the life of the accreditation, being their finite useful life between two and three years.

Subsequent measurement

Amortisation of intellectual property is charged to operating expenses and/or cost of services on a straight-line basis over their estimated useful lives, from the date they are available for use. The residual values and useful lives are reviewed at each reporting date and adjusted, if appropriate. The following useful lives are used in the calculation of amortisation:

Goodwill	not amortised but tested annually for impairment
Brand names	not amortised but tested annually for impairment
Licensed operations	7 years
Training materials	7 years
Agent relationships	10 years
Course materials	2-3 years

1.22 TRADE AND OTHER PAYABLES

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

1.23 CONTRACT LIABILITIES

Contract liabilities relate to tuition fees invoiced but not yet earned in relation to all student tuition invoices. These invoiced tuition fees are recognized as revenue in monthly increments as education services are provided to the students.

1.24 LEASE LIABILITIES

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

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

1.25 PROVISIONS

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

1.26 EMPLOYEE BENEFITS

Short-term employee benefits

Liabilities for wages and salaries and other employee benefits expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Long-term employee benefits

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

Defined contribution superannuation expense

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

Share-based payments

The company may provide benefits to employees (including directors) and consultants of the consolidated entity in the form of share-based payment transactions, whereby services are rendered in exchange for shares, options or rights over shares ('equity-settled transactions'). Some share-based payments may be settled in cash.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods. For equity-settled transactions with market conditions, the expense is recognised over the vesting period regardless of whether the market conditions are met since market conditions are taken into account when determining the fair value at grant date.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as if they had vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award are treated as if they were a modification.

Termination benefits

When applicable, the consolidated entity recognises a liability and expense for termination benefits at the earlier of:

- The date when the consolidated entity can no longer withdraw the offer for termination benefits; and
- When the consolidated entity recognises costs for restructuring pursuant to AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits.

In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for in the same basis as other long-term employee benefits.

1.27 ISSUED CAPITAL

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

1.28 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued 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 on ordinary shares at balance date and the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares during the financial year.

1.29 GOODS AND SERVICES TAX ('GST') AND OTHER SIMILAR TAXES

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

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

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

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

1.30 BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method and include:

- Interest on bank overdrafts;
- Interest on short-term and long-term borrowings;
- Interest on finance leases; and
- Unwinding of the discount on provisions.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Borrowings are removed from the statement of consolidated financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

1.31 CONVERTIBLE NOTES

The component parts of convertible notes issued by the consolidated entity are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguishment upon conversion or at the instrument's maturity date. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in the profit or loss upon conversion or expiration of the conversion option.

Transactions costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

1.32 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Costs incurred to bringing each product to its present location and condition are accounted for as the cost of purchase.

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

1.33 BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method regardless of whether equity instruments or other assets are acquired, as at the acquisition date, which is the date on which control is transferred to the consolidated entity. Control exists when the consolidated entity is exposed to variable return from another entity and has the ability to affect those returns through its power over the entity.

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

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

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

The consolidated entity measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount of the identifiable assets acquired, and liabilities assumed.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the consolidated entity’s share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the consolidated entity incurs in connection with a business combination are expensed as incurred.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

NOTE 2. Revenue and other income

	30 June 2023 $'000	30 June 2022 $'000
a. REVENUE		
Tuition related revenue	98,304	44,043
Commission revenue	3,916	2,776
Revenue from continuing operations	**102,220**	**46,819**
Revenue from contracts with customers	102,220	46,819
Geographical regions		
Australia	100,821	46,044
Europe	1,092	682
South America	307	93
	102,220	**46,819**
Timing of revenue recognition		
Goods transferred at a point in time	3,916	2,776
Services transferred over time	98,304	44,043
	102,220	**46,819**

	30 June 2023 $'000	30 June 2022 $'000
b. OTHER INCOME		
Export market development grant	37	-
NSW JobSaver scheme	-	1,482
Interest income	833	9
	870	**1,491**

NOTE 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into four operating segments: Technology & Design, International Vocational, Go Study and Domestic Vocational. These operating segments are based on the internal reports that are reviewed and used by the Chief Executive Officer who is identified as the Chief Operating Decision Maker ('CODM') in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews both earnings before interest, tax, depreciation, and amortisation ('EBITDA') and profit before income tax. The information reported to the CODM is on at least a monthly basis.

Types of products and services

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

INTERNATIONAL VOCATIONAL

A provider of English Language Intensive Courses for Overseas Students ('ELICOS'), and Vocational Education and Training ('VET') courses in Business, Leadership and Management, Project Management, Marketing and Communication, Kitchen Management and Hospitality for overseas students.

DOMESTIC VOCATIONAL

A provider of vocational courses to domestic students in Commercial Cookery, Hospitality, Business, Community Services, Healthcare, Construction and Information Technology.

TECHNOLOGY & DESIGN

A provider of face-to-face and online courses in information technology, digital design, interactive multimedia, computer coding, digital marketing, games and apps programming, digital filmmaking, and interior design.

GO STUDY

An international student advisory recruitment agency with offices in Australia (Sydney, Melbourne, Brisbane, Gold Coast, Perth), Europe (Spain, France, Italy) and South America (Colombia, Chile, Mexico).

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

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

Reclassification of segment information

Operating segments for domestic and international vocational students were restructured at the beginning of FY23 to better service student markets and leverage organisational capabilities.

The restructure has enabled the centralisation of student support functions to deliver operational efficiencies and will support future growth. Under the revision, international student revenues previously reported under the Sero/Celtic/CTI segment will be reported in the International Vocational segment. In addition, certain corporate costs have been reallocated to operating segments to enhance information provided to investors.

Prior period segment results have been restated to ensure comparability between periods. There is no change to the consolidated results.

	International Vocational	Technology & Design	Domestic Vocational	Go Study	Corporate/ unallocated	Total
	$'000	$'000	$'000	$'000	$'000	$'000
12 months ended 30 June 2023						
Revenue from customers	74,720	15,446	8,218	3,836	-	**102,220**
Intersegment revenue	-	-	-	1,297	(1,297)	-
Total sales revenue	**74,720**	**15,446**	**8,218**	**5,133**	**(1,297)**	**102,220**
Agent commissions	(19,716)	(1,108)	-	-	1,297	**(19,527)**
Education expenses	(20,874)	(3,211)	(1,740)	-	-	**(25,825)**
Cost of sales	**(40,590)**	**(4,319)**	**(1,740)**	**-**	**1,297**	**(45,352)**
Gross margin	**34,130**	**11,127**	**6,478**	**5,133**	**-**	**56,868**
Operating costs	(14,740)	(7,371)	(4,547)	(5,321)	(8,252)	**(40,231)**
Government grants	-	-	-	37	-	**37**
EBITDA	**19,390**	**3,756**	**1,931**	**(151)**	**(8,252)**	**16,674**
D&A	(5,271)	(2,374)	(311)	(243)	(3,787)	**(11,986)**
EBIT	**14,119**	**1,382**	**1,620**	**(394)**	**(12,039)**	**4,688**
Net finance expenses	-	-	-	-	(1,772)	**(1,772)**
Profit before tax	**14,119**	**1,382**	**1,620**	**(394)**	**(13,811)**	**2,916**
Income tax benefit	-	-	-	-	692	**692**
Net profit / (loss) after tax	**14,119**	**1,382**	**1,620**	**(394)**	**(13,119)**	**3,608**
Gross margin %	45.7	72.0	78.8	100.0		**55.6**
EBITDA margin %	26.0	24.3	23.5	(2.9)		**16.3**

30 June 2023

SEGMENT ASSETS AND LIABILITIES

	International Vocational	Technology & Design	Domestic Vocational	Go Study	Corporate/ unallocated	Total
Segment assets	94,702	26,581	11,408	5,228	34,151	**172,070**
Segment liabilities	72,510	23,514	6,197	3,277	1,134	**106,632**
Net assets	**22,192**	**3,067**	**5,211**	**1,951**	**33,017**	**65,438**

	International Vocational	Technology & Design	Domestic Vocational	Go Study	Corporate/ unallocated	Total
	$'000	$'000	$'000	$'000	$'000	$'000
12 months ended 30 June 2022 (restated)						
Revenue from customers	23,470	10,345	10,150	2,775	79	**46,819**
Intersegment revenue	-	-	-	611	(611)	-
Total sales revenue	**23,470**	**10,345**	**10,150**	**3,386**	**(532)**	**46,819**
Agent commissions	(6,127)	(670)	(736)	-	532	**(7,001)**
Education expenses	(5,848)	(2,520)	(2,716)	-	-	**(11,084)**
Cost of sales	**(11,975)**	**(3,190)**	**(3,452)**	**-**	**532**	**(18,085)**
Gross margin	**11,495**	**7,155**	**6,698**	**3,386**	**-**	**28,734**
Operating costs	(7,976)	(5,266)	(5,541)	(3,472)	(4,385)	**(26,640)**
Government grants	-	-	-	-	1,482	**1,482**
EBITDA before M&A costs	**3,519**	**1,889**	**1,157**	**(86)**	**(2,903)**	**3,576**
M&A Costs	-	-	-	-	(3,242)	**(3,242)**
EBITDA	**3,519**	**1,889**	**1,157**	**(86)**	**(6,145)**	**334**
D&A	(2,735)	(1,722)	(489)	(103)	(2,715)	**(7,764)**
EBIT	**784**	**167**	**668**	**(189)**	**(8,860)**	**(7,430)**
Net finance expenses	-	-	-	-	(1,767)	**(1,767)**
Profit / (loss) before tax	**784**	**167**	**668**	**(189)**	**(10,627)**	**(9,197)**
Income tax benefit	-	-	-	-	502	**502**
Net profit / (loss) after tax	**784**	**167**	**668**	**(189)**	**(10,125)**	**(8,695)**
Gross margin %	49.0	69.2	66.0	100.0		**61.4**
EBITDA margin %	15.0	18.3	11.4	(2.5)		**7.6**

30 June 2022

SEGMENT ASSETS AND LIABILITIES

Segment assets	52,670	15,163	6,612	4,923	55,322	**134,690**
Segment liabilities	42,150	13,198	4,594	1,552	11,628	**73,122**
Net assets	**10,520**	**1,965**	**2,018**	**3,371**	**43,694**	**61,568**

NOTE 4. Expenses

	30 June 2023 $'000	30 June 2022 $'000
Profit / (loss) before tax includes the following specific expenses:		
DEPRECIATION		
Leasehold improvements	1,268	718
Plant and equipment	732	603
Land and buildings right-of-use assets	6,912	4,374
Office equipment right-of-use assets	12	8
AMORTISATION		
Licensed operation[1]	667	564
Course materials	410	9
Training materials[1]	1,142	856
Agent relationship[1]	843	632
Total depreciation and amortisation	**11,986**	**7,764**
FINANCE COSTS		
Movement in the present value of provisions	(76)	161
Interest and finance charges paid/payable on lease liabilities	2,676	1,526
Other interest charges	5	89
Finance costs expensed	**2,605**	**1,776**
LEASES		
Short-term lease payments	1,405	582
Low-value assets lease payments	131	56
Total short term and low value lease payments	**1,536**	**638**
SUPERANNUATION EXPENSE		
Defined contribution superannuation expense	**4,014**	**1,981**

[1]Amortisation of acquired intangibles	2,652	2,052

NOTE 5. Income tax

	30 June 2023 $'000	30 June 2022 $'000
a. INCOME TAX BENEFIT		
Deferred tax expense	(1,233)	(502)
Current tax expense	541	-
	(692)	(502)

b. RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE

The prima facie tax payable / (benefit) on profit / (loss) from ordinary activities before income tax in reconciled to the income tax expense as follows:

	30 June 2023 $'000	30 June 2022 $'000
Accounting profit / (loss) before tax	2,916	(9,197)
Prima facie tax on operating profit / (loss) at 30% (2022: 25%)	875	(2,299)
Add / (less) tax effect of:		
• Other non-deductible expenses	39	882
• Impact from change in tax rate on unrecognised deferred tax assets ('DTAs')	-	18
• Impact from change in tax rate on opening balance of deferred tax liabilities ('DTLs')	1,006	-
• Recognition of previously unrecognised DTAs for prior year tax losses	(1,006)	-
• Utilisation of prior year losses for which DTAs were not recognised	(541)	2,085
• Other temporary differences not recognised	(1,065)	(1,188)
Income tax (benefit) / expense attributable to operating loss	(692)	(502)

c. EFFECTIVE TAX RATE	**%**	**%**
The applicable effective tax rates attributable to operating profit are as follows:	30.00%	25.00%

The tax rates used in the above reconciliations is the corporate tax rate of 30% payable by the Australian corporate entity on taxable profits under Australian tax law. The tax rate used in the previous reporting period was 25%.

Current tax assets		
Income tax receivable	-	-
d. FRANKING CREDITS AVAILABLE FOR USE IN SUBSEQUENT REPORTING PERIODS	1,506	1,506
e. CURRENT TAX LIABILITIES		
Income tax payable	-	-

NOTE 6. Cash and cash equivalents

	30 June 2023 $'000	30 June 2022 $'000
Cash at bank	12,206	27,161
Term deposits with less than 90-day maturities	18,058	-
	30,264	27,161

NOTE 7. Trade and other receivables

	30 June 2023 $'000	30 June 2022 $'000
Trade receivables	8,970	8,595
Less: allowance for expected credit losses	(1,407)	(1,240)
	7,563	7,355

ALLOWANCE FOR EXPECTED CREDIT LOSSES

Opening balance	(1,240)	(288)
RedHill acquisition	-	(1,002)
Additional provisions recognised	(1,860)	(617)
Receivable written off during the year as uncollectable	1,693	667
Closing balance	(1,407)	(1,240)

NOTE 8. Prepayments and other assets

a. CURRENT

	30 June 2023 $'000	30 June 2022 $'000
Security deposits	500	522
Prepayments	947	543
Deferred agent costs	9,494	4,795
Other current assets	1,339	1,449
	12,280	7,309

b. NON-CURRENT

Bank guarantees and term deposits	9,931	3,050
	9,931	3,050
Total prepayment and other assets	**22,211**	**10,359**

NOTE 9. Property, plant, and equipment

	30 June 2023 $'000	30 June 2022 $'000
Leesehold improvements	6,392	3,837
Accumulated depreciation	(2,038)	(770)
	4,354	3,067
Plant and equipment	2,136	1,858
Accumulated depreciation	(1,177)	(849)
	959	1,009
Computer equipment	1,731	909
Accumulated depreciation	(695)	(315)
	1,036	594
Motor vehicles	138	247
Accumulated depreciation	(94)	(70)
	44	177
Assets under construction – at cost	3,303	1,536
Total property, plant, and equipment	**9,696**	**6,383**

Movements in carrying amounts

	Leasehold improvements $'000	Plant and equipment $'000	Computer equipment $'000	Motor vehicles $'000	Assets under construction $'000	Total $'000
Carrying amount at 1 July 2022	**3,067**	**1,009**	**594**	**177**	**1,536**	**6,383**
Additions / (disposals)	1,605	278	822	(109)	2,717	**5,313**
Transfers in & (out)	950	-	-	-	(950)	-
Depreciation expense	(1,268)	(328)	(380)	(24)	-	**(2,000)**
Carrying amount at 30 June 2023	**4,354**	**959**	**1,036**	**44**	**3,303**	**9,696**
Carrying amount at 1 July 2021	**41**	**328**	**62**	**84**	**-**	**515**
RedHill acquisition	3,444	982	492	-	-	**4,918**
Additions	189	43	280	111	1,648	**2,271**
Transfers in & (out)	111	1	-	-	(112)	-
Depreciation expense	(718)	(345)	(240)	(18)	-	**(1,321)**
Carrying amount at 30 June 2022	**3,067**	**1,009**	**594**	**177**	**1,536**	**6,383**

NOTE 10. Right-of-use assets

	30 June 2023 $'000	30 June 2022 $'000
NON-CURRENT ASSETS		
Land and buildings – right-of-use	51,395	23,505
Less: accumulated depreciation	(12,736)	(5,824)
	38,659	17,681
Office equipment – right-of-use	26	26
Less: accumulated depreciation	(20)	(8)
	6	18
Total right-of-use-assets	**38,665**	**17,699**

Additions to the right-of-use assets during the year are comprised of new leases as well as lease extensions and modifications.

The consolidated entity leases premises for its offices and campuses under commercial lease agreements of between one and seven years, and in most cases with an option clause to extend. The leases have various escalation clauses. Whilst option clauses provide lease term certainty, the terms of the lease are usually renegotiated at time of renewal.

NOTE 11. Intangible assets

	30 June 2023 $'000	30 June 2022 $'000
Non-Current		
GOODWILL		
Goodwill	38,747	38,747
	38,747	38,747
LICENSED OPERATIONS		
Licenced operations – at cost	4,670	4,670
Accumulated amortisation	(3,671)	(3,004)
	999	1,666
COURSE MATERIALS		
Copyrights – at cost	1,050	303
Accumulated amortisation	(419)	(9)
Work in progress	439	353
	1,070	647
BRAND NAMES		
Brand names – at cost	9,562	9,562
	9,562	9,562
TRAINING MATERIALS		
Training materials – at cost	7,993	7,993
Accumulated amortisation	(1,998)	(856)
	5,995	7,137
AGENT RELATIONSHIPS		
Agent relationships – at cost	8,432	8,432
Accumulated amortisation	(1,475)	(632)
	6,957	7,800
Total intangible assets	**63,330**	**65,559**

Movements in carrying amounts

	Goodwill	Licensed operations	Course materials	Brand names	Training materials	Agent relationships	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at 1 July 2022	38,747	1,666	647	9,562	7,137	7,800	**65,559**
Additions	-	-	833	-	-	-	**833**
Amortisation expense	-	(667)	(410)	-	(1,142)	(843)	**(3,062)**
Carrying amount at 30 June 2023	**38,747**	**999**	**1,070**	**9,562**	**5,995**	**6,957**	**63,330**
Carrying amount at 1 July 2021	-	2,230	-	-	-	-	**2,230**
RedHill acquisition	38,747	-	-	9,562	7,993	8,432	**64,734**
Additions	-	-	656	-	-	-	**656**
Amortisation expense	-	(564)	(9)	-	(856)	(632)	**(2,061)**
Carrying amount at 30 June 2022	**38,747**	**1,666**	**647**	**9,562**	**7,137**	**7,800**	**65,559**

Impairment testing of intangible assets

The recoverable amount of the consolidated entity's intangible assets has been determined by a value in use calculation using a discounted cash flow (DCF) model, based on a 3-year projection reviewed by the Board, along with a terminal value in year 3. Modeling has been performed for each of the consolidated entities cash generating units ('CGU's').

The following key assumptions were used in the discounted cash flow model:

- Business as usual market conditions;
- Continued growth generated from geographic and course range expansion;
- The discount rate used is the pre-tax equivalent of a post-tax WACC of 11% (FY22: 11%); and
- A terminal growth rate of 2% (FY22: 2%).

The allocation of the carrying value of goodwill and intangible assets and used for impairment testing is as follows:

	International Vocational	Technology & Design	Go Study	Domestic Vocational	Corporate/ Elimination	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000
Goodwill	12,063	12,604	2,939	-	11,141	38,747
Licensed operations	-	-	-	999	-	999
Course materials	176	652	-	242	-	1,070
Brand names	5,886	3,192	484	-	-	9,562
Training materials	3,332	2,663	-	-	-	5,995
Agent relationships	6,737	220	-	-	-	6,957
Carrying amount at 30 June 2023	**28,194**	**19,331**	**3,423**	**1,241**	**11,141**	**63,330**

	International Vocational	Technology & Design	Go Study	Domestic Vocational	Corporate/ Elimination	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000
Goodwill	12,063	12,604	2,939	-	11,141	38,747
Licensed operations	-	-	-	1,666	-	1,666
Course materials	173	163	-	311	-	647
Brand names	5,886	3,192	484	-	-	9,562
Training materials	3,967	3,170	-	-	-	7,137
Agent relationships	7,553	247	-	-	-	7,800
Carrying amount at 30 June 2022	**29,642**	**19,376**	**3,423**	**1,977**	**11,141**	**65,559**

Goodwill recorded in Corporate has been allocated to the CGU's for the purposes of impairment testing.

Results of impairment testing

INTERNATIONAL VOCATIONAL

Sensitivity analysis has been conducted on the recoverable amount based on a change in the discount rate (increase by 2%), the terminal value growth rate (decrease by 2%) and a reduction in earnings (10% per annum). Under all modelled scenario's the DCF valuation was greater than the carrying value of the CGU assets and no impairment is required.

TECHNOLOGY & DESIGN

Sensitivity analysis has been conducted on the recoverable amount based on a change in the discount rate (increase by 2%), the terminal value growth rate (decrease by 2%) and a reduction in earnings (10% per annum). Under all modelled scenario's the DCF valuation was greater than the carrying value of the CGU assets and no impairment is required.

GO STUDY AUSTRALIA

Sensitivity analysis has been conducted on the recoverable amount based on a change in the discount rate (increase by 2%), the terminal value growth rate (decrease by 2%) and a reduction in earnings (10% per annum). Under all modelled scenario's the DCF valuation was greater than the carrying value of the CGU assets and no impairment is required.

DOMESTIC VOCATIONAL

Sensitivity analysis has been conducted on the recoverable amount based on a change in the discount rate (increase by 2%), the terminal value growth rate (decrease by 2%) and a reduction in earnings (10% per annum). Under all modelled scenario's the DCF valuation was greater than the carrying value of the CGU assets and no impairment is required.

NOTE 12. Trade and other payables

	30 June 2023 $'000	30 June 2022 $'000
CURRENT		
Trade payables	3,255	3,102
Payroll accruals	2,257	2,078
Accrued expenses	3,433	1,698
Customer advances	544	3,254
Other payables	313	533
	9,802	10,665

NOTE 13. Contract liabilities

	30 June 2023 $'000	30 June 2022 $'000
CURRENT		
Contract liabilities	43,546	30,652
	43,546	30,652

Tuition related performance obligations

The aggregate amount of the transaction price allocated to tuition related services, which are paid in advance or due for payment and are yet to be delivered at balance date was $43,546,000 as at 30 June 2023 (30 June 2022: $30,652,000) and is expected to be recognised as revenue in future periods.

The duration of study is used to measure the progress of the performance obligation to determine how much revenue should be recognised, and that revenue is recognised as the performance obligation is satisfied.

The ageing of the expected performance obligation of contract liabilities are as follows:

	30 June 2023 $'000	30 June 2022 $'000
To be realised within 12 months	43,546	30,652

Contract liabilities relate to tuition fees in relation to domestic and international students where an agreement has been signed and a payment plan is in place with students for studies which are expected to be undertaken after the balance date.

In addition, for students currently enrolled in a course and with a contract in place, $28,771,000 (30 June 2022: $21,132,000) will be invoiced and become payable by the students in future periods.

NOTE 14. Borrowings

	30 June 2023 $'000	30 June 2022 $'000
a. CURRENT		
Convertible notes	-	138
Loans	-	138
b. NON-CURRENT	-	224
Loans	-	224

NOTE 15. Lease liabilities

	30 June 2023 $'000	30 June 2022 $'000
a. CURRENT	5,996	5,375
b. NON-CURRENT	37,844	15,648
Total lease liabilities	43,840	21,023

The remaining contractual maturities of lease liabilities is outlined below.

	Average interest rate %	Less than 1 year $'000	Between 1 year and 2 years $'000	Between 2 years and 7 years $'000	Total contractual maturity $'000
2023					
Undiscounted lease payments	8.19%	9,682	9,113	36,238	**55,033**
2022					
Undiscounted lease payments	10.25%	7,074	5,493	13,419	**25,986**

Remaining contractual maturities of lease liabilities belong to land and building leases with an average implicit interest rate of 8.19% (FY22: 10.25%).

NOTE 16. Provisions

	30 June 2023 $'000	30 June 2022 $'000
a. CURRENT		
Provision for make good	194	397
b. NON-CURRENT		
Provision for make good	2,570	2,336
Onerous contract provisions	-	289
Total provisions	2,764	3,022

Movements in provisions

	Lease make good $'000	Onerous contracts $'000
Carrying amount at 1 July 2022	2,733	289
Additional provisions recognised	57	-
Payments and amounts written back	(26)	(289)
Carrying amount at 30 June 2023	2,764	-

NOTE 17. Employee benefits

	30 June 2023 $'000	30 June 2022 $'000
a. CURRENT		
Provision for annual leave	1,729	1,709
Provision for long service leave	450	513
	2,179	2,222
b. NON-CURRENT		
Provision for long service leave	207	131
	2,386	2,353

NOTE 18. Deferred taxation

Balances

At 30 June 2023, the consolidated entity has unused tax losses of $26,281,000 (FY22: $28,371,000) available for offset against future profits.

During the period, the consolidated entity recognised deferred tax assets of $1,005,620 as the directors deem it probable that future taxable profits will allow this portion of deferred tax asset to be recovered. Net deferred tax assets of $10,024,072 remain unrecognised as it is not considered probable that there will be sufficient future taxable profits available to recover this amount.

	2023 $'000	2022 $'000
a. DEFERRED TAX ASSETS		
Tax losses	8,890	7,093
Provisions and accruals	4,043	4,134
Section 40-880 costs	998	1,082
	13,931	12,309
Set-off deferred tax liabilities	(2,901)	(1,297)
Deferred tax assets	11,030	11,012
Less deferred tax assets not recognised	(10,024)	(11,012)
Deferred tax assets	**1,006**	**-**
b. DEFERRED TAX LIABILITIES		
Intangible assets	5,300	5,048
Prepayments	2,848	1,199
Other	53	95
	8,201	6,342
Set-off deferred tax liabilities	(2,901)	(1,297)
Deferred tax liabilities	5,300	5,045
Net deferred tax liability	**4,294**	**5,045**
c. TAX LOSSES AND DEDUCTIBLE TEMPORARY DIFFERENCES		
Unused tax losses and deductible temporary differences for which no deferred tax asset has been recognised, that may be utilised to offset tax liabilities:		
Opening balances	28,371	20,031
Other adjustments	3,065	-
Tax losses recognised / (utilised) during the year	(5,155)	8,340
Closing balances	**26,281**	**28,371**

NOTE 19. Issued capital

	12 months to 30 June 2023 No.	12 months to 30 June 2022 No.	12 months to 30 June 2023 $'000	12 months to 30 June 2022 $'000
Fully paid ordinary shares at no par value	219,376,773	219,076,773	102,657	102,427
a. ORDINARY SHARES AT THE BEGINNING OF THE YEAR	219,076,773	581,564,649	102,427	34,194
Shares issued during the period/year:				
Placement shares issued at $0.1350 per share	-	467,245,747	-	63,078
Placement shares issued at $0.1350 per share	-	30,030,841	-	4,054
Placement shares issued at $0.1199 per share	-	3,911,486	-	469
Convertible note shares issued at $0.05 per share	-	12,631,140	-	632
Effect of share consolidation 5 December 2022	-	(876,307,090)	-	-
Options exercised at $0.75 15 December 2022	80,000	-	65	-
Options exercised at $0.75 09 March 2023	120,000	-	90	-
Options exercised at $0.75 13 March 2023	100,000	-	75	-
At reporting date	219,376,773	219,076,773	102,657	102,427

	12 months to 30 June 2023 Number	12 months to 30 June 2022 Number	12 months to 30 June 2023 $'000	12 months to 30 June 2022 $'000
b. OPTIONS				
Options				
At the beginning of the year	5,400,000	5,400,000	3,079	3,079
Options issued / (exercised) during the year:				
Exercised				
Exercised price: $0.75	-	-	-	-
Expiry date: 09/11/2023	(80,000)	-	(1)	-
Expiry date: 09/11/2023	(120,000)	-	(2)	-
Expiry date: 09/11/2023	(100,000)	-	(2)	-
Issued to directors				
Exercise price: $1.40	-	-	-	-
Expiry dates: 15/12/2028	103,571	-	9	-
Expiry dates: 15/12/2029	103,571	-	15	-
Expiry dates: 15/12/2030	103,575	-	17	-
At reporting date	5,410,717	5,400,000	3,115	3,079

Details of capital management are disclosed in Note 22.

NOTE 20. Reserves

	30 June 2023 $'000	30 June 2022 $'000
Foreign currency reserve	39	43
Share-based payments reserve	3,115	3,079
	3,154	3,122

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statement of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise equity-settled share-based payment transactions. The company provides benefits to employees (including directors) and consultants of the consolidated entity in the form of share-based payment transactions, whereby services are rendered in exchange for shares, options or rights over shares.

Movement in reserves

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

	Foreign currency translation $'000	Share based payments $'000
Carrying amount at 1 July 2022	43	3,079
Foreign currency translation	(4)	-
Credit associated with issued options	-	(5)
Options issued to directors	-	41
Carrying amount at 30 June 2023	**39**	**3,115**

NOTE 21. Accumulated losses

	30 June 2023 $'000	30 June 2022 $'000
Accumulated losses at the beginning of the financial year	(43,981)	(35,286)
Profit / (loss) after income tax expense for the year	3,608	(8,695)
Accumulated losses at the end of the financial year	**(40,373)**	**(43,981)**

NOTE 22. Financial instruments

As at the reporting date, the consolidated entity had the following cash and cash equivalents and term deposits:

	Weighted average interest rate	2023	Weighted average interest rate	2022
	%	$'000	%	$'000
CONSOLIDATED - 2023				
Interest bearing – fixed rate				
Cash and cash equivalents (note 6)	3.17%	30,264	0.88%	27,161
Term deposit – restricted cash	3.77%	9,931	0.29%	3,050
Net exposure to cash flow interest rate risk		**40,195**		**30,211**

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Impairment losses

Impairment losses are recorded against receivables unless the consolidated entity is satisfied that no recovery of the amount owing is possible; at that point the amount is considered irrecoverable and is written off against the financial asset directly. The ageing of the consolidated entity's trade receivables at reporting date was as follows:

2023	Gross	Impaired	Net	Past due but not impaired
	$'000	$'000	$'000	$'000
TRADE RECEIVABLES				
Not past due	4,838	(1)	4,837	-
Past due up to 30 days	1,119	(19)	1,100	1,100
Past due 31 days to 60 months	776	(279)	497	497
Past due 61 days to 90 months	567	(245)	322	322
Past due over 90 months	1,670	(863)	807	807
	8,970	**(1,407)**	**7,563**	**2,726**

2022				
TRADE RECEIVABLES				
Not past due	3,868	(1)	3,867	-
Past due up to 30 days	1,482	(17)	1,465	1,465
Past due 31 days to 60 months	790	(246)	544	544
Past due 61 days to 90 months	627	(216)	411	411
Past due over 90 months	1,828	(760)	1,068	1,068
	8,595	**(1,240)**	**7,355**	**3,488**

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

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

CONSOLIDATED - 2023	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 7 years $'000	Remaining contractual maturities $'000
NON-DERIVATIVES				
Non-interest bearing				
Trade payables	3,255	-	-	3,255
Other payables	4,290	-	-	4,290
Payroll accruals	2,257	-	-	2,257
Total non-derivatives	9,802	-	-	9,802

CONSOLIDATED - 2022	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 7 years $'000	Remaining contractual maturities $'000
NON-DERIVATIVES				
Non-interest bearing				
Trade payables	3,102	-	-	3,102
Other payables	5,485	-	-	5,485
Payroll accruals	2,078	-	-	2,078
Total non-derivatives	10,665	-	-	10,665

The cash flows in the maturity analysis above are not expected to occur significantly earlier than disclosed. Contractual maturities related to lease liabilities are disclosed in Note 15.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Capital management

CAPITAL

The company manages its capital to ensure the consolidated entity will be able to continue as a going concern.

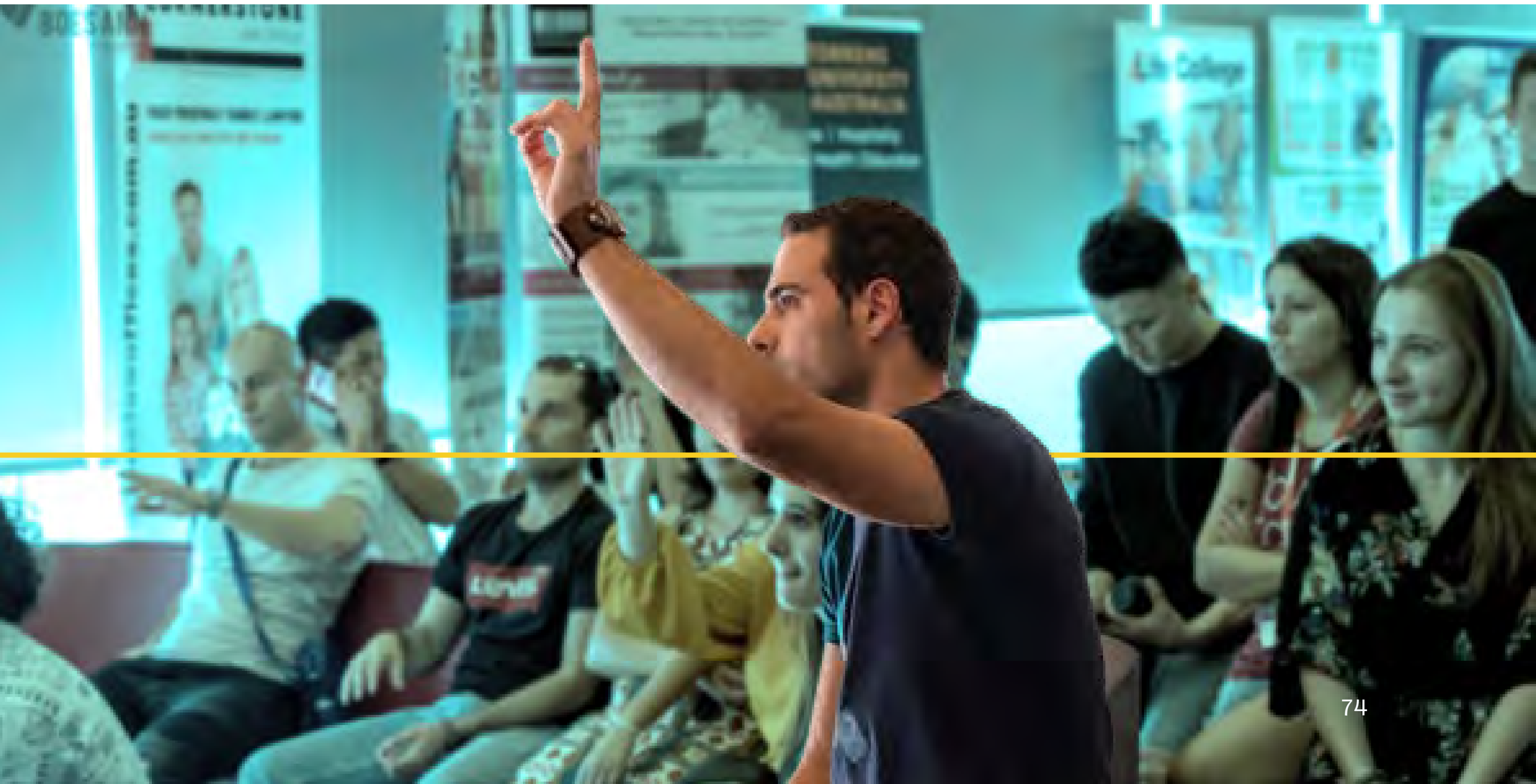
The capital structure of the consolidated entity consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses. None of the entities within the consolidated entity are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings. Gearing levels are reviewed by the Board on a regular basis in line with target gearing ratio, the cost of capital and the risks associated with each class of capital.

WORKING CAPITAL

The working capital position of the consolidated entity was as follows:

	Note	30 June 2023 $'000	30 June 2022 $'000
Cash and cash equivalents	6	30,264	27,161
Trade receivables	7	7,563	7,355
Inventories		341	174
Other current assets	8	12,280	7,309
Trade and other payables	12	(9,802)	(10,665)
Borrowings	14	-	(138)
Leases	15	(5,996)	(5,375)
Employee benefits	17	(2,179)	(2,222)
Current provisions	16	(194)	(397)
Working capital position		**32,277**	**23,202**



NOTE 23. Parent entity information

	30 June 2023 $'000	30 June 2022 $'000
Loss after income tax	(5,894)	(9,858)
Total comprehensive income	**(5,894)**	**(9,858)**

Statement of financial position

	30 June 2023 $'000	30 June 2022 $'000
Total current assets	824	673
Total assets	**83,260**	**72,420**
Total current liabilities	28,848	12,118
Total liabilities	**28,707**	**12,235**
EQUITY		
Issued capital	102,657	102,427
Share-based payments reserve	3,154	3,122
Accumulated losses	(51,258)	(45,364)
Total equity	**54,553**	**60,185**

Contingent liabilities

The parent entity has given bank guarantees as at 30 June 2023 of $7,135,923 (30 June 2022: $5,107,604) to various lessors in respect of the consolidated entity's operations. Refer to Note 33 for further information in relation to the bank guarantees.

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; and
- Dividends received from subsidiaries are recognised as income in the parent entity.

NOTE 24. Interest in subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the consolidated entity and the proportion of ownership interest held equals the voting rights held by the consolidated entity. Investments in subsidiaries are accounted for at cost. Each subsidiary's country of incorporation is also its principal place of business:

Name	Principal Activity	Place of incorporation & operation	Ownership interest	
			2023	2022
RedHill Education Ltd	Educational Services	Australia	100%	100%
Go Study Australia Pty Ltd [1]	Student Recruitment	Australia	100%	100%
Academy of Interactive Technology Pty Ltd [1]	Educational Services	Australia	100%	100%
International School of Colour and Design Pty Ltd [1]	Educational Services	Australia	100%	100%
Greenwich College Pty Ltd [1]	Educational Services	Australia	100%	100%
Go Study Australia Intercambio Cultural Ltda [2]	Student Recruitment	Brazil	100%	100%
Go Study Australia S.A.C. [2]	Student Recruitment	Peru	100%	100%
Go Study Australia Sociedad Limitada [3]	Student Recruitment	Spain	100%	100%
Go Study Colombia SAS [5]	Student Recruitment	Colombia	100%	-
iCollege International Pty Ltd	Educational Services	Australia	100%	100%
Management Institute of Australia Pty Ltd [4]	Educational Services	Australia	100%	100%
Management Institute of Australia No.1 Pty Ltd [4]	Educational Services	Australia	100%	100%
Management Institute of Australia No.2 Pty Ltd [4]	Educational Services	Australia	100%	100%
Celtic Training & Consultancy Pty Ltd	Educational Services	Australia	100%	100%
Brisbane Career College Pty Ltd	Educational Services	Australia	100%	100%
Capital Training Institute Pty Ltd	Educational Services	Australia	100%	100%

1. 100% owned by RedHill Education Ltd
2. 75% owned by Go Study Australia Pty Ltd and 25% owned by RedHill Education Ltd
3. 100% owned by Go Study Australia Pty Ltd
4. Companies were all acquired at the same time and are now in liquidation waiting deregistration
5. Go Study Colombia SAS was incorporated on December 6, 2022

NOTE 25. Deed of cross guarantee

Pursuant to ASIC Class Order 2016/785, the wholly-owned subsidiaries as mentioned below are relieved from the Corporation Act 2001 requirements for preparation, audit, and lodgement of financial reports and directors' report.

As a condition of the Class Order, NextEd Group Limited and its subsidiaries (closed group) entered into a Deed of cross guarantee. The effect of the Deed is that NextEd Group has guaranteed to pay any deficiency in the event of the winding up of any of those subsidiaries.

Those subsidiaries have also given a similar guarantee in the event that NextEd Group is wound up.

The deed was executed on 15 June 2022.

The subsidiaries subject to the Deed at the end of the reporting period are:

- NextEd Group Limited
- Brisbane Career College Pty Ltd
- Capital Training Institute Pty Ltd
- Celtic Training & Consultancy Pty Ltd
- RedHill Education Limited
- Academy of Interactive Technology Pty Limited
- Greenwich College Pty Limited
- International School of Colour and Design Pty Limited
- Go Study Australia Pty Limited

The above companies represents a 'closed group' for the purposes of the Class Order.

Set out below is a consolidated statement of profit and loss and other comprehensive income and statement of financial position of the 'closed group'.

Statement of profit or loss and other comprehensive income

	30 June 2023 $'000	30 June 2022 $'000
Revenue from continuing operations	100,001	45,725
Cost of sales	(45,352)	(18,085)
Gross profit	**54,649**	**27,640**
Other income	37	1,482
Interest revenue	833	9
Salaries and employee benefits expense	(22,826)	(15,376)
Depreciation and amortisation expense	(11,982)	(7,756)
Impairment of assets	-	(120)
Impairment of receivables	(1,860)	(617)
Property and occupancy costs	(4,434)	(2,180)
Professional and consulting fees	(1,184)	(1,552)
Marketing expenses	(3,462)	(2,754)
Public company related costs	(1,037)	(890)
Merger and acquisition costs	-	(3,242)
Other expenses	(3,197)	(2,017)
Finance costs	(2,606)	(1,771)
Profit / (loss) before tax	**2,931**	**(9,144)**
Income tax benefit	752	505
Net profit / (loss) for the year	**3,683**	**(8,639)**
Total comprehensive income attributable to members of the parent entity	**3,683**	**(8,639)**

	30 June 2023 $'000	30 June 2022 $'000
EQUITY - ACCUMULATED LOSSES		
Accumulated losses at the beginning of the financial year	(43,925)	(35,286)
Profit / (loss) after income tax expense for the year	3,683	(8,639)
Accumulated losses at the end of the financial year	**(40,242)**	**(43,925)**

Statement of financial position

	30 June 2023 $'000	30 June 2022 $'000
CURRENT ASSETS		
Cash and cash equivalents	30,283	27,052
Trade receivables	7,525	8,158
Inventories	341	174
Prepayments and other assets	12,235	7,272
Total current assets	**50,384**	**42,656**
NON-CURRENT ASSETS		
Property, plant and equipment	9,706	6,366
Right-of-use asset	38,665	17,699
Intangible assets	63,330	64,607
Prepayments and other assets	9,931	3,041
Total non-current assets	**121,632**	**91,713**
Total assets	**172,016**	**134,369**
CURRENT LIABILITIES		
Trade and other payables	9,631	10,453
Contract liabilities	43,546	30,652
Borrowings	-	138
Lease liabilities	5,996	5,375
Provisions	194	399
Employee benefits	2,202	2,070
Total current liabilities	**61,569**	**49,087**
NON-CURRENT LIABILITIES		
Borrowings	-	224
Deferred tax liabilities	4,294	5,045
Employee benefits	207	131
Provisions	2,570	2,625
Lease liabilities	37,844	15,649
Total non-current liabilities	**44,915**	**23,674**
Total liabilities	**106,484**	**72,761**
Net assets	**65,532**	**61,608**

	30 June 2023 $'000	30 June 2022 $'000
EQUITY		
Issued capital	102,657	102,427
Reserves	3,117	3,106
Accumulated losses	(40,242)	(43,925)
Total equity	**65,532**	**61,608**

NOTE 26. Reconciliation of profit/(loss) after income tax to net cash from operating activities

	30 June 2023 $'000	30 June 2022 $'000
Profit / (loss) after income tax expense for the year	3,608	(8,695)
ADJUSTMENT FOR:		
Depreciation and amortisation	11,986	7,764
Convertible note conversion	5	-
Share-based payments	36	469
Non-cash finance costs	2,600	1,687
Other non-cash items	(35)	169
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
Increase in trade receivables	(263)	(528)
Increase in prepayments	(404)	(164)
Increase in other operating assets	(4,673)	(4,979)
Decrease / (increase) in trade and other payables	(332)	1,116
Increase in contract liabilities	12,893	15,008
Increase / (decrease) in provision for income tax	19	(628)
Increase in employee benefits	40	41
Decrease in other provisions	(300)	(60)
Net cash from operating activities	**25,180**	**11,200**

NOTE 27. Changes in liabilities arising from financing activities

	30 June 2023 $'000	30 June 2022 $'000
LEASE LIABILITIES		
Opening balance	21,023	3,594
Net cash from financing activities	(8,913)	(6,209)
RedHill acquisition	-	18,714
New leases and lease extensions	29,130	3,237
Finance costs	2,600	1,687
Closing balance	43,840	21,023

	30 June 2023 $'000	30 June 2022 $'000
CONVERTIBLE NOTES		
Opening balance	-	650
Fully redeemed on 29/06/2022	-	(150)
Converted to shares on 22/06/2022 @ $0.05c per share	-	(500)
Closing balance	-	-

	30 June 2023 $'000	30 June 2022 $'000
OTHER BORROWINGS		
Opening balance	362	700
Repayment of borrowings	(227)	(407)
Acquisition / (disposal) of motor vehicles	(135)	69
Closing balance	-	362

NOTE 28. Key management personnel (KMP) compensation

The names and positions of KMP who held office during the year were as follows:

Catherine (Cass) O'Connor	Independent non-executive chair (appointed 29 July 2022)
Simon Tolhurst	Independent non-executive director (Independent non-executive chair until 29 July 2022)
William Deane	Non-executive director (appointed 8 November 2021)
Sandra Hook	Non-executive director (appointed 8 November 2021)
Ashish Katta	Non-executive director (resigned 29 July 2022)
Badri Gosavi	Executive director (resigned 29 July 2022)
Glenn Elith	Chief Executive Officer
Michael Fahey	Chief Financial Officer

	30 June 2023 $	30 June 2022 $
Short-term employee benefits	1,497,174	1,766,525
Long-term incentives	109,632	-
Post-employment benefits	70,625	65,054
Long-term benefits	10,882	24,135
Termination payments	205,285	204,400
Share-based payments	41,039	-
Total	**1,934,637**	**2,060,114**

NOTE 29. Related party transactions

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

Balances and transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the consolidated entity and other related parties are disclosed below.

Legal fees of $1,737 (year ended 30 June 2022: $16,355) were paid to HWL Ebsworth, a firm where Simon Tolhurst was formerly a partner. Fees were paid on normal commercial terms and conditions.

In addition to the remuneration paid to KMP, amounts to related parties of the CEO totalling $5,814 were paid during the period for administrative support services (year ended 30 June 2022: $20,917).

NOTE 30. Auditor's remuneration

Pitcher Partners Sydney Partnership (Pitcher Partners) has been appointed as auditor of the company, with effect from 1 June 2023. This appointment follows the resignation of Hall Chadwick WA Audit Pty Ltd (Hall Chadwick). The following fees were paid or payable for services provided by the auditors.

Remuneration of the auditor for auditing or reviewing the financial reports:

	30 June 2023 $	30 June 2022 $
AUDIT SERVICES - HALL CHADWICK		
Audit of the financial statements	31,071	123,297
OTHER SERVICES – HALL CHADWICK		
Facilitation of file review for FY22	2,000	-
AUDIT SERVICES - PITCHER PARTNERS		
Audit of the financial statements	152,000	-
	185,071	123,297

NOTE 31. Earnings per share (EPS)

	30 June 2022 $'000	30 June 2021 $'000
RECONCILIATION OF EARNINGS TO PROFIT OR LOSS		
Profit / (loss) for the year	3,608	(8,695)
Profit / (loss) used in the calculation of basic and diluted EPS	3,608	(8,695)
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES		
outstanding during the year used in calculation of basic EPS	218,586,754	184,203,392
outstanding during the year used in calculation of diluted EPS	223,919,278	184,203,392
EARNINGS PER SHARE		
Basic EPS (cents per share)	1.65	(0.94)
Diluted EPS (cents per share)	1.61	(0.94)

As at 30 June 2023, the consolidated entity has 5,410,717 unissued shares under options (30 June 2022: 5,400,000 post share consolidation). During the year ended 30 June 2023, the consolidated entity's unissued shares under option were dilutive.

NOTE 32. Share based payments

	30 June 2023 $'000	30 June 2022 $'000
SHARE-BASED PAYMENTS		
Recognised in merger and acquisition costs	-	469
Recognised in director costs	41	-
	41	469

Share-based payment arrangements in effect during the year

a. UNLISTED OPTIONS

The company had issued options in prior financial year with terms and summaries below:

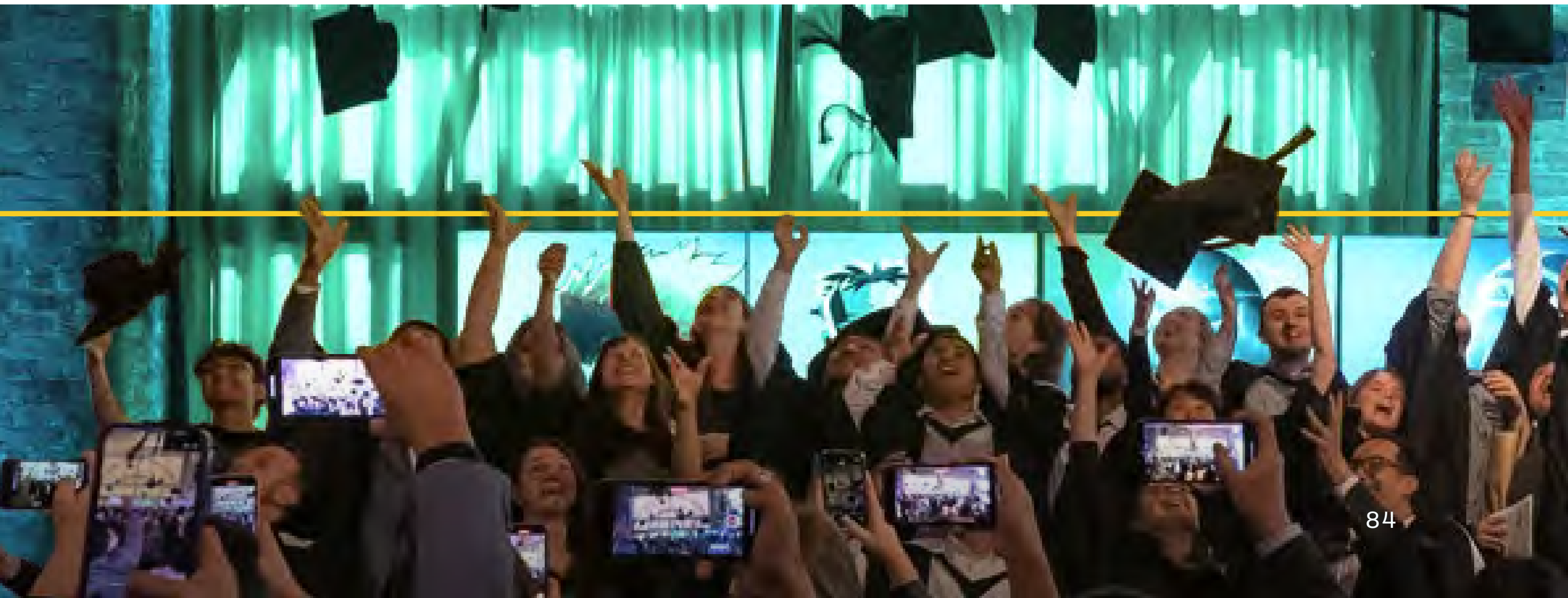
Number under option	Date of expiry	Exercise price	Vesting terms
2,000,000	10 Jul 2023	$0.25	Immediately upon issue
3,400,000	9 Nov 2023	$0.75	Immediately upon issue

b. DIRECTOR OPTIONS

In consideration for services during the year, the company issued options in current financial year with terms and summaries below:

Grant Date	Expiry Date	Share price at grant date	Exercise price	Expected volatility	Number of options issued	Dividend yield	Risk-free interest rate	Fair value at grant date
15/12/2022	31/12/2028	$1.150	$1.400	75.20%	103,571	Nil	3.00%	$0.2719
15/12/2022	31/12/2029	$1.150	$1.400	75.20%	103,571	Nil	3.00%	$0.4195
15/12/2022	31/12/2030	$1.150	$1.400	75.20%	103,575	Nil	3.00%	$0.5263

As set out in the 2022 AGM Schedule 1, 1/3 of the Options shall vest on each 12-month anniversary of the date of grant of the options. The holder or its nominee must be a director on the Board of Directors of the company at the date of vesting. Any unvested options at the time the holder or its nominee ceases to be a director will lapse.



Movement in share-based payment arrangements during the period

A summary of the movements of all company options issued as share-based payments is as follows:

	2023		2022	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Outstanding at the beginning of the year	5,400,000		5,400,000	
GRANTED				
Expiry: 31/12/2028	103,571	1.40		
Expiry: 31/12/2029	103,571	1.40		
Expiry: 31/12/2030	103,575	1.40		
EXERCISED				
Expiry Date: 09/11/2023	(300,000)	0.75		
Exercise Price: $0.75				
Outstanding at year-end	**5,410,717**	**1.08**	**5,400,000**	**0.55**
Exercisable at year-end	**5,100,000**	**1.08**	**5,400,000**	**0.55**

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.6 years (FY22: 1 year).

NOTE 33. Contingent liabilities

The consolidated entity has given bank guarantees as at 30 June 2023 of $7,135,923 (30 June 2022: $5,107,604) to various lessors.

The consolidated entity has bank guarantee facilities with several leading Australian totalling $11,307,777 of which $7,135,923 has been utilised as at 30 June 2023.

The consolidated entity has term deposits of $9,286,781 as at 30 June 2023 classified within non-current assets to support those facilities.

NOTE 34. Commitments

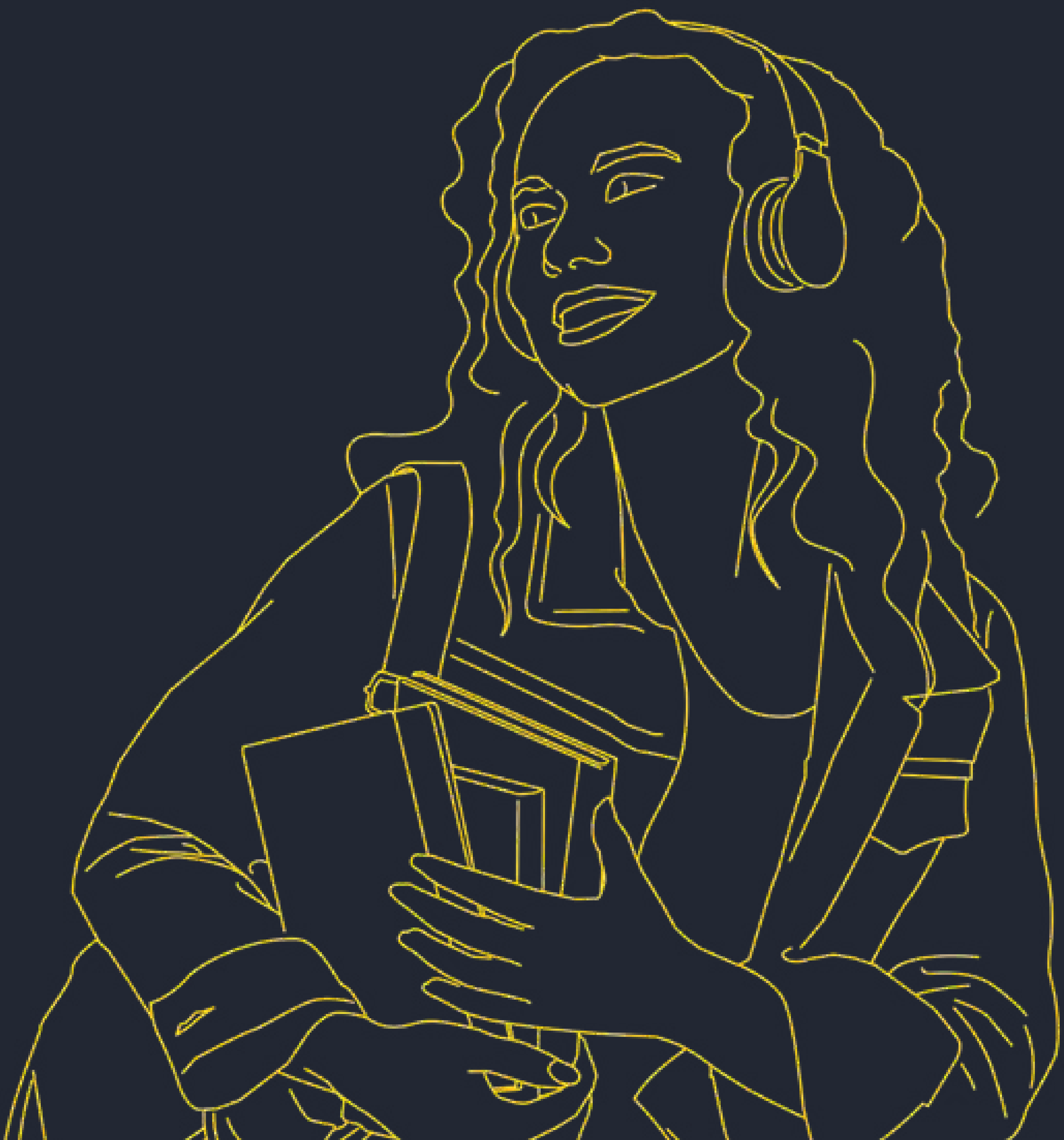
The consolidated entity is committed to incur capital expenditure of approximately $1.5 million in relation to campus expansions across Level 6 and 16, 120 Spencer St, Melbourne, Level 3 and 4, 119 Charlotte Street, Brisbane, and Level 1, Kelly St, Ultimo. The expenditure is expected to be settled in the FY2024 financial year.

NOTE 35. Events subsequent to reporting date

On 10 July 2023, 2,000,000 options were exercised and converted to fully paid shares at $0.25. Consideration of $500,000 was received in relation to these options and the number of shares on issue increased to 221,376,773.

Apart from the matters noted above, there has been no additional matter or circumstance that has arisen after balance sheet date 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 reporting periods.

Directors' declaration



The Directors of the company declare that:

1. The consolidated financial statements and notes, are in accordance with the Corporations Act 2001 (Cth) and:

a. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements;

b. are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Boards, as stated in Note 1.3 to the financial statements;

c. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the financial year ended on that date of the consolidated entity; and

d. the Directors have been given the declarations required by s.295A of the Corporations Act 2001 (Cth).

2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

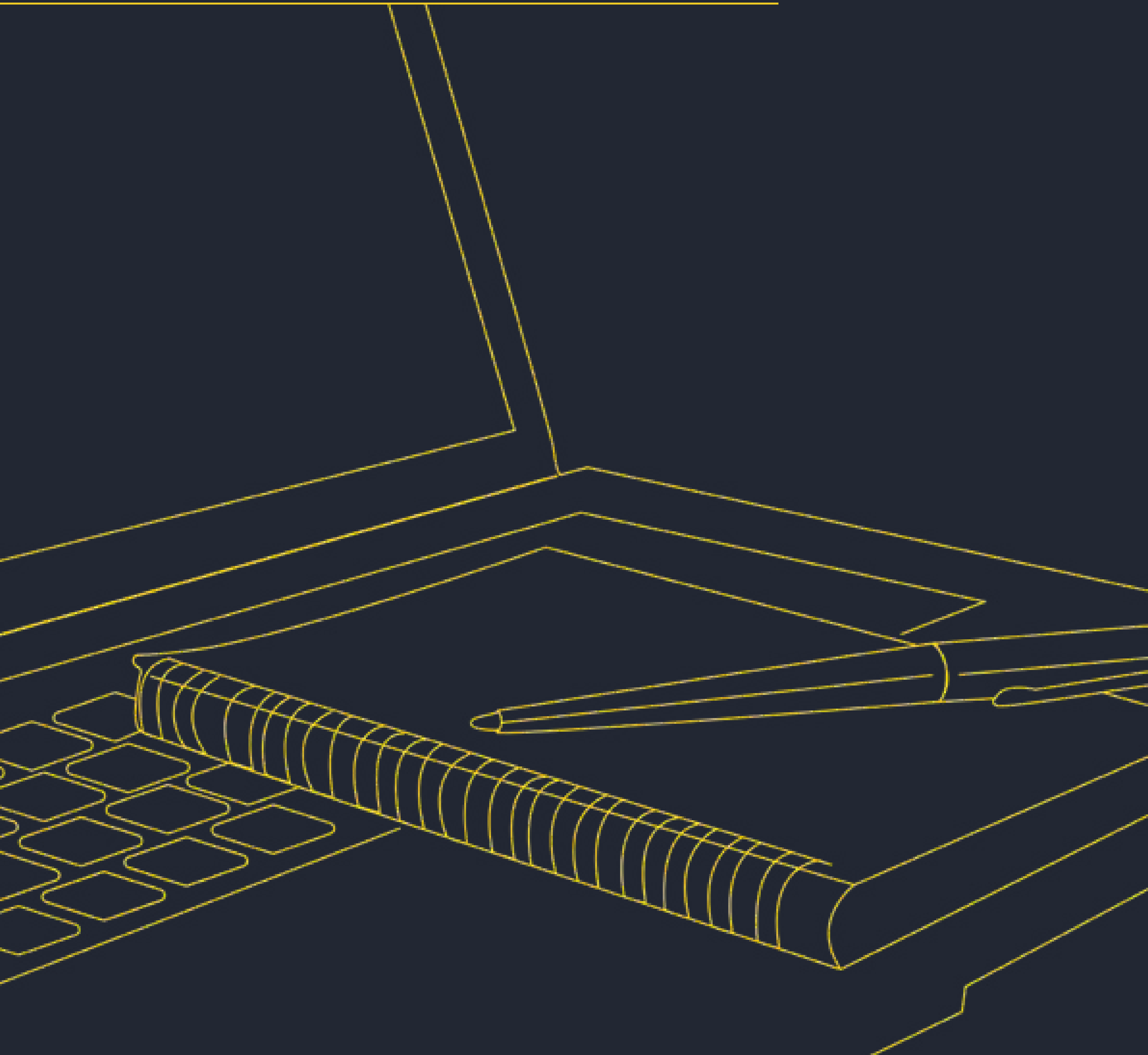
This declaration is made in accordance with a resolution of the Board of Directors pursuant to s303(5) of the Corporations Act 2001 (Cth) and is signed for and on behalf of the directors by:

Cass O'Connor

Director

Dated this 27 September 2023

Independent auditor's report



Pitcher Partners Sydney Partnership

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Independent Auditor's Report
To the Members of NextEd Group Limited
ABN 75 105 012 066

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of NextEd Group Limited ''the Company'' and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including 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:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(b) 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 (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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.

Key Audit Matter	How our audit addressed the key audit matter
Revenue recognition and contract liabilities *Refer to Note 2 in the Notes to the Financial Statements*	
As disclosed in Notes 2 and 13 respectively, the Group generated revenue of $102.2 million during the year and as at balance date has contract liabilities with a carrying amount of $43.5m. Revenue recognition is significant to our audit as the Group may incorrectly account for sales and related contract liabilities, potentially leading to incorrect revenue recognition.	• Understanding and evaluating the design and implementation of management's controls over revenue recognition; • Reviewing the revenue recognition criteria and enquiring with management that revenue is recorded and properly accounted for in accordance with the Group's accounting policy and AASB 15; • Performing substantive testing on a sample basis in respect of the Group's revenue streams and related contract liability to verify they were recorded and properly accounted for in accordance with the Group's revenue recognition policy; • Performing substantive testing on a sample basis in respect of the Group's revenue streams to verify that revenue and related contract liability was recorded in the correct accounting period; and • Assessing the adequacy of related financial statement disclosures.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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.

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

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report
To the Members of NextEd Group Limited
ABN 75 105 012 066

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 28 of the directors' report for the year ended 30 June 2023. In our opinion, the Remuneration Report of NextEd Group Limited, for the year ended 30 June 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.

Rod Shanley
Partner

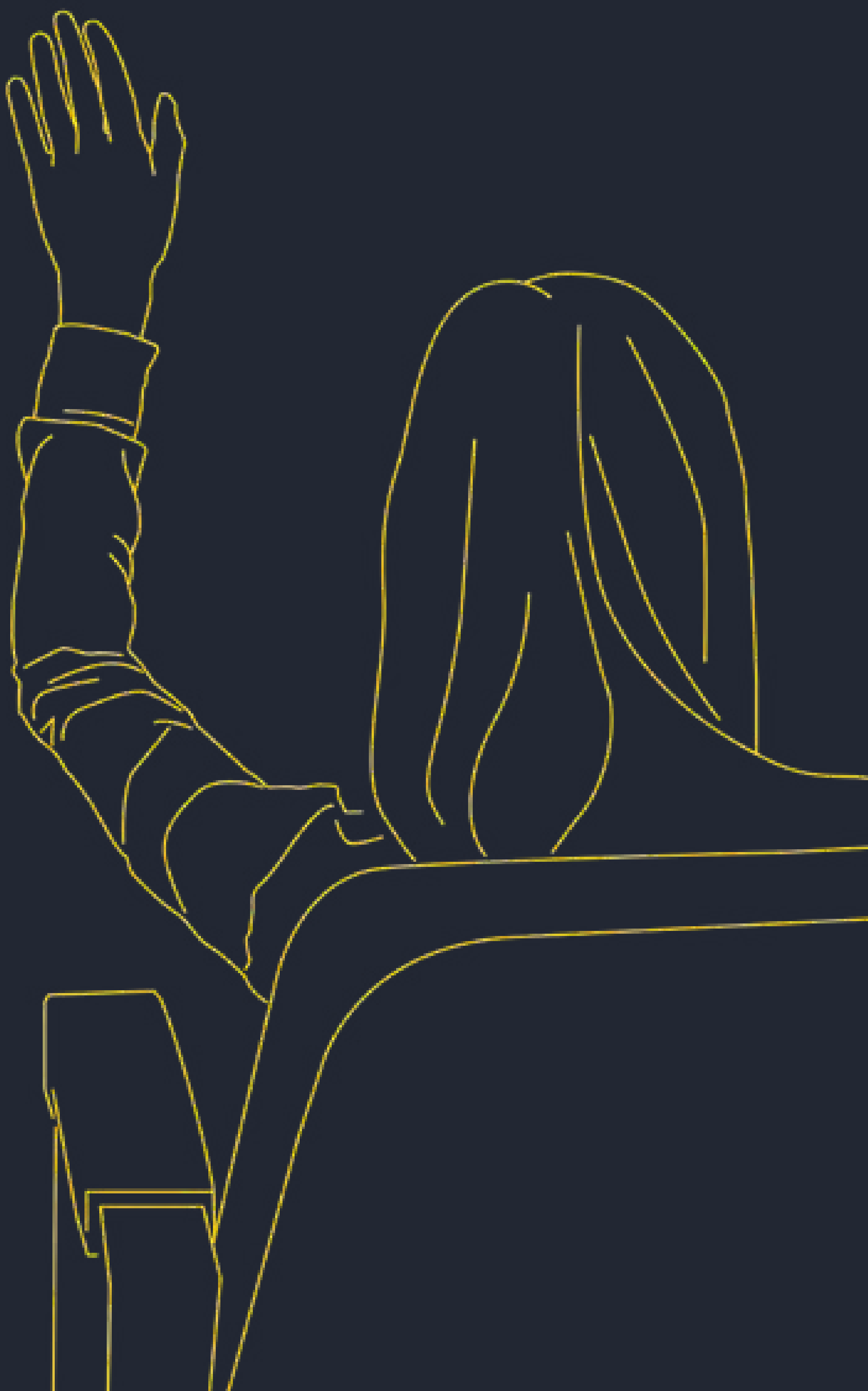
27 September 2023

Pitcher Partners
Sydney

Pitcher Partners is an association of independent firms.

ABN 17 795 780 962.
Pitcher Partners Sydney Partnership.

Shareholder information



1. Capital as at 31 August 2022

Listing information

NextEd Group Limited is listed and our issued shares are quoted on the Australian Securities Exchange (ASX) under the code: NXD.

Unless otherwise stated, all information set out below is current as at 31 August 2023.

a. ORDINARY SHARE CAPITAL

The company has on issue 221,376,773 ordinary fully paid shares held by 1,575 shareholders.

b. VOTING RIGHTS

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares:** Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- **Unlisted options:** Options do not entitle the holders to vote in respect of that equity instrument, nor participate in dividends, when declared, until such time as the options are exercised or performance shares convert and subsequently registered as ordinary shares.

c. SUBSTANTIAL SHAREHOLDERS AS AT 31 AUGUST 2023

Name	Number of ordinary fully paid shares held	% Held of issued ordinary capital
Wilson Asset Management Group	19,404,135	8.77%
AJW Family Pty Ltd (Angus W Johnson Family)	14,384,822	6.80%
Perpetual Limited	14,434,174	6.52%

d. DISTRIBUTION OF SHAREHOLDERS AS AT 31 AUGUST 2023

Spread of holdings	Number of units	Number of holders	% of Total
1 - 1,000	117,302	236	0.05%
1,001 - 5,000	1,071,360	399	0.48%
5,001 - 10,000	1,628,156	206	0.74%
10,001 - 100,000	18,030,312	504	8.14%
100,001 - 999,999,999,999	200,529,643	230	90.59%
Total	221,376,773	1,575	100.00%

e. UNMARKETABLE PARCELS AS AT 31 AUGUST 2022

At the date of this report there were 134 shareholders who held less than a marketable parcel of shared.

f. ON-MARKET BUY-BACK

There is no current on-market buy-back.

g. RESTRICTED SECURITIES

NextEd has no restricted securities.

h. 20 LARGEST SHAREHOLDERS – ORDINARY SHARES AS AT 31 AUGUST 2023

		Number of ordinary fully paid shares held	% Held of issued ordinary capital
Rank	Name	Units	% of Units
1	HSBC Custody Nominees (Australia) Limited	30,356,423	13.71
2	Citicorp Nominees Pty Limited	23,401,604	10.57
3	J P Morgan Nominees Australia Pty Limited	14,250,963	6.44
4	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd	10,264,881	4.64
5	BNP Paribas Noms Pty Ltd	9,661,121	4.36
6	AWJ Family Pty Ltd	5,565,434	2.51
7	Ossum Holdings Pty Ltd	4,041,825	1.83
8	National Nominees Limited	3,404,570	1.54
9	CIBAW Pty Ltd	3,162,739	1.43
10	Ossum Holdings Pty Ltd	2,956,839	1.34
11	AWJ Family Pty Ltd	2,866,515	1.29
12	Heath Nominees (Aust) Pty Ltd	2,603,988	1.18
13	Gasmere Pty Limited	2,581,708	1.17
14	Mr Joseph James Pagliaro + Mrs Michelle Mary Pagliaro	2,537,000	1.15
15	Heath Super (Aust) Pty Ltd	2,347,843	1.06
16	P G Binet (No 5) Pty Ltd	1,931,979	0.87
17	Thackeray Pty Ltd	1,866,513	0.84
18	Mr Glenn Patrick Elith	1,668,156	0.75
19	Silver River Investment Holdings Pty Ltd	1,660,503	0.75
20	Mr Mariapillai Pathmanaban + Mrs Vathsala Pathmanaban	1,660,289	0.75
Totals: Top 20 holders of NXD ORDINARY FULLY PAID		**128,790,893**	**58.18**
Total Remaining Holders Balance		**92,585,880**	**41.82**
Total Holders Balance		**221,376,773**	**100.00**

i. UNLISTED OPTIONS

NextEd has the following unquoted options on issue:

Number of options	Exercise price	Expiry Date
3,100,000	$0.75	9 November 2023
103,571*	$1.40	15 December 2028
103,571*	$1.40	15 December 2029
103,575*	$1.40	15 December 2030

The distribution schedule for the 3,100,000 options with an exercise price of $0.75 is as follows:

Name	Number of unquoted securities	% Held of unquoted security class
Synergy 4 Pty Ltd	1,000,000	32.26
Rock The Polo Pty Ltd	400,000	12.90
Druid Consulting Pty Ltd	400,000	12.90
Ossum Holdings Pty Ltd	340,000	10.97
Rexroth Holdings Pty Ltd	280,000	9.03
Cibaw Pty Ltd	200,000	6.45
AWJ Family Pty Ltd	200,000	6.45
Spark Plus Pte Ltd	140,000	4.52
Wynton Capital Pty Ltd	80,000	2.58
Sabre Power Systems Pty Ltd	60,000	1.94
Total	**3,100,000**	**100.00**

* There are a total of 310,717 options issued to non-executive directors and details of their holdings are set out in the Remuneration Report.

2. Company Secretary

The Company Secretary is Lisa Jones. Further details about Ms Jones' qualifications and experience are set out on page 13.

3. Principal registered office

As disclosed under corporate directory on page 1 of this Annual Report.

4. Registers of securities

As disclosed under corporate directory on page 1 of this Annual Report

5. Stock exchange listings

Quotation has been granted for all the ordinary shares of NextEd on all member exchanges of the Australian Securities Exchange Limited, as disclosed in the corporate directory on page 1 of this Annual Report.

6. Use of funds

NextEd has used its funds in accordance with its initial business objectives.








NextEd Group Limited and its controlled entities

ABN: 75 105 012 066

Annual Report for the year ended 30 June 2023