

17 February 2016

Company Announcements Office
Australian Securities Exchange

Via ASX Online

(Page 1 of 17)

ANNOUNCEMENT

HALF YEAR REPORT

In accordance with ASX Listing Rule 4.2A, attached are the following reports for the half year ended 31 December 2015:

- Appendix 4D – Half Year Report
- Financial Report (includes Directors' Report and Independent Review Report to Members)

This information should be read in conjunction with the Academies Australasia Group Limited Annual Report for the year ended 30 June 2015.

Chris Grundy
Company Secretary

For further information call Chris Grundy, CFO, or Christopher Campbell on +61 2 9224 5555.

Academies Australasia has been operating for 107 years and listed on the Australian Securities Exchange for 38 years. The group comprises 18 separately licensed colleges operating in New South Wales, Victoria, South Australia, Western Australia and Queensland in Australia, and in Singapore. The group offers more than 250 qualifications in a wide range of recognised courses at different levels – Certificates, Diplomas, Advanced Diplomas and Bachelor and Master Degrees. Over the years, Academies Australasia colleges have taught tens of thousands of students from 122 countries, including 6 dependencies.

Appendix 4D

Half Year Report

Half year information given to ASX under listing rule 4.2A

Introduced 1/1/2003.

| |
|--|
| ACADEMIES AUSTRALASIA GROUP ABN: 93 000 003 725 |
|--|

| | | |
|----|---|-----------|
| 1. | Half-year ended ('reporting period') | 31-Dec-15 |
| | Half-year ended ('previous corresponding period') | 31-Dec-14 |

2. Results for announcement to the market

\$A'000

| | | | | |
|-----|---|------|---------|--------------|
| | Movements from previous corresponding period | | | |
| 2.1 | Revenues from ordinary activities | up | \$98 | to \$28,355 |
| 2.2 | Profit from ordinary activities after tax | down | \$2,465 | to (\$1,410) |
| 2.3 | Net profit for the period attributable to owners of the parent entity | down | \$2,203 | to (\$1,334) |

3. Commentary

- 3.1 Revenue from ordinary activities increased from \$28,257,000 to \$28,355,000.
- 3.2 Earnings before interest, tax, depreciation and amortisation (EBITDA) was a loss of \$1,047,000, compared to positive EBITDA of \$2,293,000 in the previous corresponding period.
- There were two major factors that contributed to the disappointing \$3,340,000 decline in EBITDA. Spectra's fall in EBITDA was about 72% of the Group figure. The new business generated by Spectra during the period under review was not enough to compensate for the reducing business from a major client whose contract was being completed. The structure and strategic direction of Spectra is under review.
- Apart from Spectra, the revaluation of group investments accounted for about 34% of the drop in EBITDA.

**This half year report is to be read in conjunction with the most recent
annual financial report.**

4. Net tangible Assets

Net tangible asset backing per ordinary share

| Reporting period | Previous corresponding |
|-------------------------|-------------------------|
| -6.6 cents ^a | -6.2 cents ^b |

a. Based on 73,362,802 shares at 31 December 2015

b. Based on 62,063,484 shares at 31 December 2014 and the Balance Sheet re-stated for the early-adoption of AASB 15 "Revenue from Contracts with Customers"

5 Dividends

There were no dividends declared or paid during the period

6 Dividend reinvestment plans

No dividend reinvestment plans were in operation during the reporting period or the previous corresponding 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 incorporated in Singapore.

9 Issue of new shares

On 16 November 2015, Academies Australasia Group Limited issued 13,299,495 new fully paid ordinary shares raising \$3,990,000

10. Re- statement of comparatives

With effect from 1 July 2015, the consolidated entity early-adopted the new Accounting Standard AASB 15 '*Revenue from Contracts with Customers*'.

In early-adopting the new Standard the Group re-stated the Statement of Comprehensive Income for the year ended 30 June 2014 as well as the Statement of Financial Position as at 30 June 2014.

Details of the bases for and effect of early adoption of the Standard are set out in the 2015 Annual Financial Report.

| | Dec-14 \$000s | Jun-14 \$000s |
|---|------------------|------------------|
| Statements of comprehensive income: | | |
| Change in revenue (unearned fee income) | -49 | -2,104 |
| Change in costs of services (recruitment costs deferred) | -107 | 589 |
| Change in income tax expense | 76 | 410 |
| Change in total comprehensive income | -80 | -1,105 |
| Change in profit attributable to non-controlling interests | -27 | -119 |
| Change in profit attributable to members of the parent entity | -107 | -986 |
| Statements of financial position: | | |
| Change in retained profits at the beginning of the | -3,381 | -2,276 |
| Change in net profit after tax and minority interests for | -107 | -986 |
| Change in non-controlling interests | 27 | -119 |
| Change in total equity | -3,461 | -3,381 |
| Change in prepayments (recruitment costs deferred) | 1,044 | 1,185 |
| Change in deferred tax assets | 1,275 | 1,114 |
| Change in payables, current (unearned fee income) | -5,780 | 5,765 |
| Change in deferred tax liability | - | -85 |
| Change in net assets | -3,461 | -3,381 |

Signed:

Chris Grundy
(Chief Financial Officer)

Date: 17 February 2016

ACADEMIES AUSTRALASIA GROUP LIMITED
ABN 93 000 003 725
AND CONTROLLED ENTITIES

HALF YEAR CONSOLIDATED FINANCIAL REPORT
31 DECEMBER 2015

| Contents | Page |
|---|-------------|
| Directors' Report | 1 – 2 |
| Auditor's Independence Declaration | 3 |
| Consolidated Income Statement | 4 |
| Consolidated Balance Sheet | 5 |
| Consolidated Statement of Changes in Equity | 6 |
| Consolidated Cash Flow Statement | 7 |
| Notes to the Financial Statements | 8 – 9 |
| Directors' Declaration | 10 |
| Independent Auditor's Review Report | 11 –12 |

ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
DIRECTORS' REPORT
For the half year ended 31 December 2015

Your directors submit the financial report of the economic entity for the half year ended 31 December 2015.

Directors

The names of directors who held office during or since the end of the half year are:

John Lewis Schlederer
Christopher Elmore Campbell
Chiang Meng Heng
Gabriela Del Carmen Rodriguez
Gary William Cobbledick (Resigned 14 January 2016)
Raphael Geminder (Resigned 24 September 2015)
Bill Foo (Appointed 1 July 2015)

Review of Operations

A summary of the Statement of Financial Performance for the half year ended 31 December 2015 is set out below:

| | 31.12.2015 \$000s | 31.12.2014 \$000s Restated |
|---|----------------------|----------------------------------|
| Total Revenue | <u>28,355</u> | <u>28,257</u> |
| Operating (Loss) Profit Before Income Tax | <u>(2,317)</u> | <u>1,150</u> |
| Operating (Loss) Profit After Income Tax | <u>(1,410)</u> | <u>1,055</u> |

Revenue from ordinary activities increased by \$98,000 to \$28,355,000.

Earnings before interest, tax, depreciation and amortisation (EBITDA) was a loss of \$1,047,000, compared to positive EBITDA of \$2,293,000 in the previous corresponding period.

There were two major factors that contributed to the disappointing \$3,340,000 decline in EBITDA. Spectra's fall in EBITDA was about 72% of the Group figure. The new business generated by Spectra during the period under review was not enough to compensate for the reducing business from a major client whose contract was being completed. The structure and strategic direction of Spectra is under review.

Apart from Spectra, about 34% of the drop in EBITDA arose from the revaluation of Group investments.

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

For the half year ended 31 December 2015

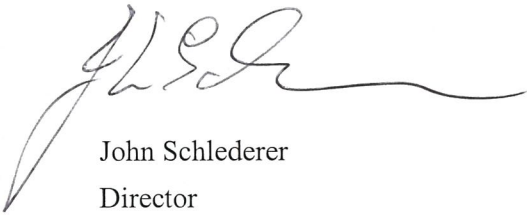
Shares Issued

On 16 November 2015, Academies Australasia Group Limited issued 13,299,495 new fully paid ordinary shares in a rights issue raising \$3,990,000.


Auditor's Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half year ended 31 December 2015 is set out on page 3.

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



John Schlederer
Director



Christopher Campbell
Director

Sydney
17 February 2016

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ACADEMIES AUSTRALASIA GROUP LIMITED**

I declare that to the best of my knowledge and belief, during the half year ended 31 December 2015, 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

17th

February 2016

Level 10, Waterfront Place
1 Eagle Street
Brisbane Qld 4000

ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
CONSOLIDATED INCOME STATEMENT
For the half year ended 31 December 2015

| | Note | 31.12.2015 \$000s | 31.12.2014 \$000s Restated |
|---|------|----------------------|----------------------------------|
| Revenue | | 28,355 | 28,257 |
| Student acquisition and teaching costs | | (13,422) | (11,702) |
| Gross profit | | 14,933 | 16,555 |
| Personnel expenses | | (8,489) | (8,487) |
| Premises expenses | | (4,299) | (3,859) |
| Other administration expenses | | (3,228) | (2,772) |
| | | (1,083) | 1,437 |
| Other income | | 36 | 856 |
| (Loss) Profit before interest, depreciation and amortisation | | (1,047) | 2,293 |
| Depreciation and amortisation expenses | | (883) | (724) |
| Interest paid | | (553) | (463) |
| Interest received | | 166 | 44 |
| (Loss) Profit before income tax | | (2,317) | 1,150 |
| Income tax | | 907 | (95) |
| (Loss) profit for the period | | (1,410) | 1,055 |
| Other comprehensive income | | | |
| Exchange differences on translating foreign controlled entities | | (27) | 33 |
| Other comprehensive income for the year, net of tax | | (27) | 33 |
| Total comprehensive income for the year | | (1,437) | 1,088 |
| (Loss) Profit attributable to non-controlling interest | | (76) | 186 |
| (Loss) Profit attributable to members of the parent entity | | (1,334) | 869 |
| | | (1,410) | 1,055 |
| Total comprehensive income attributable to | | | |
| Owners of the parent entity | | (1,361) | 901 |
| Non-controlling interest | | (76) | 187 |
| Earnings per share: | | | |
| Basic earnings per share (cents per share) | | (0.20) | 1.40 |

The accompanying notes form part of these financial statements.

ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
CONSOLIDATED BALANCE SHEET
For the half year ended 31 December 2015

| | 31.12.2015 | 30.06.2015 |
|--------------------------------------|-------------------|-------------------|
| | \$000s | \$000s |
| Current Assets | | |
| Cash and cash equivalents | 8,677 | 7,078 |
| Trade and other receivables | 9,028 | 8,884 |
| Other current assets | 4,589 | 4,096 |
| Investments | 2,824 | 3,224 |
| Total Current Assets | 25,118 | 23,282 |
| Non-Current Assets | | |
| Trade and other receivables | 3,170 | 4,553 |
| Plant and equipment | 6,546 | 6,790 |
| Deferred tax assets | 2,776 | 1,820 |
| Intangible assets | 33,002 | 33,097 |
| Total Non-Current Assets | 45,494 | 46,260 |
| Total Assets | 70,612 | 69,542 |
| Current Liabilities | | |
| Trade and other payables | 21,584 | 20,354 |
| Current tax liabilities | 330 | - |
| Borrowings | 5,797 | 5,653 |
| Provisions | 1,728 | 1,750 |
| Total Current Liabilities | 29,439 | 27,757 |
| Non-Current Liabilities | | |
| Trade and other payables | - | 1,300 |
| Borrowings | 8,266 | 9,825 |
| Provisions | 4,859 | 5,098 |
| Total Non-Current Liabilities | 13,125 | 16,223 |
| Total Liabilities | 42,564 | 43,980 |
| NET ASSETS | 28,048 | 25,562 |
| EQUITY | | |
| Issued capital | 36,523 | 32,533 |
| Retained earnings | (8,711) | (7,377) |
| Foreign Currency Translation Reserve | 66 | 93 |
| Non-Controlling Interest | 170 | 313 |
| TOTAL EQUITY | 28,048 | 25,562 |

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 2015

| | \$000s | \$000s | \$000s | \$000s | \$000s | \$000s |
|--|----------|---------|----------|-------------|--------|---------|
| | Ordinary | Other | Retained | Non - | | |
| Note | Shares | Equity | Profits | Controlling | | |
| | | | | Interest | | Total |
| Balance at 1.7.2015 restated | 32,533 | - | (7,377) | 93 | 313 | 25,562 |
| Profit for the period | - | - | (1,334) | - | (76) | (1,410) |
| Exchange differences on translating foreign operations | - | - | - | (27) | - | (27) |
| Total comprehensive income for the period | - | - | (1,334) | (27) | (76) | (1,437) |
| Share issue | 3,990 | - | - | - | - | 3,991 |
| Dividend paid | - | - | - | - | (67) | (67) |
| Balance at 31.12.2015 | 36,523 | - | (8,711) | 66 | 170 | 28,048 |
| Balance at 1.7.2014 as previously reported | 25,446 | 7,087 | (1,319) | 58 | 322 | 31,594 |
| Restatement (note 6) | - | - | (3,262) | - | (119) | (3,381) |
| Restatement | 25,446 | 7,087 | (4,581) | 58 | 203 | 28,213 |
| Profit for the period restated | - | - | 869 | - | 186 | 1,055 |
| Exchange differences on translating foreign operations | - | - | - | 33 | - | 33 |
| Total comprehensive income for the period | - | - | 869 | 33 | 186 | 1,088 |
| Share issue | 7,087 | (7,087) | - | - | - | - |
| Acquisition of subsidiary | - | - | - | - | 15 | 15 |
| Dividend paid | - | - | (1,862) | - | (80) | (1,942) |
| Balance at 31.12.2014 | 32,533 | - | (5,574) | 91 | 324 | 27,374 |

The accompanying notes form part of these financial statements.

ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
CONSOLIDATED CASHFLOW STATEMENT
For the half year ended 31 December 2015

| | Economic Entity | |
|--|------------------------|-------------------|
| | 31.12.2015 | 31.12.2014 |
| | \$000s | \$000s |
| Cash Flows From Operating Activities | | |
| Receipts from customers | 29,860 | 29,200 |
| Payments to suppliers and employees | (29,311) | (29,941) |
| Interest received | 166 | 44 |
| Finance costs | (553) | (463) |
| Income taxes paid | 694 | (630) |
| | | |
| Net cash provided by operating activities | 855 | (1,790) |
| | | |
| Cash Flows From Investing Activities | | |
| Proceeds from sale of plant & equipment | - | - |
| Purchase of non-current assets | (301) | (311) |
| Net cash on acquisition/disposal of subsidiary | (1,464) | (8,858) |
| | | |
| Net cash used in investing activities | (1,765) | (9,169) |
| | | |
| Cash Flows From Financing Activities | | |
| Proceeds from borrowings | 67 | 10,111 |
| Proceeds from share issue | 3,990 | - |
| Dividends Paid | - | (1,942) |
| Repayment of borrowings | (1,560) | (678) |
| | | |
| Net cash used in financing activities | 2,497 | 7,491 |
| | | |
| Net increase/(decrease) in cash held | 1,586 | (3,468) |
| Cash at the beginning of period | 4,619 | 7,833 |
| Cash at the end of the period | 6,205 | 4,365 |

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 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 2015 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*.

(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 2015.

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 2015. The adoption of these new and revised Standards and Interpretations has not resulted in any changes to the consolidated entity's accounting policies. Investments are held at fair value based on publicly available market prices at the reporting date.

(b) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period. With effect from 1 July 2014, comparative figures have been re-stated – see note 6 below.

NOTE 3: DIVIDEND PAID

No dividend was paid or proposed during the period

NOTE 4: POST BALANCE DATE EVENTS

There are no other matters or circumstances that have arisen since 31 December 2015 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.

NOTE 5: ISSUE OF NEW SHARES

On 16 November 2015, Academies Australasia Group Limited issued 13,299,495 new fully paid ordinary shares in a rights issue raising \$3,990,000.

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

NOTE 6: RE-STATEMENT OF COMPARATIVE AMOUNTS

With effect from 1 July 2015, the consolidated entity early-adopted the new Accounting Standard AASB 15 '*Revenue from Contracts with Customers*'. In early-adopting the new Standard the Group re-stated the Statement of Comprehensive Income for the year ended 30 June 2014 as well as the Statement of Financial Position as at 30 June 2014. Details of the bases for and effect of early adoption of the Standard are set out in the 2015 Annual Financial Report.

The adjustments to comparative amounts were as follows:

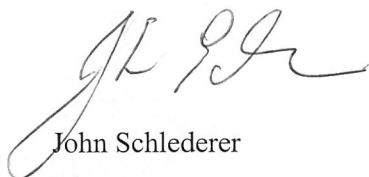
| | Dec 2014 | June 2014 |
|--|----------|-----------|
| | \$000s | \$000s |
| Statements of comprehensive income: | | |
| Change in revenue (unearned fee income) | (49) | (2,104) |
| Change in costs of services (recruitment costs deferred) | (107) | 589 |
| Change in income tax expense | 76 | 410 |
| Change in total comprehensive income | (80) | (1,105) |
| Change in profit attributable to non-controlling interests | (27) | (119) |
| Change in profit attributable to members of the parent entity | (107) | (986) |
| Statements of financial position: | | |
| Change in retained profits at the beginning of the financial period | (3,381) | (2,276) |
| Change in net profit after tax and minority interests for the financial period | (107) | (986) |
| Change in non-controlling interests | 27 | (119) |
| Change in total equity | (3,461) | (3,381) |
| Change in prepayments (recruitment costs deferred) | 1,044 | 1,185 |
| Change in deferred tax assets | 1,275 | 1,114 |
| Change in payables, current (unearned fee income) | (5,780) | 5,765 |
| Change in deferred tax liability | - | (85) |
| Change in net assets | (3,461) | (3,381) |

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 4 to 9, 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 2015 and of its performance for the half year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



John Schlederer
Director



Christopher Campbell
Director

Sydney
17 February 2016

INDEPENDENT AUDIT 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, which comprises the consolidated condensed balance sheet as at 31 December 2015 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 as set out on pages 4 to 11.

DIRECTORS' RESPONSIBILITY FOR THE HALF YEAR FINANCIAL REPORT

The directors of Academies Australasia Group Limited 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 Academies Australasia Group Limited financial position as at 31 December 2014 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 Academies Australasia Group Limited, 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 audit, 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 Academies Australasia Group Limited on 17 February 2016 would be in the same terms if given to the directors at the time of the auditor's review report.

OPINION

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 Academies Australasia Group Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of 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*.



PILOT PARTNERS
Chartered Accountants



DANIEL GILL
Partner

Signed on

17th

February 2016

Level 10
1 Eagle Street
Brisbane Qld 4000