

29 APRIL 2016

Evolve files ASX quarterly cash flow report

Evolve Education Group Limited (“Evolve”) announces the filing of ASX quarterly cash flow report.

Evolve is required under ASX Listing Rule 4.7B to provide quarterly cash flow reports to the ASX (ASX Appendix 4C). This is because Evolve was admitted to the official list of ASX under ASX Listing Rule 1.3.2(b) as a result of its commitment to acquire a range of ECE businesses either on, or shortly after, listing.

The attached unaudited cash flow report is for the quarter ended 31 March 2016. Due to the four monthly cycle of Ministry of Education (“MOE”) funding which is received on the first trading day of March, July and November each year, only one MOE funding payment was received during this quarter on 1 March 2016. In total three MOE funding payments were received during the year ended 31 March 2016.

ENDS

About Evolve

Evolve is a leading provider of high-quality multi-faceted early childhood education (ECE) services in New Zealand and is listed on the New Zealand and Australian Stock Exchanges. Evolve currently has 107 centres nationwide under a number of leading brands including Lollipops Educare and Leaps & Bounds. Evolve’s home-based services include market-leaders Porse and Au Pair Link. Additionally, Evolve offers a centre management service through ECE Management as well as accredited training through Porse Education & Training and Life Education & Training.

For any further inquiries please contact:

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Evolve Education Group Limited

ARBN

601 709 237

Quarter ended ("current quarter")

31-Mar-2016

Note: The consolidated statement of cash flows is unaudited.

Consolidated statement of cash flows

		Current quarter	1-April-15 to 31-March-16
		\$NZ'000	\$NZ'000
Cash flows related to operating activities			
1.1	Receipts from customers	40,476	137,200
	Payments for (a) staff costs	(18,546)	(74,146)
	(b) advertising and marketing	-	-
1.2	(c) research and development	-	-
	(d) leased assets	(4,559)	(17,474)
	(e) other working capital	1,156	(207)
1.3	Dividends received	-	112
1.4	Interest and other items of a similar nature received	27	159
1.5	Interest and other costs of finance paid	(342)	(1,058)
1.6	Income taxes paid	(1,694)	(4,476)
1.7	Other - Integration Costs	(373)	(761)
1.8	Other - Acquisition costs	(296)	(1,204)
1.9	Other (provide details if material)	(4,937)	(20,484)
	Net operating cash flows	10,911	17,660

MOE funding is received by Evolve every four months. In the twelve months to 31 March 2016 MOE funding was received on 1 July 2015, 1 November 2015 and on 1 March 2016.

		Current quarter \$NZ'000	1-April-15 to 31- March-16 \$NZ'000
1.8	Net operating cash flows (carried forward)	10,911	17,660
	Cash flows related to investing activities		
	Payment for acquisition of:		
	(a) businesses (item 5)	(5,687)	(23,493)
1.9	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(634)	(2,286)
	(e) other non-current assets	-	-
	(f) cash included on consolidation of subsidiary	-	-
	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
1.10	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	(6,321)	(25,779)
1.14	Total operating and investing cash flows	4,590	(8,119)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	-	-
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	69,765	141,790
1.18	Repayment of borrowings	(43,000)	(95,925)
1.19	Dividends paid	-	(3,682)
1.20	Other (issue costs relating to shares issued under DRP in Dec 2015)	(12)	(50)
	Net financing cash flows	26,753	42,133
	Net increase (decrease) in cash held	31,343	34,014
1.21	Cash at beginning of quarter/year to date	7,281	4,610
1.22	Exchange rate adjustments to item 1.20		
1.23	Cash at end of quarter	38,624	38,624

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter NZ'000
1.24	Aggregate amount of payments to the parties included in item 1.2, 1.8 & 1.9	285
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Please refer disclosures in the Prospectus.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$NZ'000	Amount used \$NZ'000
3.1	Loan facilities	90,000	45,865
3.2	Credit standby arrangements	-	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter	Previous quarter
		\$NZ'000	\$NZ'000
4.1	Cash on hand and at bank	1,914	4,855
4.2	Deposits at call	36,710	2,425
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		38,624	7,281

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity*	Refer below	
5.2	Place of incorporation or registration	New Zealand	
5.3	Consideration for acquisition or disposal**	5,687	
5.4	Total net assets		
5.5	Nature of business	Childcare	

*Name of Entity

5 separate childcare centres bought from former owners of Lollipops centres being related parties as advised in Evolve's announcement on NZX and ASX on 18 April 2016.

**Consideration for acquisition \$NZ '000

3,093

Total 3,093

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 29 April 2016

(Company secretary)

Print name: Vivek Singh

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.

3 **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.