

24 February 2017

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 2016:

- 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 2016.

Stephanie Noble  
Company Secretary

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

*Academies Australasia has been operating for 108 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-16
	Half-year ended ('previous corresponding period')	31-Dec-15

### 2. Results for announcement to the market

\$A'000

	Movements from previous corresponding period			
2.1	Revenues from ordinary activities	down	1.40%	to \$27,970
2.2	Profit from ordinary activities after tax	up	\$1,865	to \$455
2.3	Net profit for the period attributable to owners of the parent entity	up	\$1,693	to \$359

### 3. Commentary

- 3.1 Revenue from ordinary activities decreased from \$28,355,000 to \$27,970,000.
- 3.2 Earnings before interest, tax, depreciation and amortisation (EBITDA) was a positive of \$1,830,000, compared to a negative EBITDA of \$1,047,000 in the previous corresponding period.

**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
-9.5 cents <sup>a</sup>	-6.6 cents <sup>b</sup>

a. Based on 76,162,979 shares at 31 December 2016

b. Based on 75,362,979 shares at 31 December 2015

**5 Dividends**

There were no dividends declared or paid during the period

There was no conduit foreign income 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. Share Issue**

On 23 August 2016, the Company issued 800,000 new fully paid ordinary shares for a consideration of \$200,000.

**10. Bank Facilities**

The Group had the following bank facilities available:

	31.12.2016 \$000s
Cash advance facilities available	8,372
Amount utilised	<u>-8,372</u>
	<u>-</u>
Overdraft facility available	2,500
Amount utilised	<u>-2,360</u>
	<u>140</u>

*Bank overdrafts*

Bank overdraft facilities are arranged with the general terms and conditions being set and agreed annually. Interest rates are variable and subject to adjustment.

*Cash Advance Facilities*

\$6,748,000 of the facilities expire on 14 June 2019 and \$1,624,000 of the facilities expire on 30 June 2017. Amortisation and repayment commitments from 1 January to 30 June 2017 would reduce bank debt at 30 June 2017 by \$3,979,000.

**11. Directors' Loans**

At 31 December 2016, unsecured loans provided by three directors, Chiang Meng Heng, Christopher Campbell and Dr John Schlederer, amounted to \$1,500,000, \$500,000 and \$275,000 respectively. Interest on the loans accrued and payable to these directors during the half year amounted to \$52,000. All the loans by directors noted above incur interest at the prevailing ANZ Bank rate applicable to its secured overdraft facility.

Signed: .....

Date: 24 February 2017

Stephanie Noble  
(Group Finance Manager)

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

**HALF YEAR CONSOLIDATED FINANCIAL REPORT**  
**31 DECEMBER 2016**

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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 2016**

Your directors submit the financial report of the economic entity for the half year ended 31 December 2016.

**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  
Sartaj Hans (Appointed 19 October 2016)  
Bill Foo (Resigned 17 October 2016)

**Review of Operations**

A summary of the Statement of Financial Performance for the half year ended 31 December 2016 is set out below:

	31.12.2016 \$000s	31.12.2015 \$000s
Total Revenue	<u>27,970</u>	<u>28,355</u>
Operating Profit (Loss) Before Income Tax	<u>777</u>	<u>(2,317)</u>
Operating Profit (Loss) After Income Tax	<u>455</u>	<u>(1,410)</u>

Revenue from ordinary activities decreased by \$385,000 to \$27,970,000.

Earnings before interest, tax, depreciation and amortisation (EBITDA) was a positive \$1,830,000, compared to negative EBITDA of \$1,047,000 in the previous corresponding period.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725**  
**AND CONTROLLED ENTITIES**  
**DIRECTORS' REPORT**  
**For the half year ended 31 December 2016**

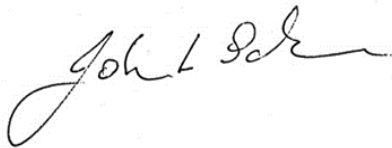
**Shares Issued**

On 23 August 2016, the Company issued 800,000 new fully paid ordinary shares to the vendor of Skills Training Australia. This represented \$200,000 of the final payment due to the vendor.

**Auditor's Declaration**

The auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half year ended 31 December 2016 is set out on page 3.

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



John Schlederer  
Director



Christopher Campbell  
Director

Sydney  
24 February 2017



**PILOT PARTNERS**

Chartered Accountants

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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 2016, there have been:

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

**PILOT PARTNERS**  
Chartered Accountants

**MICHAEL TRAYNOR**  
Partner

**Signed on** 24 February 2017

Level 10  
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 2016**

	Note	31.12.2016 \$000s	31.12.2015 \$000s
Revenue		27,970	28,355
Student acquisition and teaching costs		(11,737)	(13,422)
Gross profit		16,233	14,933
Personnel expenses		(7,732)	(8,489)
Premises expenses		(4,542)	(4,299)
Other administration expenses		(2,274)	(3,228)
		1,685	(1,083)
Other income		145	36
<b>Profit (loss) before interest, depreciation and amortisation</b>		1,830	(1,047)
Depreciation and amortisation expenses		(682)	(883)
Interest paid		(418)	(553)
Interest received		47	166
<b>Profit (loss) before income tax</b>		777	(2,317)
Income tax		(322)	907
<b>Profit (loss) for the period</b>		455	(1,410)
<b>Other comprehensive income</b>			
Exchange differences on translating foreign controlled entities		-	(27)
<b>Other comprehensive income for the year, net of tax</b>		-	(27)
<b>Total comprehensive income for the year</b>		455	(1,437)
Profit (loss) attributable to non-controlling interest		96	(76)
Profit (loss) attributable to members of the parent entity		359	(1,334)
		455	(1,410)
Total comprehensive income attributable to			
Owners of the parent entity		359	(1,361)
Non-controlling interest		96	(76)
<b>Earnings per share:</b>			
Basic earnings per share (cents per share)		0.05	(0.20)

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 2016**

	<b>31.12.2016</b> <b>\$000s</b>	<b>30.06.2016</b> <b>\$000s</b>
<b>Current Assets</b>		
Cash and cash equivalents	8,732	8,068
Trade and other receivables	13,419	11,550
Other current assets	5,186	4,563
Investments	2,206	2,060
<b>Total Current Assets</b>	<b>29,543</b>	<b>26,241</b>
<b>Non-Current Assets</b>		
Trade and other receivables	2,790	3,018
Plant and equipment	7,158	6,293
Deferred tax assets	3,218	3,459
Intangible assets	32,973	32,924
<b>Total Non-Current Assets</b>	<b>46,139</b>	<b>45,694</b>
<b>Total Assets</b>	<b>75,682</b>	<b>71,935</b>
<b>Current Liabilities</b>		
Trade and other payables	28,009	25,971
Current tax liabilities	33	61
Borrowings	10,388	13,975
Provisions	2,312	1,928
<b>Total Current Liabilities</b>	<b>40,742</b>	<b>41,935</b>
<b>Non-Current Liabilities</b>		
Borrowings	2,914	-
Provisions	6,283	4,912
<b>Total Non-Current Liabilities</b>	<b>9,197</b>	<b>4,912</b>
<b>Total Liabilities</b>	<b>49,939</b>	<b>46,847</b>
<b>NET ASSETS</b>	<b>25,743</b>	<b>25,088</b>
<b>EQUITY</b>		
Issued capital	36,704	36,504
Retained earnings	(11,244)	(11,603)
Foreign Currency Translation Reserve	73	73
Non-Controlling Interest	210	114
<b>TOTAL EQUITY</b>	<b>25,743</b>	<b>25,088</b>

**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 2016**

		\$000s	\$000s	\$000s	\$000s	\$000s
	Note	Ordinary Shares	Retained Profits	Reserves	Non - Controlling Interest	Total
<b>Balance at 1.7.2016</b>		36,504	(11,603)	73	114	25,088
Profit for the period		-	359	-	96	455
Exchange differences on translating foreign operations		-	-	-	-	-
<b>Total comprehensive income for the period</b>		-	359	-	96	455
Share issue		200	-	-	-	200
Dividend paid		-	-	-	-	-
<b>Balance at 31.12.2016</b>		36,704	(11,244)	73	210	25,743
<b>Balance at 1.7.2015</b>		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)
<b>Total comprehensive income for the period</b>		-	(1,334)	(27)	(76)	(1,437)
Share issue		3,990	-	-	-	3,990
Dividend paid		-	-	-	(67)	(67)
<b>Balance at 31.12.2015</b>		36,523	(8,711)	66	170	28,048

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725**  
**AND CONTROLLED ENTITIES**  
**CONSOLIDATED CASHFLOW STATEMENT**  
**For the half year ended 31 December 2016**

	<b>Economic Entity</b>	
	<b>31.12.2016</b>	<b>31.12.2015</b>
	<b>\$000s</b>	<b>\$000s</b>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	26,914	29,860
Payments to suppliers and employees	(25,385)	(29,313)
Interest received	47	166
Finance costs	(366)	(553)
Income taxes paid	(111)	694
Net cash provided by operating activities	1,099	854
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale of plant & equipment	27	-
Purchase of non-current assets*	(674)	(301)
Net cash on acquisition/disposal of subsidiary	938	(1,464)
Net cash used in investing activities	291	(1,765)
<b>Cash Flows From Financing Activities</b>		
Proceeds from borrowings	775	67
Proceeds from share issue	-	3,990
Repayment of borrowings	(1,451)	(1,560)
Net cash used in financing activities	(676)	2,497
Net increase/(decrease) in cash held	714	1,586
Cash at the beginning of period	5,658	4,619
Cash at the end of the period	6,372	6,205

\*Non-cash finance and investing activity - During the period, the group obtained the benefit of fit-outs in respect to a new lease entered into by the group, to the value of \$854,000.

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 2016 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 2016.

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 2016. 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.

**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 2016 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: SHARE ISSUE**

On 23 August 2016, the Company issued 800,000 new fully paid ordinary shares for a consideration of \$200,000.

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

**NOTE 6: BANK FACILITIES**

The Group had the following bank facilities available:

	<b>31.12.2016</b> <b>\$000s</b>
Cash advance facilities available	8,372
Amount utilised	(8,372)
	<hr/> -
Overdraft facility available	2,500
Amount utilised	(2,360)
	<hr/> 140

*Bank overdrafts*

Bank overdraft facilities are arranged with the general terms and conditions being set and agreed annually. Interest rates are variable and subject to adjustment.

*Cash Advance Facilities*

\$6,748,000 of the facilities expire on 14 June 2019 and \$1,624,000 of the facilities expire on 30 June 2017. Amortisation and repayment commitments from 1 January to 30 June 2017 would reduce bank debt at 30 June 2017 by \$3,979,000.

**NOTE 7: DIRECTORS' LOANS**

At 31 December 2016, unsecured loans provided by three directors, Chiang Meng Heng, Christopher Campbell and Dr John Schlederer, amounted to \$1,500,000, \$500,000 and \$275,000 respectively. Interest on the loans accrued and payable to these directors during the half year amounted to \$52,000

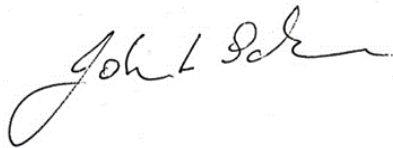
All the loans by directors noted above incur interest at the prevailing ANZ Bank rate applicable to its secured overdraft facility.

**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 2016 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 Schleder  
Director



Christopher Campbell  
Director

Sydney  
24 February 2017



#### PILOT PARTNERS

Chartered Accountants

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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 2016 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, notes comprising a summary of significant accounting policies, other explanatory information and the directors' declaration.

#### DIRECTORS' RESPONSIBILITY FOR THE HALF YEAR FINANCIAL REPORT

The directors of Academies Australasia Group Limited are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the 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's financial position as at 31 December 2016 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 2016 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**  
Chartered Accountants



**MICHAEL TRAYNOR**  
Partner

Signed on 24 of February 2017

Level 10  
1 Eagle Street  
Brisbane Qld 4000