ASX RELEASE **25 SEPTEMBER 2024**

2024 ANNUAL REPORT

NextEd Group Limited (**ASX:NXD**) (**NextEd**) is pleased to release its 2024 Annual Report, which includes the financial report for the year ended 30 June 2024 (FY24).

Financial results for FY24 included:

- Revenue of $111.4 million, 8.9% higher than the previous corresponding period (pcp) (FY23: $102.2 million);
- EBITDA of $15.0 million, 10% lower than pcp (FY23: $16.7 million);
- Net profit after tax adjusted for impairments, the impact of acquired intangibles and lease costs incurred pre-revenue generation ('NPAT(A) adjusted') of $0.2 million, $5.8 million lower than pcp (FY23: $6.0 million);
- Operating cash flows of $1.7 million, $23.5 million lower than pcp (FY23: $25.2 million);
- Cash at bank as at 30 June 2024 of $19.4 million (30 June 2023: $40.2 million); and
- Contract liabilities (deferred revenue) balance at 30 June 2024 of $32.5 million, a decrease of 25% against the pcp (30 June 2023: $43.5 million).

An impairment charge of $28.9 million was recognised in FY24 on intangible assets including goodwill, brand names and training materials in the Technology & Design, International Vocational and Go Study segments. These non-cash charges are a direct result of future uncertainty created by recent Federal Government actions to reduce international student numbers.

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 is one of Australia's largest listed private education organisations, delivering courses and services to more than 20,000 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.

NextEd Group

Annual Report

2024

NextEd Group Limited and its controlled entities

ABN: 75 105 012 066

Annual Report for the year ended 30 June 2024


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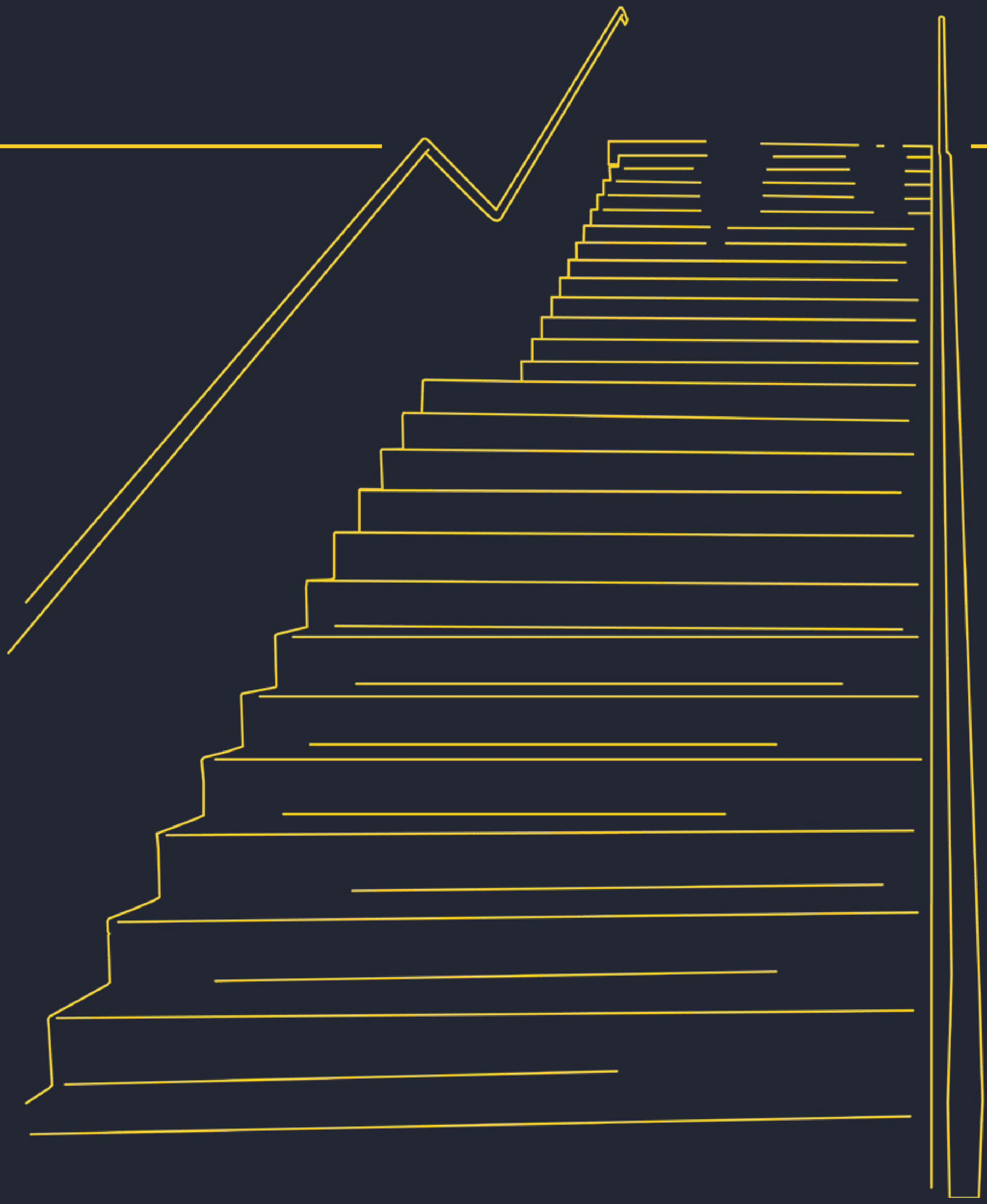

Corporate directory

DIRECTORS
Catherine (Cass) O'Connor – Independent non-executive chair
Simon Tolhurst – Independent non-executive director
William Deane – Independent non-executive director
Sandra Hook – Independent non-executive director

COMPANY SECRETARY
Lisa Jones

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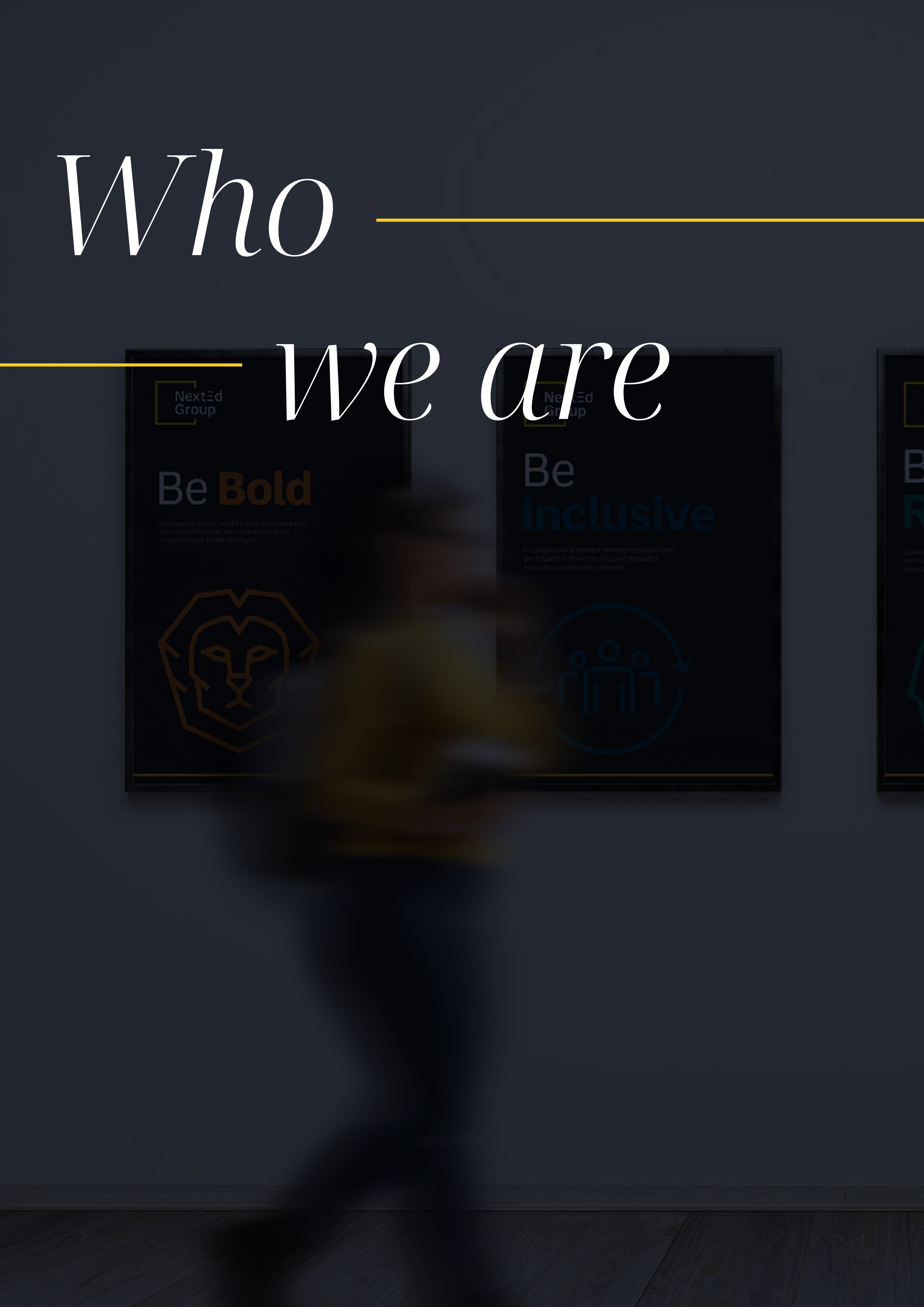
Telephone: +61 (02) 9338 0000
Website: www.asx.com.au

REGISTRATION 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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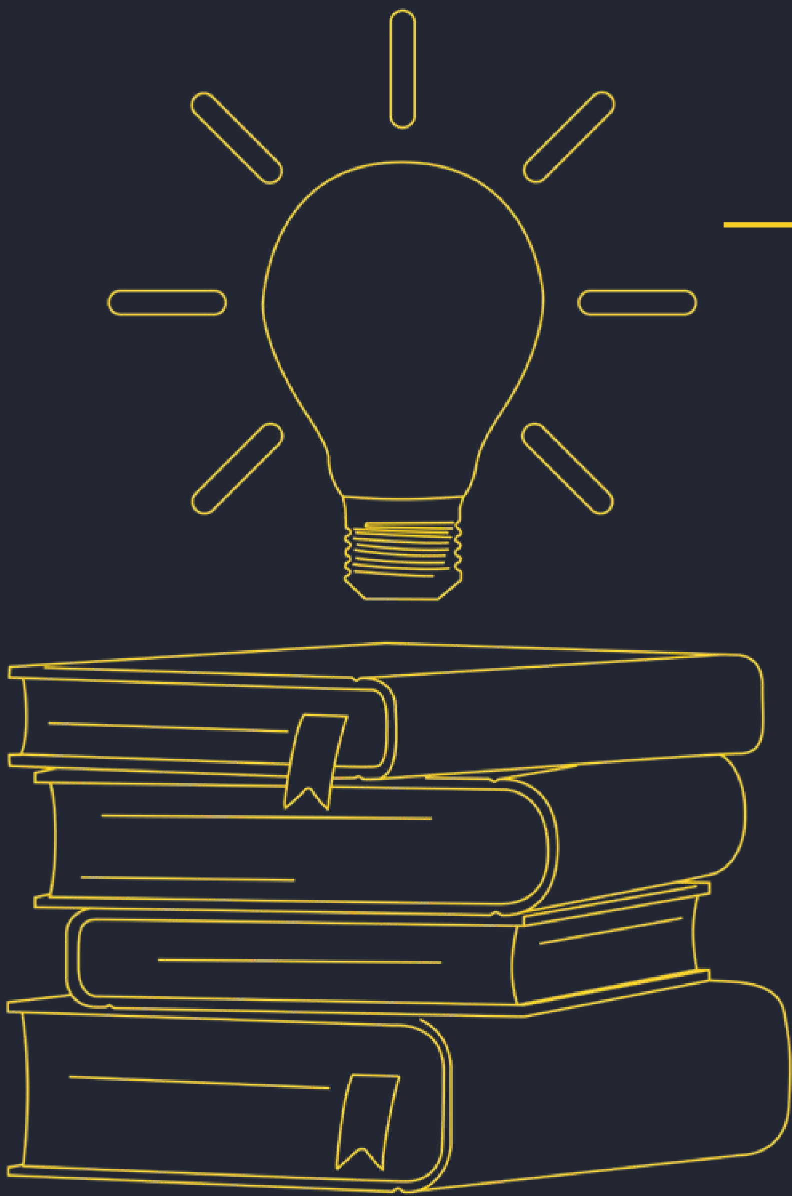
Chair and CEO letter to shareholders



Dear NextEd Group Shareholders,

Our team achieved record revenues in FY24 and delivered a range of strategic improvements, despite the very challenging operating environment. Growth and diversification initiatives included:

- Expanding our national footprint by launching new premium campuses in Gold Coast and Adelaide to service those appealing regional markets;
- Launching a new suite of vocational courses in Aged Care for delivery to international students, supporting the increasing workforce demand for skilled graduates;
- Expanding our Melbourne CBD campus to include a specialist industrial teaching kitchen to service the growing demand for our vocational hospitality courses;
- Internally developing and achieving exclusive regulatory accreditation for our new Diploma of e-Commerce and Advanced Diploma of Marketing Automation qualifications, being launched in October 2024;
- Outperforming the industry on international student vocational visa approval rates – including since January 2024 when overall industry approval rates started materially declining due to changes in government policy;
- Prudently managing our cost base, with annualised savings of approximately $5 million implemented from early FY25; and
- Entering a $10 million contingent liability facility with Commonwealth Bank of Australia to release approximately $9 million of cash previously held in term deposits to secure bank guarantees.

The challenging environment around our international student businesses has been well documented and impacted every day of FY24. The unexpected covid 408 Visa extension from 30 June 2023 until end of August 2023 sucked approximately 2,500 students out of our business. Around that time, we also stopped accepting international students from several perceived higher-risk source countries which have clearly been targeted with higher visa rejection rates despite historically generating many quality and engaged students. From early CY24 student visa approval rates were deliberately reduced and visa processing timeframes blew out due to government policy, and we estimate we lost at least a further 500 students in H2 FY24 as a direct result. That NextEd's financial results and continued growth was achieved against this backdrop is quite remarkable.

NextEd has a long track record of tactically adapting to changes in market conditions, and the industry retains its compelling long-term growth drivers. In the immediate term, the targeted reduction in international students via proposed enrolment caps for CY25 is a likelihood, despite much industry and economic concern. At the time of writing, we are taking pro-active steps as if the caps come into place. We are focussing on our domestic business and providing industry-aligned courses for all students in skills shortage / workplace ready areas.

The longer term is more interesting. The international education industry export earnings will never be allowed to fall to zero – it was worth more than half of Australia's GDP growth in CY23. However, the number of education providers is highly likely to fall should the mooted student caps be imposed, even for a short time. We expect policy to eventually cycle back, to protect international education export earnings, their consequent tourism industry earnings and contribution to GDP growth, and to support Australia's future workforce requirements.

Unfortunately, longer term prospects do not help NextEd's share price now. It has been a woeful and painful year for our shareholders, and we are all disappointed by its performance.

We take this opportunity to thank our wonderful employees for their passion and dedication to delivering great student experiences and outcomes. NextEd Group's achievements are a credit to our diverse workforce and our collaborative and results driven culture.

We are pleased to present this 2024 Annual Report to our shareholders, and we thank you for your support.

Cass O'Connor
Chair of the Board of Directors

Glenn Elith
Chief Executive Officer

25 September 2024, Sydney

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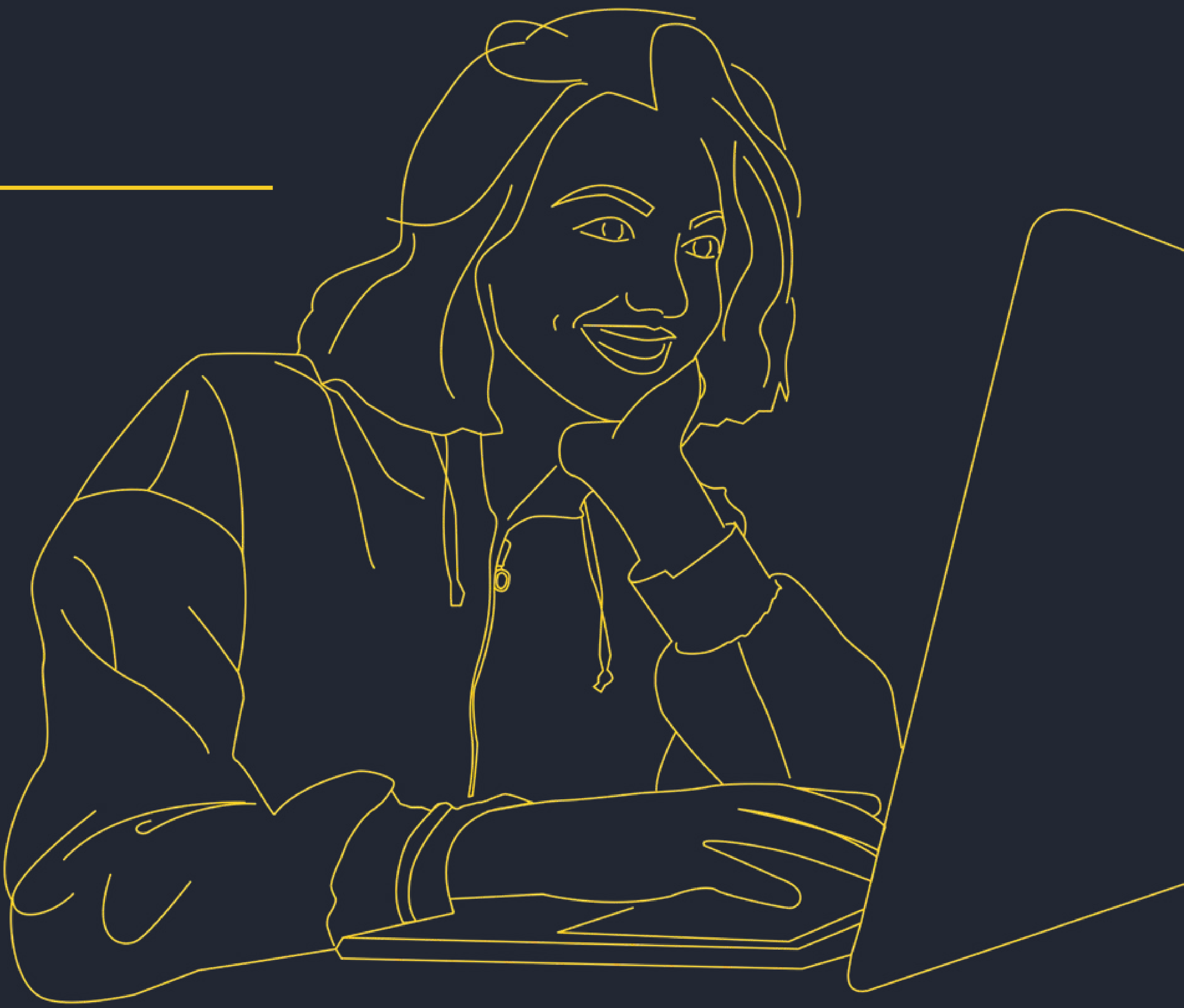

Directors' report

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 2024 ('FY24').

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
Simon Tolhurst – Independent non-executive director
William Deane – Independent non-executive director
Sandra Hook – Independent non-executive director

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 Goalpost Pictures, a multi-award winning independent film and television production business; global martech business Tribe Group; and Australian cosmeceuticals company Ultraceuticals.

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 March 2022

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

INTERESTS IN SHARES: 170,000 ordinary shares

INTERESTS IN OPTIONS: 107,143 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:

Chair of NextEd Limited (formally iCollege Limited) from 2017 to 2022, Simon has board experience with a number of public listed, unlisted and private companies. Simon was a Partner in HWL Ebsworth's Brisbane office and has over 30 years of legal experience. Named in the Australian Financial Review's Best Lawyers™ as one of Australia's best lawyers in the Litigation category. Recognised in Doyle's Guide as a Leading Commercial Litigation and Dispute Resolution Lawyer. Member of HWL Ebsworth National Competition Law and Anti-Trust Group that was recently recognised as a leading firm by both Chambers and Legal 500.

OTHER CURRENT LISTED DIRECTORSHIPS:

Echo IQ Limited (ASX:EIQ) – appointed 31 May 2023
Great Divide Mining Limited (ASX:GDM) – appointed 23 May 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 atf the Exto Unit Trust and due to the beneficial ownership structure of that entity Will only claims an interest in 50% of those ordinary shares.

100,722 shares are held by Altstadt Pty Ltd as trustee for the Altstadt Super Fund of which Will is director and a beneficiary and due to the beneficial ownership structure of that entity Will only claims an interest in 50% of those ordinary shares.

INTERESTS IN OPTIONS:

67,858 options over ordinary shares are beneficially held through Exto Partners Australia Pty Ltd atf the Exto Unit Trust and due to the beneficial ownership structure of that entity 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*): None

SPECIAL RESPONSIBILITIES:

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

INTERESTS IN SHARES: 156,769 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, 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.

FY24 FINANCIAL PERFORMANCE

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Revenue	111,367	102,220
EBITDA before intangible impairment	14,960	16,674
EBITDA after intangible impairment	(13,965)	16,674
Net (loss) / profit after tax	(31,231)	3,608
Net profit after tax adjusted	161	6,013
Cash flows from operations	1,708	25,180

NON-IFRS INFORMATION

The consolidated entity 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 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. These measures have not been independently audited or reviewed.

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

EBITDA is earnings before interest, tax, depreciation and amortisation. NPAT(A) adjusted is calculated as the net profit after tax adjusted for the after-tax impact of amortisation associated with acquired intangible assets, impairment costs and interest and depreciation expenses for leased premises undergoing fit out prior to any revenue generation.

Reconciliations between EBITDA and profit after income tax, and net profit after tax and NPAT(A) adjusted for the year ended 30 June 2024 are noted below.

EBITDA / (EBITDA loss) reconciliation	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Net profit / (loss) after tax	**(31,231)**	**3,608**
ADD BACK:		
Depreciation & amortisation	15,052	11,986
Finance costs net of interest income	3,533	1,772
Impairment of intangible assets	28,925	-
Less:		
Income tax benefit	(1,319)	(692)
EBITDA before impairment of intangibles	**14,960**	**16,674**

NPAT(A) reconciliation	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Net profit / (loss) after tax	**(31,231)**	**3,608**
ADD BACK:		
Amortisation of acquired intangible assets	2,601	2,652
Pre-revenue generation lease costs	1,194	548
Impairment of intangible assets	28,925	-
Less:		
Income tax on acquired intangibles	(1,328)	(795)
Net profit / (loss) after tax adjusted	**161**	**6,013**

Operating and financial performance

The Company made numerous strategic investments in the reporting period, including:

COURSES:

- Launching 3 high demand international student vocational healthcare courses (aged care, individual support and community services) in March 2024;
- Building international student numbers undertaking hospitality courses, which grew to over 1,000 students at 30 June 2024 (30 June 2023: 623); and
- Receiving exclusive regulatory approval for a period of 5 years for an internally developed Diploma of e-Commerce qualification, with first student intakes expected in late 2024.

CAMPUSES:

- Expanding its Melbourne campus in August 2023 by adding 12 additional classrooms and an industrial teaching kitchen;
- Expanding its Brisbane campus in December 2023 by adding 13 additional classrooms;
- Launching a substantial Adelaide campus in December 2023 for domestic students, obtaining CRICOS accreditation, and using those new facilities to launch international student operations in Adelaide in April 2024; and
- Launching a substantial new Gold Coast campus in April 2024 to access the attractive Gold Coast market.

The campus expansion program is now complete and NextEd will cease further geographic expansion investments until at least FY26.

CAPITAL MANAGEMENT:

- Refinancing bank guarantee facilities with the Commonwealth Bank of Australia to release approximately $9 million of cash previously recognised as a non-current asset to secure bank guarantees over leased premises.

FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2024 (FY24) INCLUDED:

- Record revenue of $111.4 million, 8.9% higher than the previous corresponding period (pcp) (FY23: $102.2 million);
- EBITDA of $15.0 million, 10% lower than pcp (FY23: $16.7 million);
- Reducing 2H24 operating costs by $1.9 million compared to 1H24 in response to government actions to reduce international student numbers. The full benefit of the cost reduction actions is expected to be realised in FY25 as part of the previously announced targeted $5.0 million reduction in operating costs;
- Net profit after tax adjusted for impairments, the impact of acquired intangibles and lease costs incurred pre-revenue generation ('NPAT(A) adjusted') of $0.2 million, $5.8 million lower than pcp (FY23: $6.0 million);
- Operating cash flows of $1.7 million, $23.5 million lower than pcp (FY23: $25.2 million);
- Operating cash flows in 2H24 were positive $3.6 million, a $5.5 million improvement over the previous half year (1H24: cash outflow of $1.9 million);
- Cash at bank as at 30 June 2024 of $19.3 million (30 June 2023: $40.2 million);
- Contract liabilities (deferred revenue) balance at 30 June 2024 of $32.5 million, a decrease of 25% against the pcp (30 June 2023: $43.5 million). The decrease in contract liabilities occurred in 1H24 (31 December 2023 $29.5 million), with contract liabilities increasing in 2H24 by $3.0 million as international vocational (non-English language) student numbers subsequently increased; and
- An impairment charge of $28.9 million on intangible assets including goodwill, brand names and training materials in the International Vocational, Technology & Design and Go Study segments. These non-cash charges are as a direct result of recent Federal Government actions to reduce international student numbers.

Further details are included in the outlook section of this operating and financial review.

Revenue

FY24 revenues increased by $9.1 million vs pcp with growth achieved in the International Vocational segment (14.9% vs pcp), Go Study segment (14.3% vs pcp) and the Domestic Vocational segment (5.2% vs pcp).

Federal Government actions to reduce international student numbers impacted revenues in 2H24, resulting in revenue declining by 11% to $52.2 million vs pcp (2H23: $58.6 million).

EBITDA

FY24 EBITDA decreased by $1.7 million or 10% vs pcp, to $15.0 million. The decline in revenue in 2H24 was partially mitigated by a reduction in operating costs. Operating costs in 2H24 reduced by $1.9 million vs 1H24.

Cash flows and balance sheet

FY24 operating cash flows were $1.7 million, a decrease of $23.5 million vs pcp (FY23: $25.2 million). Tuition fees from international students are usually paid for a study period (term/semester) in advance and are recognised in revenue as the student progresses through their course. The rapid growth in operating cash flows in previous periods was due to the rapid growth in new secured student enrolments. This has reduced as student numbers have declined due to recent federal government actions.

Operating cash flows in 2H24 were $3.6 million, $5.5 million higher than 1H24 ($1.9 million outflow) due to cost reductions and higher student tuition collections.

Investing cash outflows in FY24 were $11.4 million, with $10.9 million invested in the fitting out of new campus facilities. This included $1.5 million in Brisbane, $1.4million in Melbourne, $0.6 million in Sydney, $2.1 million in Adelaide and $5.3 million in the Gold Coast. The campus expansion program is now complete and NextEd will cease further geographic expansion investments until at least FY26.

As at 30 June 2024 cash on hand (including term deposits) was $19.3 million (30 June 2023: $40.2 million).

Contract liabilities (deferred revenue) balance at 30 June 2024 was $32.5 million, a decrease of 25% against the pcp (30 June 2023: $43.5 million). The decrease in contract liabilities occurred in 1H24 (31 December 2023: $29.5 million), with contract liabilities increasing in 2H24 by $3.0 million as international vocational (non-English language) student numbers increased.

Segment results

INTERNATIONAL VOCATIONAL SEGMENT

- International Vocational segment revenues in FY24 were $85.8 million, an increase of $11.1 million or 14.9% against pcp (FY23: $74.7 million). Vocational course revenues grew 15% in 2H24 vs pcp and driven by newly launched courses in Hospitality and Healthcare. Vocational course revenue in 2H24 made up 27% of segment revenues, up from 17% in 1H24.
- FY24 EBITDA of $20.6 million, an increase of $1.3 million or 6% against pcp (FY23: $19.4 million).

TECHNOLOGY & DESIGN SEGMENT

- Technology & Design segment revenues in FY24 were $12.4 million, a decline of $3.1 million or 20% against pcp (FY23: $15.4 million). Revenues in FY24 were impacted by some international students dropping out of their course to move to different lower priced vocational courses delivered by other training organisations, and new international student enrolments being constrained due to government tightening of student visa approvals.
- FY24 EBITDA of $1.4 million declined $2.4 million against pcp (FY23: $3.8 million), due to the decline in revenue.

DOMESTIC VOCATIONAL SEGMENT

- Domestic Vocational segment revenues in FY24 were $8.6 million, an increase of $0.4 million or 5.2% against pcp (FY23: $8.2 million).
- Revenues in 2H24 were $4.8 million, an increase of 37.9% against pcp (2H23: $3.5 million) as processes to improve student progressions gained traction.
- FY24 EBITDA of $1.9 million was flat against pcp (FY23: $1.9 million). EBITDA in 2H24 of $1.2 million increased 198.8% against pcp (2H23: $0.4 million) as a result of higher revenues and other operational improvements.

GO STUDY SEGMENT

- Go Study segment revenues in FY24 were $5.9 million, an increase of $0.8 million or 14.3% against pcp (FY23: $5.1 million). Onshore student recruitment offices contributed approximately 60% of revenues being slightly higher than the pcp (FY23: 57%) as onshore students sought to extend their studies.
- FY24 EBITDA of $0.6 million increased $0.8 million against pcp (FY23: EBITDA loss of $0.2 million) as a result of higher revenues and cost management actions.

NO DECLARATION OF DIVIDEND

No dividend will be declared in relation to FY24.

BUSINESS STRATEGY AND FUTURE PROSPECTS

The tertiary education industry in which the consolidated entity operates is dynamic and subject to constant regulatory change.

Recent Federal Government actions to reduce net migration by limiting the numbers of international students that can study in Australia is having a material impact on the consolidated entity and the entire sector.

On 27 August 2024, the Federal Government announced that, subject to the passage of legislation before the Parliament, it will set a National Planning Level (NPL) for new international student commencements of 270,000 for calendar year 2025. The NPL is divided between the higher education and vocational education and training (VET) sectors at a provider level.

Certain students, including those undertaking standalone English language courses, are excluded from the NPL.

Implementation of the NPL is subject to a Senate Committee report in early October before determining whether any amendments will be required prior to seeking to pass into legislation.

The Company has positioned the business for tighter immigration policy and continues to take pro-active steps to reduce its cost base, to minimise capital expenditure, and to seek additional revenue opportunities including by growing its domestic student businesses.

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 could result in unreasonable detriment 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 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.

Business risk	Mitigating activities
REGULATORY REGISTRATIONS AND ACCREDITATIONS: 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.	• Dedicated quality assurance and compliance team that report to the CEO and regularly present to the Board. • Regular engagement with regulators. • Continuous improvement programme to ensure operating businesses remain compliant.
INTERNATIONAL STUDENT VISA AND IMMIGRATION POLICIES INCLUDING CAPS ON INTERNATIONAL STUDENT NUMBERS: NextEd is unable to mitigate the impacts of any future changes to international student visa requirements, changes to Australian immigration policies for students from NextEd's source markets or caps on the number of new international student commencements.	• Participate in industry associations that provide feedback to government on proposed changes that might impact the business. • Develop and build courses and businesses, including domestic businesses, that are not subject to caps.
TECHNOLOGY PLATFORMS MAY BE DISRUPTED, FAIL OR BE INSUFFICIENT: NextEd's critical systems, platforms and technology infrastructure are compromised by a cyber, vendor or internal event.	• Network devices and operating systems regularly updated • Firewalls, password security and endpoint protection technologies implemented
STRATEGIC EXECUTION: NextEd fails to develop and execute an effective strategy, impacting on financial performance.	• Annual review of the strategic direction. • Resource allocation to enable strategy execution. • Tactical responses to regulatory or market changes as necessary, including cost reductions.
COMPETITION AND MARKET DISRUPTION: NextEd fails to anticipate or respond to changing market conditions and student expectations and preferences.	• New course development based on current and emerging areas of workforce need. • Student feedback on the quality and relevance of new courses.
HUMAN RESOURCES AND ORGANISATIONAL CULTURE: 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.	• Managers' toolkit that provides guideline and resources to support managers. This includes support for hiring onboarding and performance management.
SERVICE DELIVERY QUALITY AND STUDENT SATISFACTION: NextEd fails to provide a positive student experience including quality learning outcomes.	• Regular feedback from students to teachers • Professional development for teaching staff • Use of student surveys to provide further feedback • Quality campuses to provide a positive student experience
INDUSTRY AND BRAND REPUTATION: NextEd is unable to maintain its good reputation with other industry stakeholders or is impacted by allegations of poor practices at other industry participants.	• Ongoing compliance activities including employee training and adherence to policies and procedures. • Monitoring of partners performance against contractual obligations.

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, other than those disclosed elsewhere in this report.

Matters subsequent to the end of the financial year

On 27 August 2024, the Federal Government announced that, subject to the passage of legislation before the Parliament, it will set a National Planning Level (NPL) for new international student commencements of 270,000 for calendar year 2025. The NPL is divided between the higher education and vocational education and training (VET) sectors at a provider level.

Implementation of the NPL is subject to a Senate Committee report in early September before determining whether any amendments will be required prior to seeking to pass into legislation.

Individual providers have been advised of the indicative limit (caps) on the number of new international student commencements that they can accept for 2025 for both Higher Education and Vocational students.

Higher education cap

NextEd's proposed cap on higher education international student commencements for 2025 is 100 which compares to 172 commencements in 2023 and 72 for this calendar year to the end of August.

NextEd's proposed higher education cap represents a 42% reduction on its international student commencements in 2023 and is expected to contribute to a decline in the total number of international students undertaking higher education courses in 2025. The decline is likely to be gradual over 2025 as the average study duration for international students undertaking higher education courses is 3 years.

Approximately 70% of NextEd's FY24 higher education revenues were generated from domestic students who are not subject to the proposed caps.

Vocational cap

NextEd's proposed cap on vocational commencement cap for 2025 of 1,139 new international students. This compares to 2,078 commencements in 2023 and 2,636 this calendar year to the end of August.

NextEd's proposed vocational cap represents a 45% reduction on its 2023 commencements and a greater reduction on the expected total commencements in 2024. If introduced, the cap will contribute to a decline in the total number of international students undertaking vocational courses in 2025. The decline is likely to be gradual over 2025, with a greater reduction in the second half of the 2025 calendar year as the average study duration for NextEd's vocational students is between 1.5 and 2 years.

Approximately 32% of NextEd's FY24 vocational revenues (excluding English language courses) were generated from domestic students who are not subject to the proposed caps.

English language courses

NextEd's English language courses are not subject to the proposed international student caps.

On 6 September 2024, the Senate Committee reviewing the proposed legislation sought a further extension to the reporting date to 16 September 2024. On 12 September 2024, the committee agreed to accept further submissions, and no formal reporting date has yet been set.

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 2024, 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	12	12	-	-	2	2
Simon Tolhurst	12	12	2	3	-	-
William Deane	12	12	3	3	2	2
Sandra Hook	12	12	3	3	2	2

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 is not a member of the audit and risk management committee, but attended each meeting as an observer.

Simon Tolhurst is not a member of the remuneration and nomination committee.

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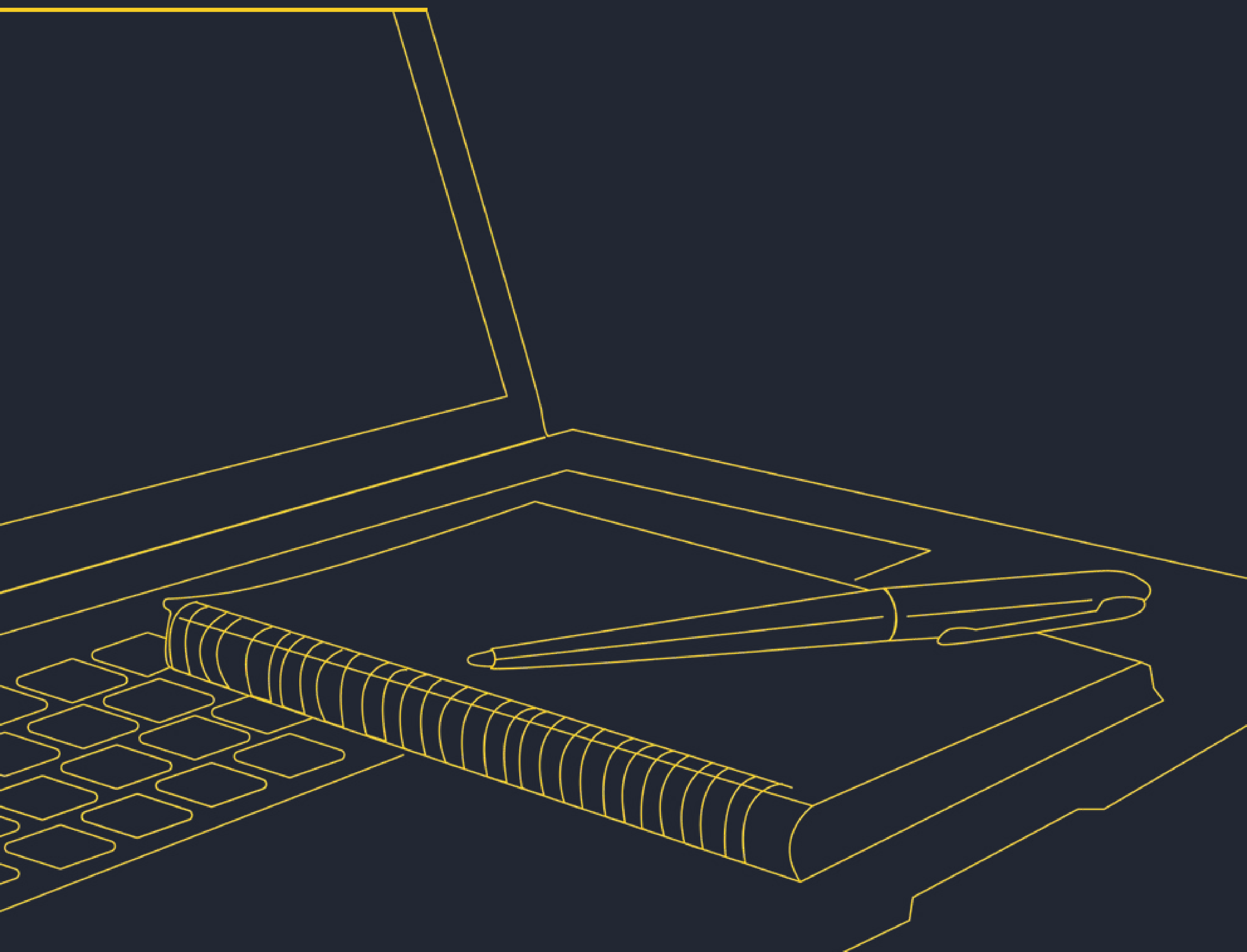
(continued)



Remuneration report (audited)

This Remuneration Report (**Report**), which has been audited, describes the Key Management Personnel (KMP) remuneration arrangements for the 12 months ended 30 June 2024 for NextEd Group, in accordance with the *Corporations Act 2001 (Cth)* (**Corporations Act**) and its regulations.

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 Company.

The Report is designed to provide shareholders with an understanding of NextEd Group's remuneration philosophy and the link between this philosophy and NextEd Group's strategy and performance.

The Board is committed to having remuneration policies and practices which are designed to ensure remuneration is equitable, competitive and reasonable to attract and retain key talent who are critical to NextEd's business success, align with long-term interests of the Company and its shareholders, and to ensure that any incentives do not reward conduct that is contrary to the Company's values or risk appetite. NextEd aligns remuneration to strategies and business objectives and provides a balance between fixed and variable remuneration to ensure that rewards are given for performance.

In FY24 NextEd delivered solid financial results despite the difficult external factors of a year characterised by challenges posed due to tightening of government immigration policies.

Revenue was $111.4m up by 9% on FY23 with solid growth achieved in the International Vocational and Go Study segments.

EBITDA was $15.0m which was $1.7m down on FY23, largely due to the impact of Federal Government actions to reduce net migration by limiting international student numbers.

Despite the strong revenue performance, the business did not achieve the STI financial targets as determined by the Board. The broader operating environment – which was largely beyond managements control – impacted our KMP's ability to achieve some of the STI non-financial targets.

The LTI program was suspended in FY24, and no executives were invited to apply for notional share units given the challenges faced by the industry and consequent share price performance.

As a result, remuneration outcomes for KMP have been materially decreased from FY23, as outlined in this report.

The Board will continue to review the effectiveness of the Company's remuneration practices to ensure they are appropriately benchmarked, and they align with strategic performance objectives, to appropriately rewards its executives and deliver shareholder value.

The Board considers that the members of the Remuneration & Nomination Committee possess the necessary expertise and independence to fulfil their responsibilities and are able to access independent experts in remuneration for advice should this be required. The governance processes in relation to remuneration are working effectively and the Board trusts that shareholders find this Report useful and informative.

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. FY24 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. There are no executive directors on the Board.

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. 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.

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. KPIs include investor relations, group and divisional profit contribution, campus optimisation, new course development and launch, regulatory compliance and managing people and cultural issues.

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 LTI program was suspended in FY24 given the challenges faced by the industry and consequent share price performance.

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 made on the Group's 2023 Annual General Meeting

The Company received 93.13% of "yes" votes on its remuneration report for the 2023 financial year.

B. Details of remuneration

Amounts of remuneration – FY24

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 2024 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	Total	Performance related
2024	$	$	$	$	$	$	$	$	%
Non-executive directors:									
Cass O'Connor	135,747	-	-	14,932	-	14,151	-	164,830	-
Simon Tolhurst	75,000	-	-	-	-	8,963	-	83,963	0.0%
William Deane	95,000	-	-	-	-	8,963	-	103,963	0.0%
Sandra Hook	95,000	-	-	-	-	8,963	-	103,963	0.0%
Other Key Management Personnel:									
Glenn Elith*	482,775	(319)	19,311	27,399	11,386	-	11,859	552,411	3.8%
Michael Fahey*	362,815	(2,156)	29,479	27,399	-	-	6,798	424,335	7.5%
Total	**1,246,337**	**(2,474)**	**48,790**	**69,730**	**11,386**	**41,040**	**18,657**	**1,433,465**	**3.8%**

* The CEO had a STI target opportunity of 25% of base salary subject to achievement of financial (weighting 60%) and personal (weighting 40%) performance objectives. Performance was assessed and bonus payments awarded equivalent to 16% 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 33% of the target opportunity.

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

*** The LTI program was suspended in FY24 given the challenges faced by the industry and consequent share price performance. Amounts included in the FY24 remuneration table are the accounting expense for notional share units granted in FY23.

**** 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.

Amounts of remuneration – FY23

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	-	14,496	-	-	152,574	-
Simon Tolhurst	77,083	-	-	-	-	9,181	-	-	86,264	-
William Deane	95,000	-	-	-	-	9,181	-	-	104,181	-
Sandra Hook	97,363	-	-	-	-	9,181	-	-	106,544	-
Ashish Katta	5,682	-	-	597	-	-	-	-	6,278	-
Executive director:										
Badri Gosavi	29,167	1,016	-	6,323	-	-	-	205,285	241,792	-
Key Management Personnel:										
Glenn Elith*	465,325	8,218	145,414	25,292	10,882	-	112,398	-	767,530	35.7%
Michael Fahey*	349,700	(11,033)	109,282	25,292	-	-	64,432	-	537,673	33.2%
Total	**1,244,277**	**(1,799)**	**254,696**	**70,625**	**10,882**	**42,039**	**176,830**	**205,285**	**2,002,836**	**25.8%**

* 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 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 and the total shareholder return 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 and the total shareholder return 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.

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 $482,775 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 $362,815 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 years ended 30 June 2024 and 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 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.

No invitations to apply for a grant of notional share units in NextEd were issued to executives in FY24.

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	-	120,000	-	170,000
Simon Tolhurst	222,124	-	30,000	-	252,124
William Deane*	505,047	-	79,542	-	584,589
Sandra Hook	79,167	-	77,602	-	156,769
Glenn Elith	1,668,156	-	-	-	1,668,156
Michael Fahey	492,820	-	-	-	492,820
	3,017,315	**-**	**307,144**	**-**	**3,324,459**

* William Deane holds the beneficial interest in 483,867 ordinary shares through Exto Partners Australia Pty Ltd atf the Exto Unit Trust and due to the beneficial ownership structure of that entity Will only claims an interest in 50% of those ordinary shares. He also holds 100,722 shares through Altstadt Pty Ltd as trustee for the Altstadt Super Fund of which Will is director and a beneficiary and due to the beneficial ownership structure of that entity Will only claims an interest in 50% of those 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 atf the Exto Unit Trust and due to the beneficial ownership structure of that company he only claims an interest in 50% of these options.

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. FY24 remuneration outcomes and alignment to performance

NextEd delivered a record revenue performance in FY24. EBITDA declined approximately 10% versus FY23, resulting in a materially lower NPAT(A) and earnings per share. This was disappointing, and largely a result of the world documented external challenges facing the industry.

Measure	FY24	FY23	FY22	FY21	FY20
Revenue ($'000)	111,367	102,220	46,819	16,277	10,806
EBITDA* ($'000)	14,960	16,674	3,576	2,021	(1,043)
NPAT(A)** ($'000)	161	5,465	(3,914)	308	(2,640)
Diluted EPS (cents per share)	(14.11)	1.61	(0.94)	0.05	(0.50)
Share price as at 30 June ($)	$0.19	$1.51	$0.65	$0.60	$0.15
Average STI payout (% of target)	23%	125%	100%	N/A	N/A
LTI outcome (% vested)	N/A	100%	N/A	N/A	N/A

* EBITDA is earnings before interest, tax, depreciation and interest. Excludes the impairment of intangible assets and merger and acquisition expenses.

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

G. Other transactions with KMP

Apart from the remuneration paid to KMP, there were no other amounts paid KMP or their related parties during FY24.

This concludes the Remuneration Report, which has been audited.

Shares under option

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

Grant date	Expiry date	Number under option	Exercise prices
10/07/2020	10/07/2023	-	$0.25
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		**310,717**	

For options issued during the year, refer to Note 18 of the Financial Report.

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

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, Pitcher Partners Sydney provided no services in addition to their statutory audit services. Non-audit fees amounted to $nil (FY23: $nil).

In the event that non-audit services are provided by Pitcher Partners Sydney, 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 of Pitcher Partners Sydney

There are no officers of the Company who are former audit partners of Pitcher Partners Sydney.

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 continues 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

25 September 2024

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Auditor's independence declaration

Pitcher Partners Sydney
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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 2024, 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

25 September 2024

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Financial report

30 JUNE 2024

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Note	30 June 2024 $'000	30 June 2023 $'000
Revenue from continuing operations	2a	111,367	102,220
Cost of sales		(54,088)	(45,352)
Gross profit		**57,279**	**56,868**
Other income	2b	37	37
Interest revenue	2b	850	833
Salaries and employee benefits expense		(26,720)	(24,573)
Depreciation and amortisation expense	4	(15,052)	(11,986)
Impairment of intangible assets	11	(28,925)	-
Impairment of receivables	7	(1,266)	(1,860)
Property and occupancy costs		(4,900)	(4,514)
Professional and consulting fees		(1,021)	(1,229)
Marketing expenses		(3,478)	(3,729)
Public company related costs		(1,278)	(1,037)
Other expenses		(3,693)	(3,289)
Finance costs	4	(4,383)	(2,605)
(Loss) / profit before tax		**(32,550)**	**2,916**
Income tax benefit	5	1,319	692
Net (loss) / profit for the year		**(31,231)**	**3,608**
Other comprehensive loss for the year net of tax		(83)	(4)
Total comprehensive (loss) / income attributable to members of the parent entity		**(31,314)**	**3,604**
Earnings per share:			
Basic (loss) / profit per share (cents per share)	29	(14.11)	1.65
Diluted (loss) / profit per share (cents per share)	29	(14.11)	1.61

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 2024

	Note	30 June 2024 $'000	30 June 2023 $'000
CURRENT ASSETS			
Cash and cash equivalents	6	19,343	30,264
Trade receivables	7a	14,972	7,118
Inventories		110	341
Prepayments and other assets	8a	6,742	12,280
Total current assets		**41,167**	**50,003**
NON-CURRENT ASSETS			
Trade receivables	7b	2,179	445
Property, plant and equipment	9	17,628	9,696
Right-of-use asset	10	41,510	38,665
Intangible assets	11	31,800	63,330
Prepayments and other assets	8b	-	9,931
Total non-current assets		**93,117**	**122,067**
Total assets		**134,284**	**172,070**
CURRENT LIABILITIES			
Trade and other payables	12	10,367	9,802
Contract liabilities	13a	30,330	43,101
Lease liabilities	14a	7,472	5,996
Employee benefits	16a	2,323	2,179
Provisions	15a	203	194
Total current liabilities		**50,695**	**61,272**
NON-CURRENT LIABILITIES			
Contract liabilities	13b	2,179	445
Deferred tax liabilities	17	2,965	4,294
Employee benefits	16b	258	207
Provisions	15b	3,164	2,570
Lease liabilities	14b	40,399	37,844
Total non-current liabilities		**48,965**	**45,360**
Total liabilities		**99,660**	**106,632**
NET ASSETS		**34,624**	**65,438**
EQUITY			
Issued capital	18	103,115	102,657
Reserves	19	40	3,154
Accumulated losses		(68,531)	(40,373)
Total equity		**34,624**	**65,438**

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 2024

	Note	Contributed equity	Accumulated losses	Share-based payments reserve	Foreign currency translation reserve	Total equity
		$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2023		**102,657**	**(40,373)**	**3,115**	**39**	**65,438**
Loss for the year		-	(31,231)	-	-	(31,231)
Other comprehensive loss for the year		-	-	-	(83)	(83)
Total comprehensive loss for the year		**-**	**(31,231)**	**-**	**(83)**	**(31,314)**
Transactions with owners						
Options exercised	18	605	-	-	-	605
Expired options transfer	18	-	3,073	(3,073)	-	-
Options issued in FY23	18	-	-	42	-	42
Share buyback FY24	18	(147)	-	-	-	(147)
Balance as at 30 June 2024		**103,115**	**(68,531)**	**84**	**(44)**	**34,624**

	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 income for the year		-	-	-	(4)	(4)
Total comprehensive income / (loss) for the year		**-**	**3,608**	**-**	**(4)**	**3,604**
Transactions with owners						
Options exercised	18	230	-	-		230
Options issued in FY23	18	-	-	36	-	36
Balance as at 30 June 2023		**102,657**	**(40,373)**	**3,115**	**39**	**65,438**

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 2024

	Note	30 June 2024 $'000	30 June 2023 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		89,412	110,005
Receipts from government grants	2(b)	37	37
Interest received		850	827
Payment to suppliers and employees		(88,591)	(85,689)
Net cash from operating activities	**23**	**1,708**	**25,180**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(10,935)	(5,313)
Payments for intangibles		(476)	(833)
Net cash used in investing activities		**(11,411)**	**(6,146)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		458	225
Repayment of borrowings		-	(362)
Receipts from / (payments for) release of funds supporting bank guarantees		9,932	(6,881)
Repayment of lease liabilities – interest component		(4,383)	(2,600)
Repayment of lease liabilities – principal component		(7,225)	(6,313)
Net cash used in financing activities		**(1,218)**	**(15,931)**
Net (decrease) / increase in cash and cash equivalents		**(10,921)**	**3,103**
Cash and cash equivalents at the beginning of the year		30,264	27,161
Cash and cash equivalents at the end of the year	**6**	**19,343**	**30,264**

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

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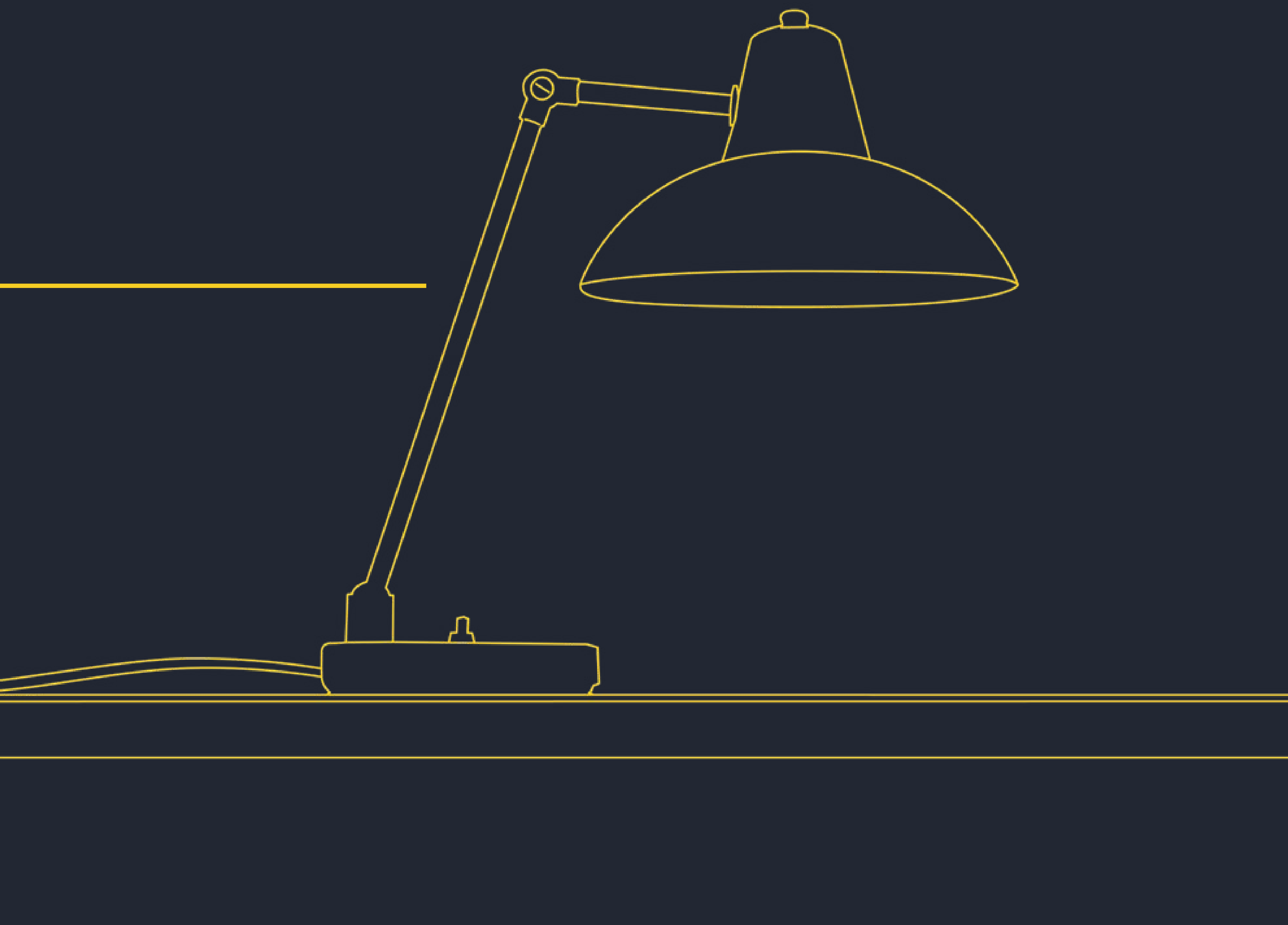


Notes to the consolidated financial statements

30 JUNE 2024

NOTE 1. Basis of preparation and material 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. It also operates an education recruitment agency business providing services to international students seeking to undertake tertiary studies in Australia.

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) and the *Corporations Act 2001 (Cth)*.

The financial Statements were authorised for issue on 25 September 2024 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.

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 Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. Other than as disclosed in Material accounting policies information, the adoption of these new and amended Standards and Interpretations did not have a material impact on the disclosures or on the amounts reported in these consolidated financial statements.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted, the impact of these has not yet been assessed.

1.5 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 generated $1.7 million in operating cash flow during the year. As at 30 June 2024, the consolidated entity held $19.3 million of cash and cash equivalents and has no financial debt.

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.

1.6 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, 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 1.15 and 1.17).

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 2024.

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 an estimate of 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 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 30).

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 2023.

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).

1.7 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.

1.8 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 Australian dollars 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.

1.9 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of NextEd Group Pty Limited as at 30 June 2024 and the results of all subsidiaries for the year then ended. NextEd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

1.10 REVENUE RECOG NITION

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.

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.

1.11 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.

1.12 INCOME TAX

Income tax expense is the tax payable on the Group's taxable income for the financial year based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates that will apply when the assets are expected to be recovered or liabilities are expected to be settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised.

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group has not recognised, or disclosed information about, deferred tax assets and liabilities relating to Pillar Two income taxes.

1.13 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.

1.14 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.

1.15 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

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.

1.16 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. 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.

1.17 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 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.

Course materials

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

1.18 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.

1.19 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 incremental borrowing rate.

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 lease incentives; lease term and certainty of a purchase option. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset.

1.20 MAKE GOOD PROVISIONS

Make Good 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. Provisions are discounted using a current pre-tax rate specific to the lease liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

1.21 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.

1.22 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.

NOTE 2. Revenue and other income

	30 June 2024 $'000	30 June 2023 $'000
a. REVENUE		
Tuition related revenue	106,830	98,304
Commission revenue	4,537	3,916
	111,367	**102,220**
Revenue from contracts with customers	111,367	102,220
Geographical regions		
Australia	109,747	100,821
Europe	1,218	1,092
South America	402	307
	111,367	**102,220**
Timing of revenue recognition		
Services transferred at a point in time	4,537	3,916
Services transferred over time	106,830	98,304
	111,367	**102,220**
b. OTHER INCOME		
Export market development grant	37	37
Interest income	850	833
	887	**870**

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, Commercial Cookery, Hospitality, Healthcare and Community Services for overseas students.

DOMESTIC VOCATIONAL

A provider of vocational courses to domestic students in Commercial Cookery, Hospitality, Business, Community Services, Healthcare 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 (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.

12 months ended 30 June 2024	International Vocational $'000	Technology & Design $'000	Domestic Vocational $'000	Go Study $'000	Corporate / unallocated $'000	Total $'000
Revenue from customers	85,849	12,354	8,647	4,517	-	111,367
Intersegment revenue	-	-	-	1,348	(1,348)	-
Total sales revenue	**85,849**	**12,354**	**8,647**	**5,865**	**(1,348)**	**111,367**
Agent commissions	(22,094)	(848)	(450)	-	1,348	(22,044)
Education expenses	(26,901)	(3,095)	(2,048)	-	-	(32,044)
Cost of sales	(48,995)	(3,943)	(2,498)	-	1,348	(54,088)
Gross margin	**36,854**	**8,411**	**6,149**	**5,865**	**-**	**57,279**
Operating costs	(16,209)	(7,035)	(4,267)	(5,302)	(9,543)	(42,356)
Government grants	-	-	-	37	-	37
EBITDA before impairment	**20,645**	**1,376**	**1,882**	**600**	**(9,543)**	**14,960**
Impairment of intangible assets	(5,000)	(19,855)	-	(4,070)	-	(28,925)
EBITDA after impairment	**15,645**	**(18,479)**	**1,882**	**(3,470)**	**(9,543)**	**(13,965)**
Depreciation & amortisation	(7,605)	(2,347)	(440)	(219)	(4,441)	(15,052)
EBIT	8,040	(20,826)	1,442	(3,689)	(13,984)	(29,017)
Net finance expenses	-	-	-	-	(3,533)	(3,533)
Profit / (loss) before tax	8,040	(20,826)	1,442	(3,689)	(17,517)	(32,550)
Income tax benefit	-	-	-	-	1,319	1,319
Net profit / (loss) after tax	**8,040**	**(20,826)**	**1,442**	**(3,689)**	**(16,198)**	**(31,231)**
Gross margin %	42.9	68.1	71.1	100.0		51.4
EBITDA margin before impairment %	24.0	11.1	21.8	10.2		13.4

30 June 2024

SEGMENT ASSETS AND LIABILITIES

Segment assets	76,101	20,003	9,293	2,809	26,078	134,284
Segment liabilities	40,465	36,591	1,569	3,992	17,043	99,660
Net assets	**35,636**	**(16,588)**	**7,724**	**(1,183)**	**9,035**	**34,624**

12 months ended 30 June 2023	International Vocational $'000	Technology & Design $'000	Domestic Vocational $'000	Go Study $'000	Corporate / unallocated $'000	Total $'000
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**
Depreciation & amortisation	(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 / (loss) 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 (restated)

SEGMENT ASSETS AND LIABILITIES

	International Vocational $'000	Technology & Design $'000	Domestic Vocational $'000	Go Study $'000	Corporate / unallocated $'000	Total $'000
Segment assets	70,072	43,866	8,600	5,479	44,053	172,070
Segment liabilities	40,237	39,089	2,247	2,881	22,178	106,632
Net assets	**29,835**	**4,777**	**6,353**	**2,598**	**21,875**	**65,438**

NOTE 4. Expenses

	30 June 2024 $'000	30 June 2023 $'000
Profit / (loss) before tax includes the following specific expenses:		
DEPRECIATION		
Leasehold improvements	2,098	1,268
Plant and equipment	905	732
Land and buildings right-of-use assets	8,962	6,912
Office equipment right-of-use assets	6	12
AMORTISATION		
Licensed operations[1]	616	667
Course materials	480	410
Training materials[1]	1,142	1,142
Agent relationships[1]	843	843
Total depreciation and amortisation	**15,052**	**11,986**
IMPAIRMENT		
Goodwill	22,900	-
Other intangible assets	6,025	-
Total impairment	**28,925**	**-**
FINANCE COSTS		
Movement in the present value of provisions	224	(76)
Interest and finance charges paid/payable on lease liabilities	4,159	2,676
Other interest charges	-	5
Finance costs expensed	**4,383**	**2,605**
LEASES		
Short-term lease payments	1,045	1,405
Low-value assets lease payments	182	131
Total short term and low value lease payments	**1,227**	**1,536**
SUPERANNUATION EXPENSE		
Defined contribution superannuation expense	**4,900**	**4,014**

[1] Amortisation of acquired intangibles	2,601	2,652

NOTE 5. Income tax

	2024 $000's	2023 $000's
a. INCOME TAX BENEFIT		
Deferred tax expense	(2,971)	(1,233)
Current tax expense	1,652	541
	(1,319)	**(692)**
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:		
Accounting profit / (loss) before tax	(32,550)	2,916
Prima facie tax on operating profit / (loss) at 30% (2023: 30%)	(9,765)	875
Add / (less) tax effect of:		
Other non-deductible expenses	7,972	39
Impact from change in tax rate on opening balance of deferred tax liabilities ('DTLs')	1,006	1,006
Recognition of previously unrecognised DTAs for prior year tax losses	(1,006)	(1,006)
Utilisation of prior year losses for which DTAs were not recognised	(1,652)	(541)
Other temporary differences not recognised	2,126	(1,065)
Income tax (benefit) / expense attributable to operating loss	**(1,319)**	**(692)**
c. TAX RATE	%	%
Tax rate used:	30%	30%
d. FRANKING CREDITS AVAILABLE FOR USE IN SUBSEQUENT REPORTING PERIODS	1,506	1,506

NOTE 6. Cash and cash equivalents

	30 June 2024 $'000	30 June 2023 $'000
Cash at bank	12,936	12,206
Term deposits with less than 90-day maturities	6,407	18,058
	19,343	**30,264**

NOTE 7. Trade and other receivables

	30 June 2024 $'000	30 June 2023 $'000
Trade receivables	17,711	8,970
Less: allowance for expected credit losses	(560)	(1,407)
	17,151	**7,563**

a. CURRENT	14,972	7,118
b. NON-CURRENT	2,179	445
Total trade receivables	**17,151**	**7,563**

ALLOWANCE FOR EXPECTED CREDIT LOSSES		
Opening balance	(1,407)	(1,240)
Additional provisions recognised	(1,266)	(1,860)
Receivable written off during the year as uncollectable	2,113	1,693
Closing balance	**(560)**	**(1,407)**

For detailed movement of receivables and expected credit loss per ageing group please refer to Note 20 Financial Instruments.

NOTE 8. Prepayments and other assets

	30 June 2024 $'000	30 June 2023 $'000
a. CURRENT		
Security deposits	378	500
Prepayments	655	947
Deferred agent costs	4,112	9,494
Other current assets	1,597	1,339
	6,742	**12,280**
b. NON-CURRENT		
Bank guarantees and term deposits	-	9,931
	-	**9,931**
Total prepayment and other assets	**6,742**	**22,211**

NOTE 9. Property, plant, and equipment

	30 June 2024 $'000	30 June 2023 $'000
Leasehold improvements	14,874	6,392
Accumulated depreciation	(4,136)	(2,038)
	10,738	**4,354**
Plant and equipment	2,704	2,136
Accumulated depreciation	(1,529)	(1,177)
	1,175	**959**
Computer equipment	2,126	1,731
Accumulated depreciation	(1,239)	(695)
	887	**1,036**
Motor vehicles	138	138
Accumulated depreciation	(103)	(94)
	35	**44**
Assets under construction – at cost*	**4,793**	**3,303**
Total property, plant, and equipment	**17,628**	**9,696**

*Assets under construction relate primarily to the new Southport campus and will be ready for use in early FY25.

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 2023	**4,354**	**959**	**1,036**	**44**	**3,303**	**9,696**
Additions	5,410	568	395	-	4,562	10,935
Transfers in & (out)	3,072	-	-	-	(3,072)	-
Depreciation expense	(2,098)	(352)	(544)	(9)	-	(3,003)
Carrying amount at 30 June 2024	**10,738**	**1,175**	**887**	**35**	**4,793**	**17,628**
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**

NOTE 10. Right-of-use assets

	30 June 2024 $'000	30 June 2023 $'000
NON-CURRENT ASSETS		
Land and buildings – right-of-use	63,208	51,395
Less: accumulated depreciation	(21,698)	(12,736)
	41,510	**38,659**
Office equipment – right-of-use	26	26
Less: accumulated depreciation	(26)	(20)
	-	**6**
Total right-of-use assets	**41,510**	**38,665**

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 the time of renewal.

NOTE 11. Intangible assets

	30 June 2024 $'000	30 June 2023 $'000
NON-CURRENT ASSETS		
Goodwill		
Goodwill	38,747	38,747
Less: impairment	(22,900)	-
	15,847	**38,747**
Licensed operations		
Licenced operations – at cost	4,670	4,670
Less: accumulated amortisation	(4,287)	(3,671)
	383	**999**
Course materials		
Copyrights – at cost	1,405	1,050
Less: accumulated amortisation	(899)	(419)
Work in progress	560	439
	1,066	**1,070**
Brand name		
Brand names – at cost	9,562	9,562
Less: impairment	(3,676)	-
	5,886	**9,562**
Training materials		
Training materials – at cost	7,993	7,993
Less: accumulated amortisation	(3,140)	(1,998)
Less: impairment	(2,155)	-
	2,698	**5,995**
Agent relationships		
Agent relationships – at cost	8,432	8,432
Less: accumulated amortisation	(2,318)	(1,475)
Less: impairment	(194)	-
	5,920	**6,957**
Total intangible assets	**31,800**	**63,330**

Movements in carrying amounts

	Goodwill $'000	Licensed operation $'000	Course material $'000	Brand name $'000	Training material $'000	Agent relationships $'000	Total $'000
Carrying amount at 1 July 2023	**38,747**	**999**	**1,070**	**9,562**	**5,995**	**6,957**	**63,330**
Additions	-	-	476	-	-	-	476
Amortisation expense	-	(616)	(480)	-	(1,142)	(843)	(3,081)
Impairment expense	(22,900)	-	-	(3,676)	(2,155)	(194)	(28,925)
Carrying amount at 30 June 2024	**15,847**	**383**	**1,066**	**5,886**	**2,698**	**5,920**	**31,800**
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**

Impairment testing of goodwill and other intangible assets

Recent Federal Government actions to reduce net migration including through limiting the numbers of international students that can study in Australia is having a material impact on the consolidated entity and the entire sector. Recent policy announcements including the intention for 'capping' of international student numbers effective from 1 January 2025, creates uncertainty and makes future planning challenging.

Implementation of the policy is subject to a Senate Committee report before determining whether any amendments will be required prior to seeking to pass into legislation.

Refer also to Note 33.

The consolidated entity has undertaken detailed impairment testing, and the results are set out below:

Goodwill and intangible assets

Goodwill is monitored by management at cash-generating unit ('CGU') levels, which are the operating segments identified in note 3 and are the smallest group of the consolidated entity's assets that have individually identifiable cashflows. Goodwill recorded in the Corporate segment has been allocated to the CGU's for the purposes of impairment testing.

The allocation of the carrying value of goodwill and other intangible assets prior to any impairment and used for impairment testing for each CGU is as follows:

	International Vocational $'000	Technology & Design $'000	Go Study $'000	Domestic Vocational $'000	Consolidated $'000
Goodwill	19,706	14,314	3,586	1,141	38,747
Licensed operations	-	-	-	383	383
Course materials	186	594	-	286	1,066
Brand names	5,886	3,192	484	-	9,562
Training materials	2,698	2,155	-	-	4,853
Agent relationships	5,920	194	-	-	6,114
Carrying amount at 30 June 2024	**34,396**	**20,449**	**4,070**	**1,810**	**60,725**

Impairment testing of intangible assets

The recoverable amount of the consolidated entity's intangible assets has been determined by applying a value in use calculation using a discounted cash flow (DCF) model, based on a 5-year projection reviewed by the Board, along with a terminal value in year 5. Modeling has been performed for each of the CGU's.

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

- Pre-tax discount rate of 19.1% for all CGU's including 4% to account for industry uncertainty and specific company risk in calculating the Company's cost of equity (FY23: 11%)
- Trading reflective of the current difficult business environment due to the Federal Government actions to reduce net migration including through limiting the numbers of international students that can study in Australia. Average revenue growth for the plan period estimated at 7% for International Vocational, 7% for Technology & Design, 11% for Go Study and 12% for Domestic Vocational.
- Terminal growth rate of 2% for International Vocational, Technology & Design, Domestic Vocational and Go Study (FY23: 2%)

Based on the value in use model, the DCF valuations of the CGU's at 30 June 2024 was:

	$000's
International Vocational	45,021
Technology & Design	3,799
Domestic Vocational	11,189
Go Study Australia	1,455

Results of impairment testing

CONSOLIDATED SUMMARY OF IMPAIRMENT TESTING

The following table summarises the impairments recognised as a result of the impairment testing:

	International Vocational	Technology & Design	Go Study	Domestic Vocational	Consolidated
	$'000	$'000	$'000	$'000	$'000
Goodwill	5,000	14,314	3,586	-	22,900
Brand names	-	3,192	484	-	3,676
Training materials	-	2,155	-	-	2,155
Agent relationships	-	194	-	-	194
Carrying amount at 30 June 2024	**5,000**	**19,855**	**4,070**	**-**	**28,925**

Impact of possible changes in key assumptions

Management has carried out sensitivity analysis on the recoverable amounts based on a change in both the discount rate and the terminal value growth rate of plus or minus 1%, as well as the impact of faster / (slower) growth in sales as set out below.

Sensitivity – International Vocational	Change in valuation
1.0% lower / (higher) discount rate	$2.6 million
1.0% lower / (higher) terminal value growth rate	$4.1 million
5.0% increase / (reduction) in revenue	$16.9 million

Sensitivity – Technology & Design	Change in valuation
1.0% lower / (higher) discount rate	$0.5 million
1.0% lower / (higher) terminal value growth rate	$0.5 million
5.0% increase / (reduction) in revenue	$5.0 million

Sensitivity – Go Study	Change in valuation
1.0% lower / (higher) discount rate	$0.1 million
1.0% lower / (higher) terminal value growth rate	$0.1 million
5.0% increase / (reduction) in revenue	$3.7 million

Sensitivity – Domestic Vocational	Change in valuation
1.0% lower / (higher) discount rate	$0.6 million
1.0% lower / (higher) terminal value growth rate	$1.0 million
5.0% increase / (reduction) in revenue	$5.1 million

NOTE 12. Trade and other payables

	30 June 2024 $'000	30 June 2023 $'000
CURRENT		
Trade payables	2,964	3,255
Payroll accruals	2,308	2,257
Accrued expenses	3,650	3,433
Customer advances	448	544
Other payables	997	313
	10,367	**9,802**

NOTE 13. CONTRACT LIABILITIES

	30 June 2024 $'000	30 June 2023 $'000
Contract liabilities from contracts with customers	32,509	43,546
	32,509	**43,546**

Tuition related performance obligations

The aggregate amount of the transaction price allocated to tuition related services, which are paid in advance or recognised as a receivable by the consolidated entity and are yet to be delivered at balance date was $32,509,000 as at 30 June 2024 (30 June 2023: $43,546,000) 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 2024	30 June 2023
	$'000	$'000
CONTRACT LIABILITIES FROM CONTRACTS WITH CUSTOMERS		
a. CURRENT	30,330	43,101
b. NON-CURRENT	2,179	445
Total contract liabilities	**32,509**	**43,546**

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. The amount of consideration received / receivable has not been adjusted for the effects of a significant financing component, as at contract inception, the period between when the services are expected to be provided and when payments are received is less than 12 months.

In addition, for students currently enrolled in a course and with a contract in place, $35,900,000 (30 June 2023: $28,771,000) will be invoiced and become payable by the students in future periods.

NOTE 14. Lease liabilities

	30 June 2024	30 June 2023
	$'000	$'000
a. CURRENT	7,472	5,996
b. NON-CURRENT	40,399	37,844
Total lease liabilities	**47,871**	**43,840**

The remaining contractual maturities of lease liabilities is outlined below.

	Average interest rate	Less than 1 year	Between 1 year and 2 years	Between 2 years and 7 years	Total contractual maturity
	%	$'000	$'000	$'000	$'000
2024					
Undiscounted lease payments	8.83%	11,172	11,349	37,915	60,436
2023					
Undiscounted lease payments	8.19%	9,682	9,113	36,238	55,033

Remaining contractual maturities of lease liabilities belong to land and building leases with an average implicit interest rate of 8.83% (FY23: 8.19%).

NOTE 15. Provisions

	30 June 2024 $'000	30 June 2023 $'000
a. CURRENT	203	194
b. NON-CURRENT	3,164	2,570
Total provisions for make good	**3,367**	**2,764**

Movements in provisions:

	Lease make good $'000
Carrying amount at 1 July 2023	2,764
Additional provisions recognised	603
Payments and amounts written back	-
Carrying amount at 30 June 2024	**3,367**

NOTE 16. Employee benefits

	30 June 2024 $'000	30 June 2023 $'000
a. CURRENT		
Provision for annual leave	1,777	1,729
Provision for long service leave	546	450
	2,323	**2,179**
b. NON-CURRENT		
Provision for long service leave	258	207
	2,581	**2,386**

NOTE 17. Deferred taxation

Balances

At 30 June 2024, the consolidated entity has unused tax losses of $24,979,155 (30 June 2023: $26,281,000) available for offset against future profits.

There was a deferred tax asset of $1,005,620 recognised in respect of these losses in the prior year, to offset the opening balance adjustment of the deferred tax liabilities in FY23, resulting from the change of corporate tax rate from 25% in FY22 to 30% in FY23 of the Group.

	2024 $'000	2023 $'000
a. DEFERRED TAX ASSETS		
Tax losses	7,494	8,890
Provisions and accruals	4,818	4,043
Section 40-880 costs	584	998
	12,896	**13,931**
Set-off deferred tax liabilities	(1,260)	(2,901)
Deferred tax assets	11,636	11,030
Less deferred tax assets not recognised	(10,630)	(10,024)
Deferred tax assets	**1,006**	**1,006**
b. DEFERRED TAX LIABILITIES		
Intangible assets	4,686	5,300
Impairment	(705)	-
Prepayments	1,234	2,848
Other	16	53
	5,231	**8,201**
Set-off deferred tax liabilities	(1,260)	(2,901)
Deferred tax liabilities	**3,971**	**5,300**
Net deferred tax liability	**2,965**	**4,294**
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	26,281	28,371
Other adjustments	4,205	3,065
Tax losses recognised/(utilised) during the year	(5,507)	(5,155)
Closing balances	**24,979**	**26,281**

NOTE 18. Issued capital

	12 months to 30 June 2024 No.	12 months to 30 June 2023 No.	12 months to 30 June 2024 $'000	12 months to 30 June 2023 $'000
Fully paid ordinary shares at no par value	221,116,114	219,376,773	103,115	102,657
a. ORDINARY SHARES				
At the beginning of the year	**219,376,773**	**219,076,773**	**102,657**	**102,427**
Shares issued during the period/year:				
Options exercised at $0.25 10 July 2023	2,000,000		500	
Options exercised at $0.75 14 November 2023	140,000		105	
On market share buy-back 2 January 2024	(22,493)		(16)	
On market share buy-back 29 February 2024	(146,003)		(45)	
On market share buy-back 8 March 2024	(105,758)		(39)	
On market share buy-back 11 March 2024	(126,405)		(47)	
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	**221,116,114**	**219,376,773**	**103,115**	**102,657**

	12 months to 30 June 2024 No.	12 months to 30 June 2023 No.	12 months to 30 June 2024 $'000	12 months to 30 June 2023 $'000
b. OPTIONS				
At the beginning of the year	**5,410,717**	**5,400,000**	**3,115**	**3,079**
Options issued / (exercised) during the year:				
Exercised				
Exercised price: $0.75				
Expiry date: 09/11/2023	(140,000)	(80,000)		(1)
Expiry date: 09/11/2023		(120,000)		(2)
Expiry date: 09/11/2023		(100,000)		(2)
Exercised price: $0.25	(2,000,000)			
Expiry date: 10/07/2023				
Expired				
Exercise price: $0.75	(2,960,000)		(3,073)	
Expiry date: 09/11/2023				
Issued to directors				
Exercise price: $1.40				
Expiry dates: 15/12/2028		103,571	9	9
Expiry dates: 15/12/2029		103,571	15	15
Expiry dates: 15/12/2030		103,575	18	17
At reporting date	**310,717**	**5,410,717**	**84**	**3,115**

Details of capital management are disclosed in Note 20.

NOTE 19. Reserves

	30 June 2024 $'000	30 June 2023 $'000
Foreign currency reserve	(44)	39
Share-based payments reserve	84	3,115
	40	**3,154**

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements 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) the consolidated entity in the form of share-based payment transactions, whereby services are rendered in exchange for shares, options or rights over shares.

$3,073,000 have been transferred from the Share Based Payment Reserve to Accumulated losses on expiry of share options. Within the financial year a number of 2,000,000 and 140,000 options have been exercised with an exercise price of $0.25 and $0.75 respectively.

The share-based payments expense during the year related to the options issued in FY23 as disclosed in Note 30.

NOTE 20. Financial instruments

Interest rate risks

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

	Weighted average interest rate %	2024 $'000	Weighted average interest rate %	2023 $'000
CONSOLIDATED – 2024				
Interest bearing – fixed rate				
Cash and cash equivalents (note 6)	3.21%	19,343	3.17%	30,264
Term deposit – restricted cash	-	-	3.77%	9,931
Net exposure to cash flow interest rate risk		**19,343**		**40,195**

Other financial instruments with interest include the lease liabilities that are all on fixed interest arrangements and therefore not subject to interest rate risk.

Interest rate risk

NextEd manages liquidity to meet short-term cash flow requirements. Amounts in excess of short-term requirements are placed on short-term deposit with major Australian banks.

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. Deposits are held with AAA rated Australian banks.

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:

	Gross	Impaired	Net	Past due but not impaired
2024 TRADE RECEIVABLES	$	$	$	$
Not yet due	14,892	(1)	14,891	-
Past due up to 30 days	1,066	(8)	1,058	1,058
Past due 31 days to 60 days	511	(111)	400	400
Past due 61 days to 90 days	332	(97)	235	235
Past due over 90 days	910	(343)	567	567
	17,711	**(560)**	**17,151**	**2,260**

	Gross	Impaired	Net	Past due but not impaired
2023 TRADE RECEIVABLES	$	$	$	$
Not yet 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 days	776	(279)	497	497
Past due 61 days to 90 days	567	(245)	322	322
Past due over 90 days	1,670	(863)	807	807
	8,970	**(1,407)**	**7,563**	**2,726**

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.

	Less than 1 Year	Between 1 year and 2 years	Between 2 years and 7 years	Remaining contractual maturities
	$'000	$'000	$'000	$'000
NON-DERIVATIVES				
Non-interest bearing				
Trade payables	2,964	-	-	2,964
Other payables	5,095	-	-	5,095
Payroll accruals	2,308	-	-	2,308
Total non-derivatives	**10,367**	**-**	**-**	**10,367**

	Less than 1 Year	Between 1 year and 2 years	Between 2 years and 7 years	Remaining contractual maturities
	$'000	$'000	$'000	$'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**

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 14.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of cash, 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 in 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 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 2024 $'000	30 June 2023 $'000
Cash and cash equivalents	6	19,343	30,264
Trade receivables	7	14,972	7,118
Inventories		110	341
Other current assets	8	6,742	12,280
Trade and other payables	12	(10,367)	(9,802)
Leases	14	(7,472)	(5,996)
Employee benefits	16	(2,323)	(2,179)
Current provisions	15	(203)	(194)
Working capital position		**20,802**	**31,832**

NOTE 21. 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. Each subsidiary's country of incorporation is also its principal place of business:

Name	Principal Activity	Place of incorporation and operation	Ownership interest	
			2024	2023
RedHill Education Pty Ltd [1]	Educational Services	Australia	100%	100%
Go Study Australia Pty Ltd [2]	Student Recruitment	Australia	100%	100%
Academy of Interactive Technology Pty Ltd [2]	Educational Services	Australia	100%	100%
International School of Colour and Design Pty Ltd [2]	Educational Services	Australia	100%	100%
Greenwich College Pty Ltd [2]	Educational Services	Australia	100%	100%
Go Study Australia Intercambio Cultural Ltda [3]	Student Recruitment	Brazil	100%	100%
Go Study Australia S.A.C. [3]	Student Recruitment	Peru	100%	100%
Go Study Australia Sociedad Limitada [4]	Student Recruitment	Spain	100%	100%
Go Study Colombia SAS [4]	Student Recruitment	Colombia	100%	100%
Go Study France [4]	Student Recruitment	France	100%	-
iCollege International Pty Ltd [5]	Educational Services	Australia	100%	100%
Management Institute of Australia Pty Ltd [6]	Educational Services	Australia	N/A	100%
Management Institute of Australia No.1 Pty Ltd [6]	Educational Services	Australia	N/A	100%
Management Institute of Australia No.2 Pty Ltd [6]	Educational Services	Australia	N/A	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] Converted from Redhill Education Ltd to Redhill Education Pty Ltd

[2] 100% owned by Redhill Education Ltd

[3] 75% owned by Go Study Australia Pty Ltd and 25% owned by RedHill Education Ltd

[4] 100% owned by Go Study Australia Pty Ltd

[5] Companies were all acquired at the same time and are now in liquidation waiting deregistration

[6] Dormant entities

NOTE 22. Deed of cross guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument, the wholly-owned subsidiaries as mentioned below are relieved from the *Corporations Act 2001* requirements for preparation, audit, and lodgement of financial reports and directors' report.

As a condition of the Instrument, 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 represent a 'closed group' for the purposes of the Instrument.

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 2024 $'000	30 June 2023 $'000
Revenue from continuing operations	109,020	100,001
Cost of sales	(54,088)	(45,352)
Gross profit	**54,932**	**54,649**
Other income	37	37
Interest revenue	850	833
Salaries and employee benefits expense	(25,060)	(22,826)
Depreciation and amortisation expense	(15,048)	(11,982)
Impairment of assets	(28,925)	-
Impairment of receivables	(1,266)	(1,860)
Property and occupancy costs	(4,802)	(4,434)
Professional and consulting fees	(968)	(1,184)
Marketing expenses	(3,178)	(3,462)
Public company related costs	(1,278)	(1,037)
Other expenses	(3,560)	(3,197)
Finance costs	(4,383)	(2,606)
(Loss) / profit before tax	**(32,649)**	**2,931**
Income tax benefit	1,328	752
Net profit / (loss) for the year	**(31,321)**	**3,683**
Total comprehensive income attributable to members of the parent entity	**(31,321)**	**3,683**

EQUITY – ACCUMULATED LOSSES	30 June 2024 $'000	30 June 2023 $'000
Accumulated losses at the beginning of the financial year	(40,242)	(43,925)
Profit / (loss) after income tax expense for the year	(31,321)	3,683
Transfer from share based payment reserve	3,073	-
Accumulated losses at the end of the financial year	**(68,490)**	**(40,242)**

Statement of financial position as at 30 June 2024

	30 June 2024 $'000	30 June 2023 $'000
CURRENT ASSETS		
Cash and cash equivalents	19,424	30,283
Trade receivables	14,779	7,080
Inventories	110	341
Prepayments and other assets	6,723	12,235
Total current assets	**41,036**	**49,939**
NON-CURRENT ASSETS		
Trade receivables	2,179	445
Property, plant and equipment	17,643	9,706
Right-of-use asset	41,510	38,665
Intangible assets	31,800	63,330
Prepayments and other assets	-	9,931
Total non-current assets	**93,132**	**122,077**
Total assets	**134,168**	**172,016**
CURRENT LIABILITIES		
Trade and other payables	10,255	9,631
Contract liabilities	30,330	43,101
Lease liabilities	7,472	5,996
Provisions	203	194
Employee benefits	2,315	2,202
Total current liabilities	**50,575**	**61,124**
NON-CURRENT LIABILITIES		
Contract liabilities	2,179	445
Deferred tax liabilities	2,965	4,294
Employee benefits	258	207
Provisions	3,164	2,570
Lease liabilities	40,399	37,844
Total non-current liabilities	**48,965**	**45,360**
Total liabilities	**99,540**	**106,484**
Net assets	**34,628**	**65,532**

EQUITY	30 June 2024 $'000	30 June 2023 $'000
Issued capital	103,115	102,657
Reserves	3	3,117
Accumulated losses	(68,490)	(40,242)
Total equity	**34,628**	**65,532**

NOTE 23. Reconciliation of profit/(loss) after income tax to net cash from operating activities

	30 June 2024 $'000	30 June 2023 $'000
Profit / (loss) after income tax expense for the year	(31,231)	3,608
ADJUSTMENT FOR:		
Depreciation and amortisation	15,052	11,986
Convertible note conversion	-	5
Share-based payments	42	36
Impairment of non-current assets	28,925	-
Non-cash finance costs	4,383	2,600
Other non-cash items	-	(35)
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
Increase in trade receivables	(9,588)	(263)
Decrease / (increase) in prepayments	292	(404)
Decrease / (increase) in other operating assets	5,477	(4,673)
Decrease in trade and other payables	(718)	(332)
(Decrease) / increase in contract liabilities	(11,037)	12,893
Increase in provision for income tax	-	19
Increase in employee benefits	195	40
Decrease in other provisions	(84)	(300)
Net cash from operating activities	**1,708**	**25,180**

NOTE 24. Changes in liabilities arising from financing activities

LEASE LIABILITIES	30 June 2024 $'000	30 June 2023 $'000
Opening balance	43,840	21,023
Net cash from financing activities	(11,608)	(8,913)
New leases and lease extensions*	11,256	29,130
Finance costs	4,383	2,600
Closing balance	**47,871**	**43,840**

* the only non-cash financing and investing activity for the consolidated entity for the current and prior financial year.

OTHER BORROWINGS	30 June 2024 $'000	30 June 2023 $'000
Opening balance	-	362
Repayment of borrowings	-	(227)
Acquisition / (disposal) of motor vehicles	-	(135)
Closing balance	**-**	**-**

NOTE 25. Parent entity information

	30 June 2024 $'000	30 June 2023 $'000
Loss after income tax	(44,636)	(5,894)
Total comprehensive income	**(44,636)**	**(5,894)**

Statement of financial position

	30 June 2024 $'000	30 June 2023 $'000
Total current assets	1,519	824
Total assets	**47,512**	**83,260**
Total current liabilities	33,364	28,848
Total liabilities	**37,178**	**28,707**
Equity		
Issued capital	103,115	102,657
Share-based payments reserve	40	3,154
Accumulated losses	(92,821)	(51,258)
Total equity	**10,334**	**54,553**

Contingent liabilities

The parent entity has given bank guarantees as at 30 June 2024 of $8,682,752 (30 June 2023: $7,135,923) to various lessors in respect of the consolidated entity's operations. Refer to Note 31 for further information in relation to the bank guarantees.

Accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Accounting Policies 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 26. Key management personnel (kMP) compensation

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

Names	Positions
Catherine (Cass) O'Connor	Independent non-executive chair
Simon Tolhurst	Independent non-executive director
William Deane	Non-executive director
Sandra Hook	Non-executive director
Glenn Elith	Chief Executive Officer
Michael Fahey	Chief Financial Officer

	30 June 2024	30 June 2023
	$'000	$'000
Short-term employee benefits	1,293	1,497
Cash salary and fees	1,246	1,244
Movement in annual leave	(2)	(2)
Short-term incentives	49	255
Long-term incentives	19	110
Post-employment benefits	70	71
Long-term benefits	11	11
Termination payments	-	205
Share-based payments	41	41
Total	**1,434**	**1,935**

NOTE 27. 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.

NOTE 28. Auditor’s remuneration

Pitcher Partners Sydney (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 2024 $’000	30 June 2023 $’000
Audit services – Hall Chadwick	-	31
Audit services – Pitcher Partners	231	152
	231	**183**

NOTE 29. Earnings per share (EPS)

	30 June 2024 $’000	30 June 2023 $’000
RECONCILIATION OF EARNINGS TO PROFIT OR LOSS		
Profit / (loss) for the year	(31,231)	3,608
Profit / (loss) used in the calculation of basic and diluted EPS	(31,231)	3,608

	30 June 2024 No.	30 June 2023 No.
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES		
Outstanding during the year used in calculation of basic EPS	221,283,928	218,586,754
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES		
Outstanding during the year used in calculation of diluted EPS	221,283,928	223,919,278

EARNINGS PER SHARE	30 June 2024	30 June 2023
Basic EPS (cents per share)	(14.11)	1.65
Diluted EPS (cents per share)	(14.11)	1.61

As at 30 June 2024, the consolidated entity has unissued shares under options 310,717 (30 June 2023: 5,410,717). During the year ended 30 June 2024, the consolidated entity’s unissued shares under option were non-dilutive. Refer to Note 18 (b) for further details.

NOTE 30. Share-based payments

	30 June 2024 $'000	30 June 2023 $'000
SHARE-BASED PAYMENTS:		
Recognised in director costs	42	41
	42	**41**

Share-based payment arrangements in effect during the year

a. UNLISTED OPTIONS

The Company had issued options in prior financial years 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

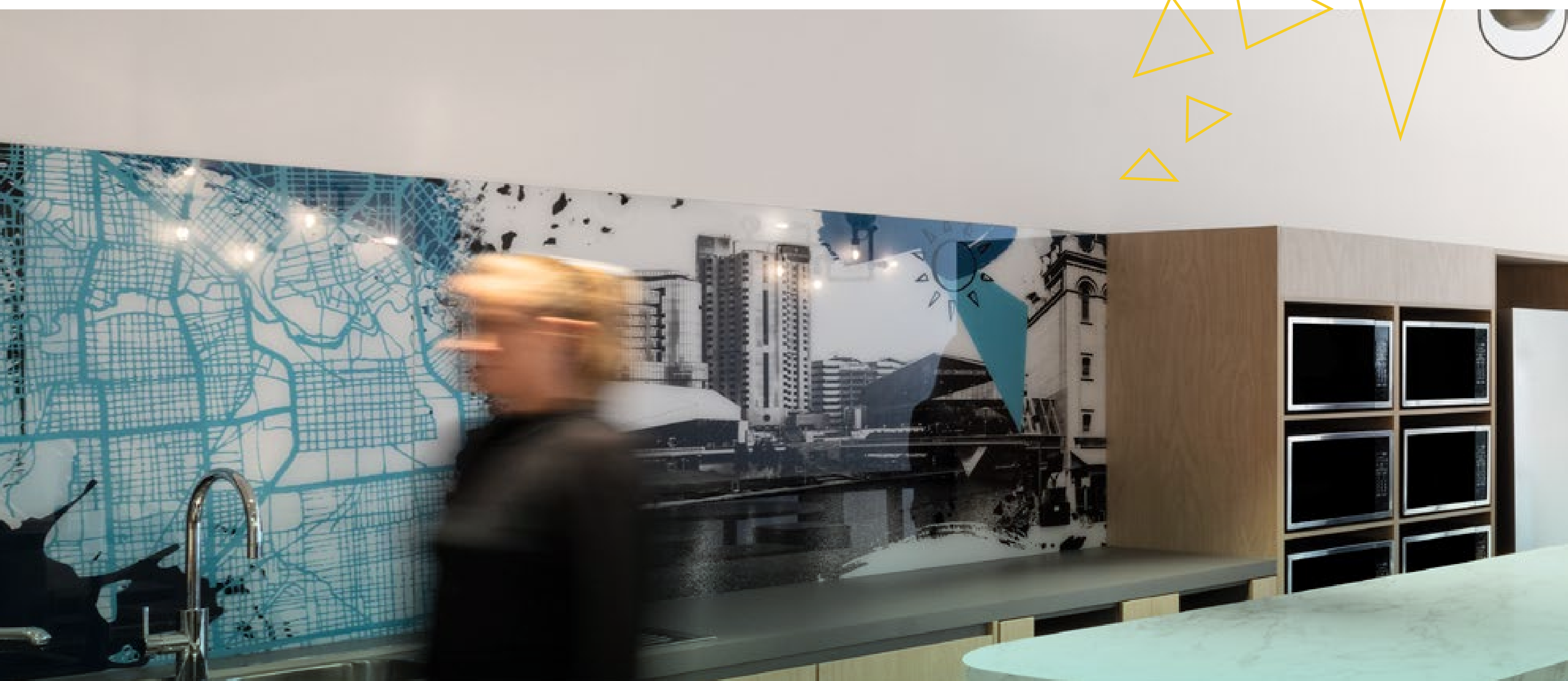
b. DIRECTOR OPTIONS

The Company had issued options in the prior 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

Vesting terms for the Director options are disclosed as follow:

1/3 of the Options shall vest on each 12-month anniversary of the date of the 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 cease 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:

	2024		2023	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Outstanding at the beginning of the year	5,410,717		5,400,000	
GRANTED				
Expiry: 15/12/2028			103,571	1.40
Expiry: 15/12/2029			103,571	1.40
Expiry: 15/12/2030			103,575	1.40
EXERCISED				
Expiry date: 09/11/2023	(140,000)*	0.75	(300,000)	0.75
Exercised price: $0.75				
Expiry date: 10/07/2023	(2,000,000)*	0.25		
Exercised price: $0.25				
EXPIRED				
Expiry date: 09/11/2023	(2,960,000)	0.75		
Exercise price: $0.75				
Outstanding at year-end	**310,717**	**0.80**	**5,410,717**	**1.08**
Exercisable at year-end	**103,571**	**1.40**	**5,100,000**	**1.08**

The weighted average remaining contractual life of options outstanding at the end of the financial year was 5 years (FY23: 3.6 year).

* Share price of the exercised options (140,000) and (2,000,000) was $0.70 and $1.23 respectively.

NOTE 31. Contingent liabilities

The consolidated entity has a contingent liability facility with the Commonwealth Bank of Australia (CBA) which is secured by a first ranking charge over all present and after acquired property of the Group. This agreement was entered into during FY24.

The facility limit is $10,000,000. As at 30 June 2024 $7,391,532 had been utilised and $2,608,468 was unutilised.

The consolidated entity has a contingent liability facility with National Australia Bank with a limit of $6,233,171. As at 30 June 2024, $1,291,220 had been utilised and $4,941,951 was unutilised. NextEd will exit this facility during FY25.

The consolidated entity has given bank guarantees as at 30 June 2024 of $8,682,752 (30 June 2023: $7,135,923) to various landlords.

NOTE 32. Commitments

The consolidated entity is committed to incur capital expenditure of approximately $183,000 in relation to campus expansion project across 56 Nerang Street Southport, Queensland and 72 Mary Street Surry Hills, NSW. The expenditure is expected to be settled in the FY25 financial year.

NOTE 33. Events subsequent to reporting date

On 27 August 2024, the Federal Government announced that, subject to the passage of legislation before the Parliament, it will set a National Planning Level (NPL) for new international student commencements of 270,000 for calendar year 2025.

The NPL is divided between the higher education and vocational education and training (VET) sectors at a provider level.

Certain students, including those undertaking standalone English language courses, are excluded from the NPL.

Implementation of the NPL is subject to a Senate Committee report before determining whether any amendments will be required prior to seeking to pass into legislation.

Individual providers will be advised of the indicative limit on the number of new international student commencements that they can accept for 2025. Information received by the consolidated entity to date is incomplete and the impact of the NPL is therefore not yet able to be determined.

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.

Consolidated entity disclosure statement

NextEd Group Limited is required by Australian Accounting Standards to prepare consolidated financial statements in relation to the Company and its controlled entities (the consolidated entity). In accordance with subsection 295(3A) of the *Corporations Act 2001*, this consolidated entity disclosure statement provides information about each entity that was part of the consolidated entity at the end of the financial year.

Entity Name	Entity Type	Body Corporate of Incorporation	Body Corporate % of share capital held	Country of tax resident[1]
NextEd Group Ltd	Body Corporate	Australia	N/A	Australia
RedHill Education Pty Ltd	Body Corporate	Australia	100%	Australia
Go Study Australia Pty Ltd	Body Corporate	Australia	100%	Australia
Academy of Interactive Technology Pty Ltd	Body Corporate	Australia	100%	Australia
International School of Colour and Design Pty Ltd	Body Corporate	Australia	100%	Australia
Greenwich College Pty Ltd	Body Corporate	Australia	100%	Australia
Go Study Australia Intercambio Cultural Ltda	Body Corporate	Brazil	100%	Brazil
Go Study Australia S.A.C.	Body Corporate	Peru	100%	Peru
Go Study Australia Sociedad Limitada	Body Corporate	Spain	100%	Spain
Go Study Colombia SAS	Body Corporate	Colombia	100%	Colombia
Go Study France	Body Corporate	France	100%	France
iCollege International Pty Ltd	Body Corporate	Australia	100%	Australia
Celtic Training & Consultancy Pty Ltd	Body Corporate	Australia	100%	Australia
Brisbane Career College Pty Ltd	Body Corporate	Australia	100%	Australia
Capital Training Institute Pty Ltd	Body Corporate	Australia	100%	Australia

[1] All entities have retained the same tax residency as their country of incorporation.

At the end of the financial year, no entity within the consolidated entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

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Directors' declaration

The directors declare that:

1. In the directors' opinion, the consolidated financial statements and notes thereto, as set out on pages 38 to 87 are in accordance with the *Corporations Act 2001* including:

- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
- As stated in Note 1, the consolidated financial statements also comply with International Financial Reporting Standards; and
- Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its performance for the year ended on that date.

2. In the directors' opinion, the consolidated entity disclosure statement required by subsection 295(3A) of the *Corporations Act 2001* is true and correct.

3. In the directors' opinion there are reasonable grounds, at the date of this declaration, to believe that the Group will be able to pay its debts as and when they become due and payable.

At the date of this declaration, NextEd Group Limited and certain wholly-owned subsidiaries (collectively referred to as "the closed group") are parties to a deed of cross guarantee pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. Under the deed of cross guarantee, each entity (in the closed group) guarantees to each creditor (of any entity in the closed group) payment in full of any debt.

In the directors' opinion there are reasonable grounds, at the date of this declaration to believe that NextEd Group Limited and the other parties to the deed of cross guarantee (as disclosed in note 22 to the consolidated financial statements) will, as a group, be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2024.

This declaration is made in accordance with a resolution of the directors.

Director

Dated this 25 September 2024

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Independent auditor's report

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Report on the Audit of the Financial Report

Opinion

We have audited the financial report of NextEd Group Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit and loss and 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 material accounting policies, the consolidated entity disclosure statement 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 2024 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 $111.3 million during the year and as at balance date has contract liabilities with a carrying amount of $32.5m. The recognition of revenue and associated contract liabilities is a key audit matter due to the significant judgements surrounding the timing of revenue recognition.	• Obtained an understanding of the Group's revenue recognition policies and assessed the policies applied for compliance with the relevant accounting standards; • Documented and evaluated the design and implementation of management's controls over revenue recognition; • Performed substantive testing on a sample basis in respect of the Group's revenue streams and related contract liability and assessed whether they were recorded and properly accounted for in accordance with the Group's revenue recognition policy; • Performed substantive testing on a sample basis in respect of the Group's revenue streams and assessed whether the revenue and related contract liability were recorded in the correct accounting period; and • Assessed the adequacy of related financial statement disclosures.
Impairment of Goodwill and Intangible assets *Refer to Note 11 in the Notes to the Financial Statements*	**How our audit addressed the key audit matter**
As of 30 June 2024, the Group's Consolidated Statement of Financial Position included Goodwill with a carrying amount of $15.8m and Intangible Assets of $16m, after impairment of $28.9m. In accordance with AASB 136 *Impairment of Assets*, management performed an impairment test on the goodwill and intangible assets. Since these assets do not generate cash flows that are largely independent from other assets, the recoverable amount was determined by assessing the recoverable amount of each cash-generating unit (CGU) to which they belong. This amount was then compared to the carrying amount of the respective CGUs. In this instance, the recoverable amount was determined to be its value in use. We have identified the impairment assessment of Goodwill and Intangible assets as a Key Audit Matter due to the materiality of these balances and the significant management judgment and assumptions involved in determining the value in use of the CGUs containing these assets.	Our audit procedures included, amongst others: • Assessed management's determination of CGU's and allocation of goodwill and intangible assets to the carrying value of the CGU's based on our understanding of the nature of the Group's business; • Documented and evaluated the design and implementation of management's controls over the critical accounting estimates and judgements contained in the impairment model; • Engaged our Corporate Finance team as our expert to assess the Group's Weighted Average Cost of Capital ("WACC") and the valuation methodology used to determine the recoverable amount of the Goodwill and Intangible assets associated to the CGUs; • Evaluated the methods and assumptions used to estimate the present value of future cash inflows of the CGU's, including, challenging senior management of the reasonableness of the following;

Impairment of Goodwill and Intangible assets *Refer to Note 11 in the Notes to the Financial Statements*	**How our audit addressed the key audit matter**
The calculation of the recoverable amount of the CGUs requires judgments about future cash flows, estimated growth rates for the CGUs over the next five years and into perpetuity, as well as judgments regarding an appropriate discount rate to apply to the projected cash flows. Additionally, the impact of recent federal government actions to reduce net migration remains uncertain, which has increased the risk that the carrying value of the goodwill and intangible assets may be impaired.	- Future cash flows; - Future growth rates; - Terminal value methodology; and - Discount rates. • Reviewed managements sensitivity analysis over the key assumptions used in the financial models, including the consideration of the available headroom and assessing whether the assumptions had been applied on a consistent basis across each scenario; • Checked the mathematical accuracy of the cashflow model and reconciling input data to supporting evidence, such as approved budgets, and considering the reasonableness of the evidence; • Reviewed subsequent events to determine the impact on the future financial position; and • Reviewed the disclosures included in the financial report to ensure compliance with Australian Accounting Standards.

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 2024, but does not include the financial report and our auditor's report thereon.

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

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

Responsibilities of the Directors for the Financial Report (continued)

for such internal control as the directors determine is necessary to enable the preparation of:

(i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

Responsibilities of the Directors for the Financial Report

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.

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- 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.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 22 to 31 of the directors' report for the year ended 30 June 2024. In our opinion, the Remuneration Report of NextEd Group Limited, for the year ended 30 June 2024, 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

Pitcher Partners
Sydney

25 September 2024

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Shareholder information

1. Capital as at 30 August 2024

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 30 August 2024.

a. ORDINARY SHARE CAPITAL

The Company has on issue 221,116,114 ordinary fully paid shares held by 1,437 shareholders.

b. UNLISTED OPTIONS OVER UNISSUED SHARES

NextEd has the following unquoted options on issue. These options are held by the four non-executive directors and details of their holdings are set out in the Remuneration Report.

Number of options	Exercise price	Expiry Date
103,571	1.40	15 December 2028
103,571	1.40	15 December 2029
103,575	1.40	15 December 2030

c. 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.

d. SUBSTANTIAL SHAREHOLDERS CURRENT AS AT 20 SEPTEMBER 2024

Based on substantial holding notices provided to the Company on or before 20 September 2024, the following are substantial shareholders:

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Wilson Asset Management Group	21,859,295	9.87%
AWJ Family Pty Ltd (Angus W Johnson Family)	20,845,776	9.42%
Perpetual Limited	14,000,543	6.32%
Acorn Capital Limited	13,473,648	6.08%
Australian Super Pty Ltd	13,139,466	5.93%

e. DISTRIBUTION OF SHAREHOLDERS

Spread of Holdings	Number of Units	Number of Holders	% of Total
1 – 1,000	95,517	205	0.04%
1,001 – 5,000	993,988	371	0.45%
5,001 – 10,000	1,399,128	177	0.63%
10,001 – 100,000	17,479,281	453	7.91%
100,001 – 999,999,999,999	201,148,200	231	90.97%
Total	**221,116,114**	**1,437**	**100.00%**

f. UNMARKETABLE PARCELS

At the date of this report there were 421 shareholders who held less than a marketable parcel of shares.

g. ON-MARKET BUY-BACK

The Company announced an on-market share buy-back on 8 December 2023. Please refer to page 70 for further details.

h. RESTRICTED SECURITIES

NextEd has no restricted securities.

i. 20 LARGEST SHAREHOLDERS – ORDINARY SHARES

Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
		Units	% of Units
1	CITICORP NOMINEES PTY LIMITED	30,019,440	13.58
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	29,759,704	13.46
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	19,284,051	8.72
4	BNP PARIBAS NOMINEES PTY LTD	10,295,409	4.66
5	AWJ FAMILY PTY LTD	5,946,636	2.69
6	BNP PARIBAS NOMS PTY LTD	4,376,860	1.98
7	MR ANGUS WILLIAM JOHNSON & MRS LINDY JOHNSON	4,072,276	1.84
8	OSSUM HOLDINGS PTY LTD	4,041,825	1.83
9	UBS NOMINEES PTY LTD	3,264,599	1.48
10	CIBAW PTY LTD	3,162,739	1.43
11	THACKERAY PTY LTD	3,145,333	1.42
12	OSSUM HOLDINGS PTY LTD	2,906,839	1.31
13	GASMERE PTY LIMITED	2,581,708	1.17
14	P G BINET (NO 5) PTY LTD	1,931,979	0.87
15	HEATH NOMINEES (AUST) PTY LTD	1,687,878	0.76
16	MR GLENN PATRICK ELITH	1,668,156	0.75
17	GRIFFIN EXECUTIVE SERVICES PTY LTD	1,602,147	0.72
18	MR MARIAPILLAI PATHMANABAN & MRS VATHSALA PATHMANABAN	1,595,289	0.72
19	HEATH SUPER (AUST) PTY LTD	1,495,420	0.68
20	MRS DIANE ARAPIDIS	1,352,116	0.61
	Total	**134,190,404**	**60.69**
	Balance of register	**86,925,710**	**39.31**
	Grand total	**221,116,114**	**100.00**

2. Company Secretary

The Company Secretary is Lisa Jones. Further details about Ms Jones' qualifications and experience are set out on page 14.

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.








NextEd
Group