

19 February 2020

Company Announcements Office
Australian Securities Exchange

Via ASX Online

(Page 1 of 21)

ANNOUNCEMENT

FY2020 HALF YEAR REPORT

Academies Australasia today released its Report for the half year to December 2019.

Directors are pleased to announce the declaration of a fully franked dividend of 1.365 cents per share payable on 26 March 2020. This reflects a 5% increase on the fully franked dividend of 1.3 cents per share in the previous corresponding period.

Stephanie Noble
Company Secretary

For further information call Christopher Campbell on +61 2 9224 5555.

Academies Australasia has been operating for 111 years and listed on the Australian Securities Exchange for 42 years. The group comprises 18 separately licensed colleges operating in New South Wales, Queensland, South Australia, Victoria and Western Australia in Australia, and overseas in Singapore. The group offers a wide range of recognised courses at different levels – Certificate, Diploma, Advanced Diploma and Bachelor Degree. Over the years, Academies Australasia colleges have taught more than 100,000 students from 130 countries.

ACADEMIES AUSTRALASIA GROUP LIMITED
FINANCIAL REPORT FOR THE HALF YEAR TO DECEMBER 2019
[Incorporating the requirements of Appendix 4D]

APPENDIX 4D

1. Company details

Name: Academies Australasia Group Limited
ABN: 93 000 003 725

Reporting Period: Half Year ended 31 December 2019
Previous Period: Half Year ended 31 December 2018

2. Results for announcement to the market

(Previous corresponding period numbers have been restated after application of the AASB 16 Leases standard and a voluntary change of policy in respect to trade receivables.)

\$000s

| | | | | | |
|-----|---|------|------|----|--------|
| 2.1 | Revenues from ordinary activities | down | 0.5% | to | 32,346 |
| 2.2 | Profit from ordinary activities after tax | up | 30% | to | 2,029 |
| 2.3 | Net profit for the period attributable to owners of the parent entity | up | 28% | to | 1,909 |
| 2.4 | Earnings before interest, tax, depreciation and amortisation (EBITDA) | up | 15% | to | 6,518 |

3. Commentary

3.1 The impact from application of the new accounting standard AASB 16 Leases from 1 July 2019 on the profit and loss is as follows:

\$000s

| | Reporting Period | | Previous Period | |
|---|------------------|-------|-----------------|-------|
| | DR | CR | DR | CR |
| Increase in depreciation expense | 2,825 | | 2,331 | |
| Increase in interest expense | 636 | | 554 | |
| Decrease in premises expense | | 3,253 | | 2,757 |
| Decrease/increase in income tax expense | | 2 | 29 | |
| Reduction in profit for the reporting period | (206) | | (157) | |
| Profit attributable to non-controlling interests | (3) | | - | |
| Profit attributable to members of the parent entity | (203) | | (157) | |

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3.2 The voluntary change of accounting policy in respect to trade receivables had no impact on the profit and loss (See Note 4 of the Financial Report)

3.3 The following table presents EBITDA after adjustment for significant items

| | \$000s | |
|---|---------------------|--------------------------------|
| | Reporting Period | Previous Period Restated |
| EBITDA | 6,518 | 5,687 |
| Premises outgoing expenses related to prior years | 283 | - |
| Redundancies and termination costs | 18 | 147 |
| Impairment of receivables | - | 1,347 |
| EBITDA after significant items | 6,819 | 7,181 |

[Note

'EBITDA' and 'significant item' are not terms prescribed by the Australian Accounting Standards ('AAS'). The Directors consider that 'EBITDA after significant items' provides a better understanding of the underlying performance of the business.]

3.4 The Group continues to be free of borrowings.

4. Net tangible Assets

Net tangible asset backing per ordinary share is based on 127,614,467 shares at both reporting dates.

| | Reporting Period | Previous Period |
|---|---------------------|--------------------|
| After the application of AASB16 Leases | 0.6 cents | 0.3 cents |
| Prior to the application of AASB16 Leases | 2.7 cents | 2.3 cents |

5. Dividends

A fully franked dividend of 2.37 cent per share (\$3,024,000) was paid on 11 October 2019.

The Directors have announced the payment of a fully franked dividend of 1.365 cents per share (\$1,742,000) – reflecting a 5% increase on the dividend for the previous corresponding period (1.3 cents per share).

Dividend dates

| | |
|-------------|---------------|
| Ex-Dividend | 5 March 2020 |
| Record | 6 March 2020 |
| Payment | 26 March 2020 |

There was no conduit foreign income during the Reporting Period.

6. Dividend reinvestment plans

No dividend reinvestment plans were in operation during the Reporting Period or the Previous Period.

7. Associates and joint venture entities

No member of the Group held an interest in, or participated in the results of a joint venture.

8. Foreign entities

The Group owns 100% of ACA Investment Holdings Pte. Limited which owns 100% of Centre for Australian Education Pte. Limited and 100% of Academies Australasia College Pte. Limited. All three companies are incorporated in Singapore.

This Report is to be read in conjunction with the most recent Annual Report and the Consolidated Financial Report for the Company and its controlled entities for the Half Year to December 2019

Stephanie Noble
Group Finance Manager

19 February 2020

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ACADEMIES AUSTRALASIA GROUP LIMITED
FINANCIAL REPORT FOR THE HALF YEAR TO DECEMBER 2019
[Incorporating the requirements of Appendix 4D]

**CONSOLIDATED FINANCIAL REPORT FOR
ACADEMIES AUSTRALASIA GROUP LIMITED
(ABN 03 000 003 725)
AND CONTROLLED ENTITIES**

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**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
DIRECTORS' REPORT
For the half year ended 31 December 2019**

Dear Shareholder

Your Directors submit the financial report of the economic entity for the half year ended 31 December 2019.

Directors

The Directors in office at any time during, or since the end of, the half year, are:

Dr John Lewis Schlederer
Christopher Elmore Campbell
Chiang Meng Heng
Gabriela Del Carmen Rodriguez Naranjo
Sartaj Hans

Review of operations

A summary of the Statement of Financial Performance for the half year ended 31 December 2019 ('Reporting Period') is set out below. All comparisons are to the half year ended 31 December 2018. Previous corresponding period numbers have been restated after application of the AASB 16 Leases standard and a voluntary change in policy in respect to trade receivables ('Previous Period Restated').

| | Reporting Period | \$000s Previous Period Restated |
|---|---------------------|--|
| Total Revenue | <u>32,346</u> | <u>32,507</u> |
| Operating Profit Before Income Tax | <u>2,542</u> | <u>2,202</u> |
| Operating Profit After Income Tax | <u>2,029</u> | <u>1,560</u> |
| Earnings Before Interest, Tax, depreciation and Amortisation (EBITDA) | <u>6,518</u> | <u>5,687</u> |

Revenue from ordinary activities decreased by \$161,000 (0.5%) to \$32,346,000.

The Group continues to be free of borrowings.

The Group has applied the new accounting standard AASB16 *Leases* from 1 July 2019. The impact on the reporting period and previous reporting period are disclosed in Note 3.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
DIRECTORS' REPORT
For the half year ended 31 December 2019**

The following table presents EBITDA after adjustment for significant items. (\$000s)

| | Reporting Period | Previous Period Restated |
|---|---------------------|-----------------------------|
| EBITDA | 6,518 | 5,687 |
| Premises outgoing expenses related to prior years | 283 | - |
| Redundancies and termination costs | 18 | 147 |
| Impairment of receivables | - | 1,347 |
| | <hr/> | <hr/> |
| EBITDA after significant items | 6,819 | 7,181 |
| | <hr/> | <hr/> |

[Note

'EBITDA' and 'significant item' are not terms prescribed by the Australian Accounting Standards ('AAS'). The Directors consider that 'EBITDA after significant items' provides a better understanding of the underlying performance of the business.]

Rounding of amounts

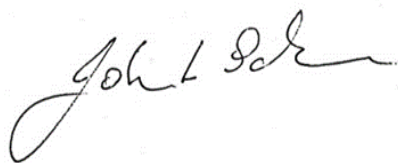
The group has applied the relief available to it in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and accordingly certain amounts in the financial report and the Directors' Report have been rounded to the nearest \$1,000.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
DIRECTORS' REPORT
For the half year ended 31 December 2019**

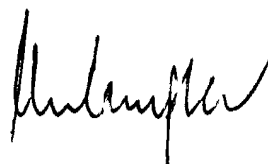
Auditor's Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half year ended 31 December 2019 is set out on page 5.

Signed in accordance with a resolution of the Board of Directors.



John Schlederer
Director



Christopher Campbell
Director

Sydney
19 February 2020

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

ACADEMIES AUSTRALASIA GROUP LIMITED

I declare that to the best of my knowledge and belief, during the half year ended 31 December 2019, there have been:

- i. no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.



PILOT PARTNERS
Chartered Accountants



DANIEL GILL
Partner

Signed on 19 February 2020

Level 10
1 Eagle Street
Brisbane Qld 4000

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 31 December 2019**

| \$000s | Note | Reporting Period | Previous Period Restated |
|---|------|---------------------|-----------------------------|
| Revenue from services | | 32,346 | 32,507 |
| Student acquisition and teaching costs | | (14,809) | (14,434) |
| Gross profit | | 17,537 | 18,073 |
| Personnel expenses | | (7,030) | (6,935) |
| Premises expenses | | (1,967) | (2,076) |
| Other administration expenses | | (1,831) | (1,881) |
| | | 6,709 | 7,181 |
| Restructure and non-recurring costs | | (283) | (1,494) |
| | | 6,426 | 5,687 |
| Other income | | 92 | - |
| Profit before interest, depreciation and amortisation | | 6,518 | 5,687 |
| Depreciation and amortisation expenses | 5 | (3,346) | (2,882) |
| Finance costs | 5 | (710) | (680) |
| Interest income | | 80 | 77 |
| Profit before income tax | | 2,542 | 2,202 |
| Income tax | | (513) | (642) |
| Profit for the period | | 2,029 | 1,560 |
| Other comprehensive income | | | |
| Exchange differences on translating foreign controlled entities | | 1 | 38 |
| Other comprehensive income for the year, net of tax | | 1 | 38 |
| Total comprehensive income for the year | | 2,030 | 1,598 |
| Profit attributable to non-controlling interests | | 120 | 70 |
| Profit attributable to members of the parent entity | | 1,909 | 1,490 |
| | | 2,029 | 1,560 |
| Total comprehensive income attributable to | | | |
| Owners of the parent entity | | 1,910 | 1,528 |
| Non-controlling interests | | 120 | 70 |
| | | 2,030 | 1,598 |
| Earnings per share: | | | |
| Basic earnings per share (cents) | | 1.49 | 1.16 |
| Diluted earnings per share (cents) | | 1.49 | 1.16 |

The accompanying notes form part of these financial statements.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2019**

| \$000s | Note | 31/12/2019 | 30/06/2019 Restated | 1/7/2018 Restated |
|---|------|---------------|------------------------|----------------------|
| Current Assets | | | | |
| Cash and cash equivalents | | 16,027 | 14,996 | 12,968 |
| Trade and other receivables | | 3,915 | 4,286 | 5,418 |
| Other current assets | | 3,167 | 2,930 | 4,305 |
| Total Current Assets | | 23,109 | 22,212 | 22,691 |
| Non-Current Assets | | | | |
| Plant and equipment | | 5,738 | 6,026 | 6,717 |
| Right of use assets | 3 | 32,067 | 20,281 | 22,845 |
| Deferred tax assets | | 5,985 | 5,828 | 6,021 |
| Intangible assets | | 32,851 | 32,850 | 32,973 |
| Total Non-Current Assets | | 76,641 | 64,985 | 68,556 |
| Total Assets | | 99,750 | 87,197 | 91,247 |
| Current Liabilities | | | | |
| Tuition fees in advance (Deferred income) | | 21,088 | 18,390 | 16,388 |
| Trade and other payables | | 3,242 | 3,652 | 4,103 |
| Borrowings | | - | - | 1,087 |
| Current tax liabilities | | 30 | 534 | 2,367 |
| Lease Liabilities | 3 | 4,813 | 4,894 | 4,973 |
| Provisions | | 2,737 | 2,749 | 1,579 |
| Total Current Liabilities | | 31,910 | 30,219 | 30,497 |
| Non-Current Liabilities | | | | |
| Borrowings | | - | - | 201 |
| Lease Liabilities | 3 | 33,747 | 21,900 | 24,689 |
| Provisions | | 433 | 424 | 1,343 |
| Total Non-Current Liabilities | | 34,180 | 22,324 | 26,233 |
| Total Liabilities | | 66,090 | 52,543 | 56,730 |
| NET ASSETS | | 33,660 | 34,654 | 34,517 |
| EQUITY | | | | |
| Share capital | | 42,066 | 42,066 | 43,515 |
| Retained earnings | | (9,008) | (7,893) | (9,429) |
| Foreign Currency Translation Reserve | | 108 | 107 | 68 |
| Non-Controlling Interest | | 494 | 374 | 363 |
| TOTAL EQUITY | | 33,660 | 34,654 | 34,517 |

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half year ended 31 December 2019**

| \$000s | Ordinary Shares | Retained Profits | Reserves | Non - Controlling Interest | Total |
|---|--------------------|---------------------|----------|----------------------------------|---------|
| Balance at 1.7.2019 original | 42,066 | (5,315) | 107 | 375 | 37,233 |
| Impact of adoption of new accounting standard – note 3 | - | (2,578) | - | (1) | (2,579) |
| Restated Balance at 1.7.2019 | 42,066 | (7,893) | 107 | 374 | 34,654 |
| Profit for the period | - | 1,909 | - | 120 | 2,029 |
| Exchange differences on translating foreign operations | - | - | 1 | - | 1 |
| Total comprehensive income for the period | - | 1,909 | 1 | 120 | 2,030 |
| Dividend paid | - | (3,024) | - | - | (3,024) |
| Balance at 31.12.2019 | 42,066 | (9,008) | 108 | 494 | 33,660 |
| | | | | | |
| Balance at 1.7.2018 original | 43,515 | (7,088) | 68 | 363 | 36,858 |
| Impact of adoption of new accounting standard – note 3 | - | (2,341) | - | - | (2,341) |
| Restated Balance 1.7.2018 | 43,515 | (9,429) | 68 | 363 | 34,517 |
| Profit for the period restated | - | 1,490 | - | 70 | 1,560 |
| Exchange differences on translating foreign operations | - | - | 38 | - | 38 |
| Total comprehensive income for the period | - | 1,490 | 38 | 70 | 1,598 |
| Selective reduction of capital | (1,449) | - | - | - | (1,449) |
| Dividend paid | - | (1,276) | - | (68) | (1,344) |
| Balance at 31.12.2018 restated | 42,066 | (9,215) | 106 | 365 | 33,322 |

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 31 December 2019**

| \$000s | Reporting Period | Previous Period Restated |
|---|---------------------|-----------------------------|
| Cash Flows From Operating Activities | | |
| Receipts from customers | 36,022 | 34,524 |
| Payments to suppliers and employees | (27,156) | (25,930) |
| Interest received | 80 | 77 |
| Finance costs | (710) | (680) |
| Income taxes paid | (1,174) | (2,828) |
| | <hr/> | <hr/> |
| Net cash provided by operating activities | 7,062 | 5,163 |
| Cash Flows From Investing Activities | | |
| Proceeds from sale of plant and equipment | - | 2 |
| Purchase of non-current assets | (162) | (132) |
| | <hr/> | <hr/> |
| Net cash used in investing activities | (162) | (130) |
| Cash Flows From Financing Activities | | |
| Payment for share buy back | - | (1,449) |
| Dividends paid | (3,024) | (1,292) |
| Lease payments | (2,845) | (2,431) |
| Repayment of borrowings | - | (533) |
| | <hr/> | <hr/> |
| Net cash used in financing activities | (5,869) | (5,705) |
| Net increase/(decrease) in cash held | 1,031 | (672) |
| Cash at the beginning of period | 14,996 | 12,968 |
| Cash at the end of the period | <hr/> <u>16,027</u> | <hr/> <u>12,296</u> |

The accompanying notes form part of these financial statements.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1: BASIS OF PREPARATION

The half year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The group is a for profit entity for financial reporting purposes in Australia.

The half year financial report does not include full disclosures of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by Academies Australasia Group Limited and its controlled entities during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

These interim financial statements were authorised for issue on 19 February 2020.

(a) Significant Accounting Policies

The accounting policies applied by the consolidated entity in this consolidated half year financial report are the same as those applied by the consolidated entity in its consolidated financial report for the year ended 30 June 2019 except those noted in note 3 and 4 below.

In the current period, the consolidated entity has adopted all new and revised Standards and Interpretations issued by the Australia Accounting Standards Board that are relevant to its operations and effective for reporting periods beginning on or after 1 July 2019. See note 3 below.

(b) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

NOTE 2: DIVIDEND PAID AND DECLARED

A fully franked dividend of 2.37 cent per share (\$3,024,000) was paid on 11 October 2019.

The Directors have announced the payment of a fully franked dividend of 1.365 cents per share (\$1,742,000) This is a 5% increase on the fully franked dividend of 1.3 cents per share paid in respect of the previous period.

NOTE 3: ADOPTION OF NEW ACCOUNTING STANDARDS

AASB16 Leases

The Group has applied the new accounting standard AASB16 *Leases* from 1 July 2019.

The Group previously classified property leases as operating or finance leases based on whether the lease transferred significantly all of the risks and benefits incidental to ownership of the underlying asset to the Group.

Under AASB 16, the Group recognises right of use assets and lease liabilities.

The Group recognises a right of use asset and a lease liability at the commencement of the lease. The right of use asset is initially measured at cost less any lease incentives. The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term. The right of use asset is reviewed for any impairment.

The lease liability is initially measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 July 2019. The Group uses a rate of 4%.

The Group excludes short term leases with less than 12 months tenure and leases relating to low value assets from the above recognition, these lease payments are recognised as an expense on a straight line basis over the lease term.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS**

The Group has applied the full retrospective restatement approach, under which all comparatives are restated, as well as the opening balance of the previous period. The comparative information at 30 June 2019 and 1 July 2018 is restated.

The adjustments to the Consolidated Statement of Financial Position are as follows (\$000s):

| | 30 June 2019 | | 1 July 2018 | |
|--|--------------|--------|-------------|--------|
| | DR | CR | DR | CR |
| Increase in right of use assets - property | 20,281 | | 22,845 | |
| Increase in lease liabilities (current) | | 4,894 | | 4,973 |
| Increase in lease liabilities (non-current) | | 21,900 | | 24,689 |
| Decrease in lease incentives | 2,012 | | 2,469 | |
| Increase in deferred tax assets | 1,922 | | 2,007 | |
| Cumulative impact to opening retained earnings | 2,578 | | 2,341 | |
| Decrease in non-controlling interest | 1 | | - | |

Amounts recognised in the Consolidated Statement of Comprehensive Income (\$000s)

| | Reporting Period | | Previous Period | |
|---|------------------|-------|-----------------|-------|
| | DR | CR | DR | CR |
| Increase in depreciation expense | 2,825 | | 2,331 | |
| Increase in interest expense | 636 | | 554 | |
| Decrease in premises expenses | | 3,253 | | 2,757 |
| Increase in income tax expense | | 2 | 29 | |
| Reduction in profit for the reporting period | (206) | | (157) | |
| Profit attributable to non-controlling interests | (3) | | - | |
| Profit attributable to members of the parent entity | (203) | | (157) | |

Amounts recognised in the Consolidated Statement of Cash Flows (\$000s)

| | Reporting Period | Previous Period |
|--|------------------|-----------------|
| Cash flows from operating activities | | |
| Reduction in payments to suppliers and employees | 3,481 | 2,985 |
| Increase in finance costs - interest | (636) | (554) |
| | 2,845 | 2,431 |
| Cash flows from financing activities | | |
| Increase in repayment of lease liability | (2,845) | (2,431) |

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**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS**

| | Reporting Period |
|--|------------------|
| Right of use assets | \$000s |
| Balance at 1 July 2019 | 20,281 |
| Additions – new leases | 14,611 |
| Depreciation charge for the half year | (2,825) |
| Balance 31 December 2019 | <u>32,067</u> |
| Lease Liabilities | |
| Balance at 1 July 2019 (current and non-current) | 26,794 |
| Additions – new leases | 14,611 |
| Lease payments | (2,845) |
| Balance 31 December 2019 | <u>38,560</u> |
| Current | 4,813 |
| Non-current | <u>33,747</u> |
| Total | <u>38,560</u> |
| Lease Liability - undiscounted | |
| Less than one year | 6,072 |
| One to five years | 23,375 |
| More than five years | 16,368 |
| Total undiscounted lease liabilities at 31 December 2019 | <u>45,815</u> |

NOTE 4: CHANGES IN ACCOUNTING POLICY

Trade receivables/unearned income and prepaid/accrued commission

The Group had been recognising a trade receivable when an invoice was raised at course enrolment, and tuition fees remained unpaid. An equal and opposite amount was recognised under the 'Tuition fees in advance (deferred income) account'. There was a corresponding treatment for commission: a commission was accrued as a liability but because it was not due until the course commences, it was recognised as a prepaid asset.

There was no net impact on net assets and no impact on profit until course commencement.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS**

The Group reviewed and changed this policy on trade receivables. A trade receivable is now only recognised when an invoice is raised at course enrolment, the tuition fees remain unpaid and the amount is earned (course delivered). As a result, the unearned portion of the invoice amount is removed from the debtor as well as from the 'Tuition fees in advance (deferred income) account'. The accrued and corresponding prepaid commission amounts have been removed.

This change, which took effect from 1 July 2019, facilitated a clearer position of the Group's trade receivables.

The change in accounting policy resulted in the restatement of trade and other receivables, tuition fees in advance (deferred income), other assets and trade and other payables for 30 June 2019 and 1 July 2018. There is no impact on net assets or profit and loss. The Group believes that the change in the accounting policy is unlikely to affect the economic decisions of users of this financial report.

The restatement amounts are as follows:

| | 30 June 2019 | | 1 July 2018 | |
|--------------------------------------|--------------|-------|-------------|-------|
| | DR | CR | DR | CR |
| Decrease in trade receivables | | 2,270 | | 2,737 |
| Decrease in tuition fees in advance | 2,270 | | 2,737 | |
| Decrease in other current assets | | 514 | | 540 |
| Decrease in trade and other payables | 514 | | 540 | |

NOTE 5: PROFIT FOR THE PERIOD

| | \$000s | |
|---|------------------|-----------------|
| | Reporting Period | Previous Period |
| Depreciation and amortisation expenses | | |
| Depreciation of plant and equipment | 433 | 463 |
| Amortisation of intangible assets | 88 | 88 |
| Depreciation of right of use assets (note 3) | 2,825 | 2,331 |
| Total | 3,346 | 2,882 |
| Finance costs | | |
| Interest and bank facility fees | 74 | 126 |
| Interest recognized on lease liability (note 3) | 636 | 554 |
| Total | 710 | 680 |

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 6: POST BALANCE DATE EVENTS

Other than the eruption of the COVID-19 disease, there are no matters or circumstances that have arisen since 31 December 2019 which 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 subsequent financial years.

The results for the period under review have not been affected by the spread of this virus that broke out in China. Student enrolments from China make up less than 4% of the total enrolments at 31 January 2020 (including future starts). Should the pandemic continue, there is expected to be a negative effect on international travel and students from overseas. There is no estimate as to the future impact on the business at this time.

NOTE 7: CONTINGENT LIABILITES

There has been no change in contingent liabilities since the last annual reporting period.

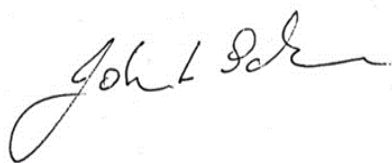
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**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION**

The Directors of the company declare that, in the Directors' opinion:

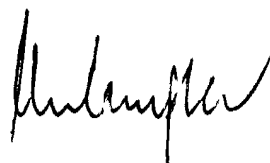
1. The financial statements and notes, as set out on pages 6 to 14, are in accordance with the *Corporations Act 2001*, including
 - a. Complying with accounting standard AASB 134: *Interim Financial Reporting*, and
 - b. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half year ended on that date.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



John Schlederer
Director

Sydney
19 February 2020



Christopher Campbell
Director

For personal use only



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF

ACADEMIES AUSTRALASIA GROUP LIMITED

REPORT ON THE HALF YEAR FINANCIAL REPORT

We have reviewed the accompanying half year financial report of Academies Australasia Group Limited ("the Company" and its subsidiaries ("the Group")), which comprises the consolidated condensed balance sheet as at 31 December 2019 and the consolidated condensed income statement, consolidated condensed statement of changes in equity and consolidated condensed cash flow statement for the half year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration.

DIRECTORS' RESPONSIBILITY FOR THE HALF YEAR FINANCIAL REPORT

The directors of the Company are responsible for the preparation and fair presentation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and with the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group financial position as at 31 December 2019 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENCE

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. 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 provided to the directors as at the date of this auditor's review report.

CONCLUSION

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Pilot Partners

PILOT PARTNERS
Chartered Accountants



DANIEL GILL
Partner

Signed on 19 February 2020

Level 10
1 Eagle Street
Brisbane Qld 4000