



ACADEMIESAUSTRALASIA

THE POSSIBILITIES ARE INFINITE

ACADEMIES AUSTRALASIA GROUP LIMITED
ANNUAL REPORT 2017
ACN 000 003 725

ACADEMIES AUSTRALASIA GROUP LIMITED

ANNUAL REPORT 2017

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REPORT OF THE CHAIRMAN AND THE GROUP MANAGING DIRECTOR

Dear Shareholder

We are very pleased, and proud, of the Company's performance in FY17. It was a year marked by substantial negativity in the domestic market, especially the VET sector, arising from the inadequately regulated VET Fee Help scheme, the resultant abuse, the collapse of many providers and then, sadly, the displacement of students who are the innocent victims.

Against this difficult and very challenging background, with one hand tied behind our back by an anxious lender wanting their umbrella back because of inclement weather (and not helping by increasing their lending rates), the Company:

- achieved a nearly \$10 million improvement in EBITDA, over FY16.
- achieved the second highest EBITDA in its 109-year history,
- reduced total borrowings by \$8.38 million (60%) to \$5.59 million, which is substantially below EBITDA, and
- turned around the operations of SPT from a negative EBITDA of \$3.04 million in FY16 to breakeven, and a clear view to a positive result this year.

We are grateful to all our colleagues who helped to achieve these results – some at substantial personal sacrifice. We also appreciate the patience and loyalty of our shareholders who stayed the course. Thank you.

Our business environment

The domestic market continues to be difficult. While the VET Fee Help scheme has been replaced by the Vet Student Loan scheme (VSL), the smell of the previous scheme continues to linger; it will take a while for students and parents to be confident that loan schemes will be properly thought through and administered. We are delighted to report that 3 of our colleges have VSL approval: BMC, RBT and STA.

The international sector is brighter. Indeed, Australia is very favourably placed when compared to our main competitors, the USA, the UK and Canada. But we do seem to need better coordination at the Federal level. While the International Education Association of Australia and Austrade do an excellent job in promoting Australia, we continue to struggle with the rationale for many visa rejections by the Department of Immigration and Border Protection. The contribution of international education to Australia's economy continues to grow to record levels (\$24 billion in FY17), and is the second largest export industry. We are well positioned in this market: We have 12 colleges registered on CRICOS: which means that they have courses which are approved for international students. We were preoccupied with domestic issues in FY16 and FY17. In FY18, there will be more attention and resources devoted to international business, especially in Agriculture, Nursing and Hospitality.

FY17 Highlights:

- EBITDA: \$6.44 million (FY16: Loss of \$3.14 million)
- Total borrowings: \$5.59 million (FY16: \$13.97 million)
- Revenue increased by 6% to \$58.44 million (FY16: \$55.21 million)
- Before tax profit from ordinary activities: \$4.31 million (FY16: Loss of \$5.88 million)
- After tax profit from ordinary activities: \$3.04 million (FY16: Loss of \$4.31 million)
- EPS: 3.7 cents (FY16: Negative 6.0 cents)

Dividend

In light of the strong result, the Company has declared a fully franked dividend of 0.5 cents per share.

Outlook

The present global geopolitics, over which we have no influence, have the potential to blow up more than student aspirations to come to Australia to study. And it must be acknowledged that, in Australia, the party in power has only a one-vote majority and is divided within – suggesting that it would be futile to expect clear, long-term policies with respect to education any time soon. These two issues aside, assuming the domestic and international markets for education do not change significantly, we are confident that our performance will continue to improve. We have a network of 18 colleges in 5 states in Australia, and in Singapore, offering more than 250 qualifications in a variety of fields. And we have an experienced core senior management team that have worked together for many years, who have displayed both expertise and resilience in difficult waters.

Rights Issue

The Rights Issue that was successfully completed towards the end of FY17 enabled the Company to reduce borrowings substantially. Bank debt is now substantially below EBITDA. The total number of shares on issue is now 126,754,079. We welcome Andrew Low, the underwriter, as a substantial shareholder with 12,326,981 shares (9.73%). He also has options over 5,000,000 shares. Now returned to Sydney, Mr Low is Chairman, Australia at CITIC CLSA and holds other senior positions in the CITIC CLSA group's global operations.

Premises

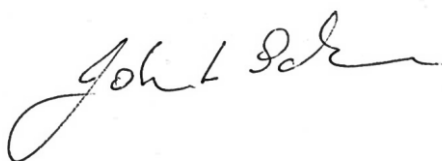
Significant resources were spent on relocations to larger or more efficient premises during the year. DE moved to Collins Street in Melbourne, LLI moved to Roe Street in Perth where they were joined by the Perth operations of AAI and SPT, while SPT and VOS in Victoria were relocated to Little Collins Street in Melbourne. RBT extended its operations in Dubbo to the University of New England campus in Armidale – where AAI will also be operating courses in Agriculture.

Board


At the invitation of the Board, Sartaj Hans joined the Board as an independent, non-executive Director in October last year. Mr Hans chairs the Audit and Risk Committee. He will stand for election at the Annual General Meeting.

Acknowledgement

On behalf of the Board, we would like to thank all shareholders, students, clients, partners and associates, for their loyalty and support. And also express sincere appreciation to all the members of management and staff for a sterling performance in FY17. Thank you.



Dr John Lewis Schlederer
Chairman



Christopher Elmore Campbell
Group Managing Director and CEO

18 August 2017

109th ANNUAL DIRECTORS' REPORT

Your Directors present their report on Academies Australasia Group Limited (the Company) and its controlled entities (jointly the Group) for the year ended 30 June 2017.

DIRECTORS

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

Dr John Lewis Schlederer	
Christopher Elmore Campbell	
Chiang Meng Heng	
Gabriela Del Carmen Rodriguez Naranjo	
Sartaj Hans	Appointed 19 October 2016
Bill Say Mui Foo	Resigned 17 October 2016

Dr John Lewis Schlederer, Christopher Elmore Campbell, Chiang Meng Heng and Gabriela Del Carmen Rodriguez Naranjo have all been in office since the start of the financial year to the date of this report.

Details on the Directors and Company Secretaries are set out on pages 7 to 8.

PRINCIPAL ACTIVITY

The principal activity of the Group during the financial year was the provision of training and education services.

CONSOLIDATED RESULT

Consolidated result

The consolidated profit of the Group for the financial year, after providing for income tax and eliminating non-controlling entity interests, amounted to \$3,041,000 (2016: Loss \$4,312,000).

REVIEW OF OPERATIONS

A review of the operations of the Group during the financial year and the results of those operations is as follows:

- Revenue from operating activities increased by 6% to \$58,289,000 (2016: \$54,985,000).
- Profit from ordinary activities before income tax was \$4,306,000 compared to a loss of \$5,879,000 in the previous year.

Dividends Paid or Proposed

There were no dividends paid during the financial year

The Directors have announced the payment of a fully franked dividend of 0.5 cents per share (\$634,000) to be paid on 8 November 2017.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were several significant changes compared to FY16.

- i) Total borrowings during the year decreased by \$8,384,000 to \$5,591,000.
- ii) SPT recorded a breakeven EBITDA (FY16: Negative EBITDA of \$3.04 million).
- iii) The investment in Redhill Education Limited was marked to market at 30 June 2017 (\$1.26 a share), recording a gain of \$994,000 for the year (FY16: Loss \$1,163,000).
- iv) Net assets increased by \$9,190,000 to \$34,278,000 (FY16: Decreased by \$474,000).

There were no other significant changes in the company's state of affairs occurred during the financial year.

ISSUE OF SHARES

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

On 23 June 2017, 50,591,100 new fully paid ordinary shares were issued in a pro-rata non-renounceable rights issue, raising \$5,973,000, net of costs (\$98,000).

EVENTS AFTER THE REPORTING DATE

There were no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Chairman's and the Group Managing Director's Report (Pages 2 and 3) addresses the Group's outlook.

ENVIRONMENTAL ISSUES

The Group's operations are not subject to any significant environmental legislation.

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company's constitution provides an indemnity to officers of the Company. The Company is required to pay all costs, losses and expenses that an officer may incur by reason of any contract entered into or act or thing done by them in the discharge of their duties except where they act dishonestly.

The Company has paid an insurance premium amounting to \$19,000 in respect of a directors and officers liability insurance policy covering the directors' and officers' liabilities as officers of the Company.

OPTIONS

The June 2017 rights issue was underwritten for a fee payable of 5 million options over unissued shares at an exercise price of:

- 15 cents per share (a 25% premium to the rights issue price) if exercised between 1 January 2018 to 30 June 2018; or
- 25 cents per share (a 108% premium to the rights issue price) if exercised between 1 July 2018 to 31 December 2018.

The exercise window is from 1 January to 31 December 2018, or at any time after a person, other than a person who already has a relevant interest of 20% or more in AKG's voting securities, acquires a relevant interest of 20% or more in AKG's voting securities.

There are no other options over unissued share capital.

ROUNDING OF AMOUNTS

The Director's report is presented in Australian Dollars and rounded to the nearest thousand dollars in accordance with Instrument 2016/191.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY as at the date of this report

Dr John Lewis Schlederer Non-executive Director, appointed 21 August 2009 (8 years), Chairman since 1 January 2014 (3 years 7 months).
Qualifications B.Sc. (Hons), Grad. Diploma, PhD.
Experience More than 20 years teaching experience at University of New South Wales and TAFE NSW and many years in business.
Interest in Shares 7,955,198 shares (6.28%)
Special Responsibilities Chairman of the Board. Chairman of the Remuneration Committee. Member of the Audit and Risk Committee.
Directorships held in other listed entities None

Christopher Elmore Campbell Group Managing Director and Chief Executive Officer, appointed 1 July 1996 (21 years 2 months).
Qualifications B.Soc.Sci. (Hons), FFin, FAICD, FCIS, FSCA.
Experience Experience in mergers and acquisitions and more than 15 years' experience in managing educational institutions. Previous positions include senior appointments with the Monetary Authority of Singapore and an international bank in Australia.
Director, Asia Society Australia.
Director, ACPET (from 20 March 2017)
Interest in Shares 15,666,666 shares (12.36%)
Special Responsibilities Member of the Remuneration Committee.
Directorships held in other listed entities None.

Chiang Meng Heng Non-executive Director, appointed 15 February 2000 (17 years 6 months).
Executive Chairman of Academies Australasia College Pte. Limited (a wholly-owned subsidiary company operating in Singapore) until 1 January 2017.
Qualifications BBA (Hons).
Experience Previous positions include Treasurer, Citibank NA, Singapore and Hong Kong; Adviser & Head, Banking Supervision, Monetary Authority of Singapore; President, Asia Commercial Bank Ltd; Managing Director, First Capital Corporation Ltd; Executive Director, Far East Organization and Group Managing Director, Lim Kah Ngam Ltd.
Interest in Shares 51,185,961 shares (40.38%)
Special Responsibilities Member of the Audit and Risk Committee and Remuneration Committee.
Directorships held in other listed entities Far East Orchard Limited (Listed on the Singapore Exchange).

**Gabriela Del Carmen
Rodriguez Naranjo**

Qualifications

Experience

Interest in Shares

Special Responsibilities

Directorships held in other listed
entities

Executive Director, appointed 21 October 2013 (3 years 10 months).
Alternate Director, May 2011 to December 2013 (3 years 7 months),
(Alternate to Neville Thomas Cleary (Retired 31 December 2013)).

B. Comp.Sci, B.Sci. Sys. Eng, MAICD.

Joined the Group in April 2001. More than 15 years' experience
managing educational institutions, including experience in
acquisitions, marketing, regulatory compliance, curriculum
development and lecturing.

Director, COPHE from 17 May 2017.

80,549 shares (0.06%)

Group Chief Operating Officer from 15 August 2017. Joint Company
Secretary from 14 September 2016.

None

Sartaj Hans

Qualifications

Experience

Interest in Shares

Special Responsibilities

Directorships held in other listed
entities

Independent, Non-executive Director, appointed 19 October 2016 (10
months)

B.E. Honours (Electronics)

Experience in information technology and superannuation at BT
Financial Group, the wealth management arm of Westpac. A pivotal
role in the development of Goulbourn Health Hub, a medical facilities
project in Goulbourn. Many years experience in managing investments
and financial affairs in private family companies.

688,096 shares (0.54%)

Chairman of the Audit and Risk Committee (Appointed 19 October
2016).

None

COMPANY SECRETARIES

Stephanie Noble

Qualifications

Experience

Other Responsibilities

Appointed 27 November 2006

BA (Hons) Accounting, FCCA (UK), CPA (Australia).

More than 10 years as Company Secretary of Academies
Australasia Group Limited.

Group Finance Manager

**Gabriela Del Carmen
Rodriguez Naranjo**

Appointed 14 September 2016

See Information on Directors.

MEETINGS OF DIRECTORS

<u>Director</u>	<u>Directors' Meetings</u>		<u>Audit and Risk Committee</u>		<u>Remuneration Committee</u>	
	<u>A</u>	<u>B</u>	<u>A</u>	<u>B</u>	<u>A</u>	<u>B</u>
Dr John Lewis Schlederer	4	4	2	2	1	1
Christopher Elmore Campbell	4	4	2	2	1	-
Chiang Meng Heng	4	4	2	2	1	1
Gabriela Del Carmen Rodriguez Naranjo	4	4	2	2	-	-
Sartaj Hans from 19 October 2016	1	1	1	1	-	-
Bill Say Mui Foo to 17 October 2016	3	3	1	1	-	-

A - Number of meetings held during the time the Director held office during the period

B - Number of meetings attended

INFORMATION ON SENIOR EXECUTIVES

Christopher Elmore Campbell Group Managing Director and Chief Executive Officer
See Information on Directors.

Gabriela Del Carmen Rodriguez Naranjo Group Chief Operating Officer (since 15 August 2017)
See Information on Directors.

Melinda Burgess Director, Strategic Operations (since 15 July 2016)
Qualifications B.A, GradDipAgedServMgmt, DipQualityAuditing.
Experience 20 years' experience in the VET sector, managing operations in RTOs.
Founder STA.
Interest in Shares 811,936 shares (0.64%)
Previous experience includes Case Management, Aged and Community Care Management and Aged Care Accreditation.
Other Responsibilities Member of Victorian State Committee of ACPET since 2012.

Stephanie Noble Group Finance Manager
See Information on Company Secretaries.

Esther Teo Chief Executive Officer of AAPoly
Qualifications MBA, GradDipMgmt.
Experience 30 years' senior management experience in Singapore and Australia, including roles in retail, information technology, strategic business planning and supply chain management.
10 years of tertiary teaching, curriculum design and education management.

REMUNERATION REPORT – AUDITED

Remuneration Policies

The Remuneration Committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to the Group Managing Director and Chief Executive Officer, Senior Executives and the Directors themselves. This role also includes responsibility for share option schemes, performance incentive packages, superannuation entitlements, retirement and termination entitlements, fringe benefit policies and professional indemnity and liability insurance policies. Remuneration levels are set to attract appropriately qualified and experienced directors and senior executives.

During the year, the members of the Remuneration Committee were Dr John Lewis Schlederer, Chiang Meng Heng and Christopher Elmore Campbell.

All executives receive a fixed base salary, which is based on factors such as market factors and experience, and superannuation (as required by law). Executives may sacrifice part of their salary towards superannuation.

There are 5 million options over unissued capital (See page 6). The Company does not have an employee share option plan.

All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed.

Non-executive Directors' remuneration comprises fixed fees. The maximum aggregate amount of fees that can be paid to Non-executive Directors is subject to approval by shareholders at the Annual General Meeting. The amount approved at the 2009 Annual General Meeting is \$250,000 per annum. Fees for Non-executive Directors are not linked to the performance of the Group.

Directors and Senior Executives

a. Directors and Senior Executives

Details of the Directors and Senior Executives holding office at any time during the financial year are set out on pages 7 to 9.

b. Directors and Senior Executives Remuneration

30 June 2017 Directors and Senior Executives	Short-term employee benefits			Post- employment benefits	Total
	Cash, salary and commissions	Bonus	Non-monetary benefits	Superannuation	
	\$000s	\$000s	\$000s	\$000s	
Dr John Lewis Schlederer	24	-	-	35	59
Christopher Elmore Campbell	371	-	-	79	450
Chiang Meng Heng	32	-	-	3	35
Gabriela Del Carmen Rodriguez Naranjo	182	-	-	17	199
Sartaj Hans from 19 October 2016	18	-	-	2	20
Bill Say Mui Foo to 17 October 2016	17	-	-	2	19
Stephanie Noble	145	-	-	14	159
Chris Grundy to 9 December 2016	95	-	-	30	125
Esther Teo	135	-	-	35	170
Melinda Burgess	162	-	-	15	177
Ingeborg Loon to 30 June 2017	176	-	-	15	191
	1,357	-	-	247	1,604

30 June 2016 Directors and Senior Executives

	Short-term employee benefits			Post- employment benefits	Total
	Cash, salary and commissions	Bonus	Non-monetary benefits	Superannuation	
	\$000s	\$000s	\$000s	\$000s	
Dr John Lewis Schlederer	28	-	-	35	63
Christopher Elmore Campbell	371	-	-	79	450
Chiang Meng Heng	32	-	-	3	35
Bill Say Mui Foo	24	-	-	2	26
Gabriela Del Carmen Rodriguez Naranjo	182	-	-	17	199
Gary William Cobbledick ^a	238	-	-	18	256
Chris Grundy	215	-	-	35	250
Stephanie Noble	145	-	-	14	159
Esther Teo	134	-	-	39	173
Melinda Burgess	158	-	-	22	180
Ingeborg Loon	162	-	-	15	177
	1,689	-	-	279	1,968

^a Senior executive from 1 June 2014 to 14 January 2016, Director from 23 October 2014 to 14 January 2016.

None of the remuneration paid to any Director or Senior Executive is tied to any specific performance condition.

c. Options issued as part of remuneration for the year ended 30 June 2017

The Group has no employee share plan. No options were granted as part of remuneration.

d. Employment contracts of Senior Executives

The employment conditions of all Senior Executives are formalised in written contracts of employment. Generally, the employment contracts stipulate a one-month notice period. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the company can terminate employment at any time.

Christopher Elmore Campbell has agreed to a further term of 3 years following the expiration of his current contract on 31 December 2017.

e. Loans from Directors

The loans to the Company by three Directors, Messrs Chiang Meng Heng, Christopher Campbell and John Schlederer, amounting to \$1,500,000, \$500,000 and \$275,000 respectively were paid in June 2017 from the proceeds of the share issue. Interest on the loans paid to these Directors during the financial year amounted to \$155,000.

AUDITORS' INDEPENDENCE DECLARATION

The Auditor's Independence Declaration for the year ended 30 June 2017 appears on page 13 and forms part of the Directors' Report for the year ended 30 June 2017.

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services by the external auditors, Pilot Partners, during the year is compatible with the general standard of independence of auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditors' independence for the following reasons:

- All non-audit services are reviewed and approved by the Audit and Risk Committee.
- The nature of services provided does not compromise the general principles relating to audit independence.

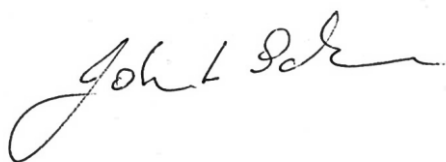
The following fees were paid or payable for non-audit services to the external auditors during the year ended 30 June 2017:

- | | |
|---------------------|-----------|
| • Taxation services | \$60,000 |
| • Other services | \$271,000 |

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement and its Key to Disclosures, Corporate Governance Council Principles and Recommendations (ASX Appendix 4G) are provided to ASX together with the Company's Annual Report. The Corporate Governance Statement is on the Company's website: www.academies.edu.au

Signed in accordance with a resolution of the Board of Directors pursuant to section 298 (2)(a) of the Corporations Act 2001.



Dr John Lewis Schlederer
Director



Christopher Elmore Campbell
Director

18 August 2017



PILOT PARTNERS

Chartered Accountants

Level 10, Waterfront Place
1 Eagle St. Brisbane 4000

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Queensland Australia

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pilotpartners.com.au

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 year ended 30 June 2017, 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

CHRIS KING
Partner

Signed on 18 August 2017

Level 10
1 Eagle Street
Brisbane Qld 4000

ACADEMIES AUSTRALASIA GROUP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Note	2017 \$000s	2016 \$000s
Revenue from continuing operations	2	58,289	54,985
Student acquisition and teaching costs	3	(24,233)	(25,359)
Gross profit		34,056	29,626
Personnel expenses	3	(14,298)	(14,421)
Premises expenses	3	(9,124)	(8,429)
Other administration expenses	3	(4,408)	(5,156)
		6,226	1,620
Re-structure and re-organisation costs	3	(836)	(3,592)
		5,390	(1,972)
Unrealised gain/(loss) on investments	2	994	(1,163)
Other income	2	54	-
Earnings before interest, depreciation and amortisation		6,438	(3,135)
Depreciation and amortisation expense		(1,440)	(1,882)
Loss on disposal assets		(39)	-
Interest paid		(753)	(1,089)
Interest received		100	227
Profit/(loss) before income tax		4,306	(5,879)
Income tax expense	4	(1,265)	1,567
Profit/(loss) for the year		3,041	(4,312)
Other comprehensive income:			
Exchange differences on translating foreign controlled entities		(18)	(20)
Other comprehensive income for the year, net of tax		(18)	(20)
Total comprehensive income for the year		3,023	(4,332)
Profit attributable to:			
Owners of the parent entity		2,855	(4,226)
Non-controlling interests		186	(86)
		3,041	(4,312)
Total comprehensive income attributable to:			
Owners of the parent entity		2,837	(4,246)
Non-controlling interests		186	(86)
		3,023	(4,332)
Earnings per share (cents per share)			
Basic	7	3.7	(6.0)
Diluted	7	3.7	(6.0)
Dividends per share (cents)	8	0.0	0.0

The accompanying notes form part of these financial statements.

ACADEMIES AUSTRALASIA GROUP LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Note	2017 \$000s	2016 \$000s
Current Assets			
Cash and cash equivalents	9	10,488	8,068
Trade and other receivables	10	10,550	8,731
Other current assets	11	6,249	4,563
Investments	12	3,054	2,060
Total Current Assets		30,341	23,422
Non-Current Assets			
Trade and other receivables	10	2,586	3,018
Plant and equipment	14	7,159	6,293
Deferred tax assets	15	2,953	3,459
Intangible assets	16	32,966	32,924
Total Non-Current Assets		45,664	45,694
Total Assets		76,005	69,116
Current Liabilities			
Tuition fees in advance (Deferred income)	17	19,156	14,708
Trade and other payables	17	7,669	8,444
Current tax liabilities	4	621	61
Borrowings	18	2,893	13,975
Provisions	19	2,242	1,928
Total Current Liabilities		32,581	39,116
Non-Current Liabilities			
Borrowings	18	2,698	-
Provisions	19	6,448	4,912
Total Non-Current Liabilities		9,146	4,912
Total Liabilities		41,727	44,028
Net Assets		34,278	25,088
Equity			
Share capital	20a	42,677	36,504
Share option reserve		88	-
Accumulated losses		(8,748)	(11,603)
Foreign currency translation reserve		55	73
Non-controlling interests		206	114
Total Equity		34,278	25,088

The accompanying notes form part of these financial statements.

ACADEMIES AUSTRALASIA GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2017

	Ordinary Shares	Share Option Reserve	Retained Profits	Reserves	Non - Controlling Interests	Total
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Year ended 30 June 2016	36,504	-	(11,603)	73	114	25,088
Profit for the period	-	-	2,855	-	186	3,041
Exchange differences on translating foreign operations	-	-	-	(18)	-	(18)
Total comprehensive income for the year	-	-	2,855	(18)	186	3,023
Issue share capital	6,173	-	-	-	-	6,173
Share option	-	88	-	-	-	88
Acquisition of subsidiaries	-	-	-	-	(77)	(77)
Dividend proposed	-	-	-	-	(17)	(17)
Balance at 30 June 2017	42,677	88	(8,748)	55	206	34,278
Year ended 30 June 2015	32,533	-	(7,377)	93	313	25,562
Profit for the period	-	-	(4,226)	-	(86)	(4,312)
Exchange differences on translating foreign operations	-	-	-	(20)	-	(20)
Total comprehensive income for the year	-	-	(4,226)	(20)	(86)	(4,332)
Issue share capital	3,971	-	-	-	-	3,971
Dividend paid	-	-	-	-	(113)	(113)
Balance at 30 June 2016	36,504	-	(11,603)	73	114	25,088

The accompanying notes form part of these financial statements.

ACADEMIES AUSTRALASIA GROUP LIMITED
CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2017

	Note	2017 \$000s	2016 \$000s
Cash Flows from Operating Activities			
Receipts from customers		60,200	56,985
Payments to suppliers and employees		(53,317)	(55,468)
Interest received		100	227
Finance costs		(631)	(1,069)
Income taxes paid		(199)	427
Net cash provided by (used in) operating activities	24a	6,153	1,102
Cash Flows from Investing Activities			
Proceeds from sale of plant & equipment		35	12
Purchase of plant & equipment		(965)	(981)
Net cash on acquisition/disposal of subsidiaries		(21)	(1,464)
Net cash provided by (used in) investing activities		(951)	(2,433)
Cash Flows from Financing Activities			
Dividends paid		-	(47)
Proceeds from borrowings		780	1,573
Repayment of borrowings		(5,455)	(3,126)
Proceeds from rights issue		3,435	3,971
Net cash provided by (used in) financing activities		(1,240)	2,371
Net increase in cash held		3,962	1,040
Net cash at the beginning of the financial year		5,658	4,618
Net cash at the end of the financial year	9	9,620	5,658

The accompanying notes form part of these financial statements.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The financial report includes the consolidated financial statements of Academies Australasia Group Limited and controlled entities (the Group). Details of the parent entity can be found in Note 28 on page 47.

Academies Australasia Group Limited is a listed public company, incorporated and domiciled in Australia. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards which set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial statements were authorised for adoption on 18 August 2017.

New, revised or amending Accounting Standards and Interpretations

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Except for the early-adoption of AASB 15 '*Revenue from Contracts with Customers*', (Note 1(o) on page 25), no other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been adopted early.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: 'Property, Plant and Equipment' in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, the directors and management are working to quantify the impact of this change.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Bases of preparation

The financial report has been prepared on the accruals basis and is based on historical costs, modified by the revaluation of certain non-current assets, financial assets and financial liabilities, for which the fair value basis of accounting has been applied. The financial report is presented in Australian Dollars and rounded to the nearest thousand dollars in accordance with Instrument 2016/191.

Accounting Policies

a. Basis of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Academies Australasia Group Limited) and all its subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 13 on page 34.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

b. Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination is accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of one month or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

d. Trade and other receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 10 on page 33 for further information on the determination of impairment losses.

e. Financial instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ii. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

iii. *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

iv. *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is the price the Group would receive to sell an asset in an orderly transaction between independent, knowledgeable and willing parties at measurement date. The only financial asset or liability carried at fair value is investments. Fair value is determined by a number of market and observable factors, including quoted prices, market activity levels, the financial position and performance of the investment and the relative size of the Group's shareholding. They are categorised as a Level 1 in the fair value hierarchy of the Accounting Standards (market inputs are used to determine fair value).

Financial guarantees

Where material, financial guarantees are issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 15: '*Revenue from Contracts with Customers*'. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 15.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

Interest borrowing costs

Interest payable costs are recognised as expenses in the period in which they are incurred.

f. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group, are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Operating lease rental payments are recognised on a straight line basis over the lease term and contingent rental payments are recognised in the period when incurred.

Assets receivable under lease incentives are recognised when the Group has a contractual right to them and they can be reliably estimated. Where applicable, specific categories of assets received under such arrangements are recognised in the appropriate asset heading and accounted for in accordance with the Group's applicable accounting policy for that asset.

Lease incentives under operating leases are recognised as a liability and amortised as a reduction in rent on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which the economic benefits from the leased asset are consumed.

g. Leasehold Improvements and plant and equipment

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

h. Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight-line or a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	12.5 – 22.5%
Plant and equipment	5 – 40%
Leased plant and equipment	5 – 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

i. Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- the consideration transferred
- any non-controlling interest; and
- the acquisition date fair value of any previously held equity interest

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest.

The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (*full goodwill method*) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (*proportionate interest method*). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes of these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Intangible assets

Intangible assets include course development costs and other intangible assets.

Course development costs are capitalised where they can be related to the development of an identifiable and separable resource and which yields particular streams of future economic benefits. They are only capitalised when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably. These capitalised costs are amortised over their useful lives starting from the time the development of a particular resource is complete and available for use. The period of amortisation is from 2 to 5 years.

k. Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Collectibility of trade debtors is reviewed on an ongoing basis. Debts are written off when they are known to be uncollectible. A provision for doubtful debts is raised where some doubt as to collection exists and is the difference between the total amount owing and the amount expected to be recovered.

l. Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m. Provisions and employee benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

n. Issued capital

Ordinary shares are classified as equity, and are recognised at the fair value of the consideration received by the company. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Revenue

With effect from 1 July 2014, the consolidated entity has early-adopted the new Accounting Standard AASB 15 '*Revenue from Contracts with Customers*'. This Standard applies to annual reporting periods beginning on or after 1 January 2017 and it may be applied to annual reporting periods beginning on or after 1 January 2015.

The consolidated entity, in adopting the new AASB 15, changed its basis for recognising income in accordance with that standard. The change follows analysis of the Group's contracts with its customers, the rights and obligations emanating from those contracts and the possible risks associated with receiving payments for revenue generating contractual services provided by the Group. In making its assessments, the Group formed its opinion for the appropriate accounting based on its business judgement and careful consideration of the customer contract.

Each contract was broken down into performance obligations and revenue to be recognised as those performance obligations are completed.

Revenue is recognised over the period of tuition, upon completion of specific performance obligations of each of the contracts. No revenue is recognised prior to a student commencing the tuition phase of delivery. As all student contracts are for the provision of tuition, income for tuition is recognised as training is provided. Payment terms vary from contract to contract but in most cases cash is received prior to the performance obligation being delivered. Foreign students in particular are required to pay some level of tuition in advance. Monies received in advance are held as unearned income and recognised as revenue as the performance obligations are satisfied. The unearned income (tuition fees in advance) at 30 June 2016 has been recognised as revenue in FY17 (net of any refunds paid). Generally, the Group's obligations in respect of refunds cease after the course commences.

Revenue derived from the provision of education services is measured at the fair value of consideration received or receivable to the extent that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised over the duration of each agreement to provide education services. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Rental revenue is recognised on a straight line accrual basis over the term of the lease.

All revenue is stated net of the amount of goods and services tax (GST).

p. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Academies Australasia Group Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2003.

The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

r. Foreign currency transactions and balances

Foreign currency transactions are translated into Australian currency (the functional currency) using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Foreign Group Companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at the end of the financial year;
- income and expenses are translated at average rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s. Earnings per share

Basic earnings per share are calculated as net profit attributable to members of the parent divided by the weighted average number of ordinary shares.

t. Comparative figures

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

u. Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. These changed estimates and judgements are considered significant items of revenue and expenses relevant in explaining the financial performance.

Key Estimates – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. Further details on the key estimates used in impairment can be found in Note 16 on page 38. No impairment has been recognised in respect of goodwill for the year ended 30 June 2017.

Key Estimates – Revenue

The extent to which performance obligations have been satisfied in respect of student revenue is estimated as per the revenue policy (Note 1(o) on page 25).

v. Segment reporting

An operating segment is a component of an entity

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)
- whose operating results are regularly reviewed by the entity's Board to make decisions about resources to be allocated to the segment and assess its performance
- for which discrete financial information is available

The Company has only one operating segment: Education.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

w. Going concern

These financial statements have been prepared adopting the going concern assumption, which contemplates the orderly realisation of assets and payment of liabilities in the ordinary course of business.

The Board is currently satisfied that there are reasonable grounds to assume that the Company will meet its future financial obligations as and when they fall due.

The following factors support this assumption:

- Positive cash flow for the year of \$3,962,000.
- Positive cash flow from operations for the year of \$6,153,000.
- Substantial cash holdings across the Group of \$10,488,000 of which \$8,721,000 million is required to be held in the TPS controlled accounts.
- Repayment of \$8,384,000 of total debt during the year and servicing of all debt interest obligations.
- As at 30 June 2017, bank debt (excluding contingent facilities) had been reduced to \$5,500,000.
- Signing of new facility agreement with the bank including successful completion of all conditions precedent, and meeting bank covenants at 30 June 2017.
- Repayment of loans from Directors.
- Positive net assets of \$34,278,000.

The Board recognises that the Statement of Financial Position presents a net current liability position of \$2,240,000. Included in this are tuition fees paid in advance, of \$19,156,000. This is not an amount payable in the ordinary course of business and will be recognised as income as tuition is delivered.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

	2017 \$000s	2016 \$000s
2. REVENUE		
Operating activities		
Services revenue	58,289	54,985
Non-operating activities		
Rent received	54	-
Interest received	100	227
Total Revenue	58,443	55,212
Revaluation of investment (Note 12)	994	(1,163)
3. PROFIT FOR THE YEAR		
Student acquisition and teaching costs		
- Teaching costs	14,933	16,152
- Agency commission	7,417	7,612
- Teaching materials	1,883	1,595
	24,233	25,359
Personnel costs		
- Wages and Salaries	11,594	11,352
- Superannuation	1,329	1,483
- Payroll Tax	837	881
- Other	538	705
	14,298	14,421
Premises		
- Rental	8,037	7,301
- Electricity	323	353
- Cleaning	441	432
- Other	323	343
	9,124	8,429
Other administration expenses		
- Other administration expenses	4,349	5,033
- Bad debts	59	123
	4,408	5,156
Restructure and re-organisation costs		
- Costs of personnel now retrenched, including redundancies	637	2,392
- Costs of premises now vacated, including make-good payments	199	404
- Costs of marketing and other projects discontinued or cancelled	-	796
	836	3,592

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

2017
\$000s

2016
\$000s

4. INCOME TAX EXPENSES

- a. The components of tax expense comprise:

Current tax	(759)	(72)
Deferred tax	(506)	1,639
	(1,265)	1,567

- b. The prima facie tax on profit from ordinary activities before tax is reconciled to income tax as follows:

Tax payable on (loss)/profit from ordinary activities before tax at 30%	1,292	(1,764)
Add/(less):		
Tax effect of:		
Permanent differences	(47)	50
Assumption of tax balances of controlled entities	20	147
Income tax expense attributable to the entity	1,265	(1,567)

The effective tax rate is 29.4% (2016: 26.7%)

- c. Current tax payable for the year reconciles as follows:

Opening provision	61	(399)
Add: Current year provision	759	62
Less: Over provision previous year	-	13
Less: Tax paid	(199)	385
Closing provision	621	61

5. EXECUTIVE DIRECTORS AND OTHER SENIOR EXECUTIVES COMPENSATION

- a. Details of Executive Directors and other Senior Executives has been set out in Information on Directors and in Information on Senior Executives on pages 7 to 9.
- b. Remuneration for Senior Executives has been included in the Remuneration Report section of the Directors' Report.
- c. **Shareholdings**

Number of shares in the Company held by Executive Directors, Senior Executives and parties related to them:

Shareholdings: Executive Directors and Senior Executives	Balance 1 July 2016	Purchased (i)	Rights Issue (ii)	Share Issue (iii)	Balance 30 June 2017
Christopher Elmore Campbell	9,160,970	265,047	6,240,649	-	15,666,666
Gabriela Rodriguez Naranjo	48,329	-	32,220	-	80,549
Melinda Burgess	11,936	-	-	800,000	811,936

- (i) Shares purchased/(sold) on market via the Australian Securities Exchange.
- (ii) Shares taken up from Rights Issue 23 June 2017.
- (iii) Shares issued on 23 August 2016 as part of final settlement on the acquisition of STA, value \$200,000

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

	2017 \$000s	2016 \$000s
6. AUDITORS' REMUNERATION		
Remuneration of the auditors of the parent entity for:		
- Auditing and reviewing the financial report	238	180
- Taxation services	60	66
- Due diligence and other services	271	278
	569	524

Remuneration of other auditors of subsidiaries for:		
- Auditing and reviewing the financial report	25	33
- Taxation services	2	2
- Other services	5	1
	32	36

7. EARNINGS PER SHARE

Basic (cents per share)	3.7	(6.0)
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Diluted (cents per share)	3.7	(6.0)
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Weighted average number of ordinary shares used in calculation of basic earnings per share	77,059,769	70,312,078
--------------------------------------------------------------------------------------------	-------------------	------------

- a. In estimating the fully diluted earnings per share, the share options of 5,000,000 have been included.
- b. The earnings amount used was \$2,855,000 (2016: loss \$4,226,000), being profit/ (loss) on ordinary activities after tax attributable to owners of the parent entity.

	2017 \$000s	2016 \$000s
8. DIVIDENDS		
Distributions recognised		
Year ended 30 June 2017 interim ordinary dividend of 0 cents per share, fully franked, (2016: 0 cents fully franked)	-	-
Year ended 30 June 2016 final ordinary dividend of 3.0 cents per share, fully franked, paid in 2017 (2015 0 cents fully franked paid in 2016)	-	-
	634	-
a. Dividends proposed or declared but not recognised in the financial statements:		
Proposed fully franked ordinary dividend of 0.5 cents per share	3,020	3,020
b. Balance of franking account at year end adjusted for franking credits arising from payment of income tax		

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

	2017 \$000s	2016 \$000s
9. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	10,488	8,068

The balance on the overdraft account is \$868,000 (2016: \$2,410,000) (Note 18). The net cash position is \$9,620,000 (2016: \$5,658,000)

Included in the above amounts are tuition fees held in Tuition Protection Scheme (TPS) accounts in Australia.

In 2012 the Education Services for Overseas Student Act 2000 ("ESOS Act") was amended to provide additional protection for international students studying in Australia. With effect from 1 July 2013, the Group is required to maintain, in Australia, separate bank accounts (TPS accounts) for prepaid fees received from international students prior to commencement of their course. Once the students commence their course, the funds may be transferred from the TPS accounts to operating cash reserves. At all times, the Group must ensure that there are sufficient funds in the TPS accounts to repay any prepaid tuition fees to international students who have not yet commenced their course. Fees paid by students who have commenced their course are deposited directly to operating cash reserves. All fees received, whether deposited to TPS or Group cash reserves are initially accounted for as unearned income, being subject to the Group's revenue recognition policy.

As at 30 June 2017, the Group held \$8,721,000 (2016: \$6,997,000) in TPS accounts.

	2017 \$000s	2016 \$000s
10. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	4,649	4,219
Less provision for impairment	(104)	(176)
	4,545	4,043
Receivable from the sale of Premier Fasteners	937	937
Lease incentives	407	304
Other receivables	4,661	3,447
	10,550	8,731
NON-CURRENT		
Receivable from the sale of Premier Fasteners	-	938
Lease incentives	2,586	2,080
	2,586	3,018
TOTAL		
Trade receivables	4,649	4,219
Less provision for impairment	(104)	(176)
	4,545	4,043
Receivable from the sale of Premier Fasteners	937	1,875
Lease incentives	2,993	2,384
Other receivables	4,661	3,447
	13,136	11,749

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

	2017 \$000s	2016 \$000s
10. TRADE AND OTHER RECEIVABLES (continued)		
a. The ageing analysis of trade receivables is as follows:		
0 -30 days	1,601	1,360
31- 60 days – not impaired *	511	747
61- 90 days – not impaired *	265	312
Over 90 days – not impaired *	2,168	1,624
Past due and impaired	104	176
	4,649	4,219

- * These are debtors that are past due for which no collateral is held and for which no provision for doubtful debts has been made as there has not been a significant change in credit quality and the directors believe that the amounts are still recoverable.
- b. The Group has an exposure to credit risk in Singapore and Australia given the Group's operations in those countries. For FY17, an amount of \$107,000 is included in trade and other receivables in respect of the business operations in Singapore. All other receivables of the Group are exposures in Australia.
- c. The receivable from the sale of Premier Fasteners is due in December 2017.

	2017 \$000s	2016 \$000s
11. OTHER ASSETS		
CURRENT		
Prepayments and accrued income	5,712	3,857
Security deposits	537	706
	6,249	4,563

12. INVESTMENTS

CURRENT		
Shares in Listed Corporations	3,054	2,060
	3,054	2,060

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

13. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned/Controlled	
		2017	2016
Academies Australasia Group Limited (Ultimate Parent Entity)			
Subsidiaries (controlled directly or indirectly)			
ACA Investment Holdings Pte. Limited	Singapore	100	100
Academies Australasia (Management) Pty Limited	Australia	100	100
Academies Australasia College Pte. Limited	Singapore	100	100
Academies Australasia Institute Pty Limited	Australia	100	100
Academies Australasia Polytechnic Pty Limited	Australia	100	100
Academies Australasia Pty Limited	Australia	100	100
Academy of English Pty Limited	Australia	100	100
AKG Investment Holdings Pty Limited	Australia	100	100
AKG2 Investment Holdings Pty Limited	Australia	100	100
AKG3 Investment Holdings Pty Limited	Australia	100	100
AKG4 Investment Holdings Pty Limited	Australia	100	100
AKG5 Investment Holdings Pty Limited	Australia	100	100
AKG6 Investment Holdings Pty Limited	Australia	100	100
AKG7 Investment Holdings Pty Limited	Australia	100	100
AMC Training Pty Limited	Australia	100	100
AMI Education Pty Limited	Australia	100	100
Australian College of Technology Pty Limited	Australia	100	100
Australian Institute of Professional Studies Pty Limited	Australia	100	100
Australian International High School Pty Limited	Australia	100	100
Australian Trades Institute Pty Limited	Australia	100	100
Benchmark Resources Pty Limited T/A Benchmark College	Australia	100	100
Centre for Australian Education Pte. Limited	Singapore	100	100
Clarendon Business College Pty Limited	Australia	100	100
Academies Australasia Hair and Beauty T/A Brisbane School of Hairdressing, Gold Coast School of Hairdressing, Brisbane School of Beauty and Brisbane School of Barbering	Australia	100	100
CLB Training & Development Pty Limited as trustee for the CLB Unit Trust T/A Spectra Training	Australia	100	100
Discover English Pty Limited	Australia	100	100
International College of Capoeira Pty Limited T/A College of Sports & Fitness	Australia	51	51
Humanagement Pty Limited T/A Print Training Australia	Australia	100	100
Kreate Pty Limited T/A RuralBiz Training	Australia	75	51
Language Links International Pty Limited	Australia	75	75
Live. Laugh. Learn. Pty Limited	Australia	100	100
Newco CLB Training & Development Pty Limited	Australia	100	100
Skilled Placements Pty Limited	Australia	100	100
Supreme Business College Pty Limited	Australia	100	100
Transformations – Pathways to Competence and Developing Excellence Pty Limited T/A Skills Training Australia	Australia	100	100
Vostro Institute of Training Australia Pty Limited	Australia	100	100

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

13. CONTROLLED ENTITIES (continued)

Acquisition of Controlled Entities

On 30 June 2017, AKG4 Investment Holdings Pty Limited acquired a further 24% of the issued capital of RBT. The purchase was satisfied by the payment of \$112,415 in cash. The Group now owns 75%.

		\$000
		Fair Value
Purchase consideration - cash		112
Net assets		
Cash	126	
Receivables	327	
Property, plant and equipment	25	
Payables	(156)	
	<u>322</u>	
Share acquired		<u>(77)</u>
Goodwill		35

14. PLANT AND EQUIPMENT

	2017 \$000s	2016 \$000s
Plant and equipment		
At cost	5,408	5,492
Accumulated depreciation	<u>(3,623)</u>	<u>(3,585)</u>
	<u>1,785</u>	<u>1,907</u>
Leasehold improvements		
At cost	8,626	7,181
Accumulated amortisation	<u>(3,341)</u>	<u>(2,858)</u>
	<u>5,285</u>	<u>4,323</u>
Leased plant and equipment		
Capitalised leased assets	289	215
Accumulated depreciation	<u>(200)</u>	<u>(152)</u>
	<u>89</u>	<u>63</u>
Total plant & equipment	<u>7,159</u>	<u>6,293</u>

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

14. PLANT AND EQUIPMENT (continued)

	Plant and equipment	Leasehold improvements	Leased plant and equipment	Total
Year ended 30 June 2017	\$000s	\$000s	\$000s	\$000s
Balance at the beginning of the year	1,907	4,323	63	6,293
Additions	332	1,770	74	2,176
Disposals	(47)	(26)	-	(73)
Depreciation expense	(405)	(766)	(48)	(1,219)
Net foreign currency difference arising on translation of financial statements of foreign operations	(2)	(16)	-	(18)
Carrying amount at the end of the year	1,785	5,285	89	7,159

Year ended 30 June 2016

Balance at the beginning of the year	2,254	4,410	126	6,790
Additions	315	756	-	1,071
Disposals	(12)	-	-	(12)
Depreciation expense	(652)	(845)	(63)	(1,560)
Net foreign currency difference arising on translation of financial statements of foreign operations	2	2	-	4
Carrying amount at the end of the year	1,907	4,323	63	6,293

15. DEFERRED TAX ASSETS / LIABILITIES

	2017 \$000s	2016 \$000s
Deferred Tax Asset	2,953	3,459

The deferred tax asset is made up of the following estimated tax benefits:

Temporary differences:

-deferred tax assets

-deferred tax liabilities

Tax losses:

-operating losses

4,677 3,881

(1,724) (1,219)

- 797

2,953 3,459

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

15. DEFERRED TAX ASSETS / LIABILITIES (continued)

	Opening Balance \$000s	Charged To Income \$000s	Closing Balance \$000s
Deferred Tax Assets			
Provisions	757	20	777
Unearned income	2,436	781	3,217
Other	688	(5)	683
	<u>3,881</u>	<u>796</u>	<u>4,677</u>
Deferred Tax Liabilities			
Plant & equipment	(208)	(37)	(245)
Investments	(519)	(298)	(817)
Prepayments and other	(492)	(170)	(662)
	<u>(1,219)</u>	<u>(505)</u>	<u>(1,724)</u>
Losses	<u>797</u>	<u>(797)</u>	<u>-</u>
Total	<u>3,459</u>	<u>(506)</u>	<u>2,953</u>

	2017 \$000s	2016 \$000s
Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(q) occur:		
Tax losses:		
-operating losses	<u>446</u>	<u>524</u>

16. INTANGIBLE ASSETS

	2017 \$000s	2016 \$000s
Goodwill at cost	32,694	32,666
Accumulated impairment losses	(382)	(382)
Net carrying value	<u>32,312</u>	<u>32,284</u>
Course development costs	1,992	1,751
Accumulated amortisation	(1,388)	(1,168)
Net carrying value	<u>604</u>	<u>583</u>
Other at cost	<u>50</u>	<u>57</u>
	<u>32,966</u>	<u>32,924</u>

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

16. INTANGIBLE ASSETS (continued)

	Goodwill	Course Development Costs	Other	Total
	\$000s	\$000s	\$000s	\$000s
Year ended 30 June 2017				
Balance at the beginning of the year	32,284	583	57	32,924
Foreign exchange AAC	(7)	-	-	(7)
Rebranding costs amortisation	-	-	(7)	(7)
Acquisition additional 24% RBT	35	-	-	35
Course development costs acquisition	-	241	-	241
Course development costs amortisation	-	(221)	-	(221)
Balance at the end of the year	32,312	604	50	32,966

Year ended 30 June 2016				
Balance at the beginning of the year	32,281	747	69	33,097
Foreign exchange AAC	3	-	-	3
Rebranding costs amortisation	-	-	(12)	(12)
Course development costs acquisition	-	158	-	158
Course development costs amortisation	-	(322)	-	(322)
Balance at the end of the year	32,284	583	57	32,924

The recoverable amount of each cash-generating unit is determined based on value in use calculations based upon 5 year forecasting. The model includes a sensitivity analysis allowing for a range of growth rates.

The following assumptions were used in the value in use calculations:

	Growth rate	Discount rate	Terminal Multiple
Education segment	2.5%	10%	2.5

The growth rate is a long-term average growth rate.

The discount rate used reflects entity and market specific factors

Assuming that the Group achieves its budget for FY18, impairment would be triggered if: the discount rate were to exceed 18%; or the growth rate were to be minus 8%; or the terminal value were to be less than 0.96.

Impairment would also be triggered in FY18 if the Group does not achieve certain minimum cash flows which are in line with those achieved in FY17. The minimum cash flows depend upon:

- The benefits of the cost savings and restructurings implemented in FY16 being maintained into future financial years; and
- The significant non-recurring costs incurred in FY16 not recurring in future years.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

	Note	2017 \$000s	2016 \$000s
17. TRADE AND OTHER PAYABLES			
CURRENT			
<u>Unsecured Liabilities</u>			
Tuition fees in advance (Deferred income)		19,156	14,708
Trade payables		2,592	1,913
Sundry payables and accrued expenses		5,077	5,384
		26,825	22,005
Payable to the vendor of STA		-	1,147
		26,825	23,152
18. BORROWINGS			
CURRENT			
<u>Secured Liabilities – Interest Bearing</u>			
Bank bills	18a	1,895	9,790
Overdraft	18a	868	2,410
Lease purchase agreements	18a	39	102
		2,802	12,302
<u>Unsecured Liabilities – Interest Bearing</u>			
Director's loans	18a	-	1,533
Other loans	18a	73	73
		73	1,606
<u>Unsecured Liabilities – Non - Interest Bearing</u>			
Other loans	18a	18	67
TOTAL CURRENT		2,893	13,975
NON-CURRENT			
<u>Secured Liabilities – Interest Bearing</u>			
Bank bills	18a	2,623	-
Lease purchase agreements	18a	75	-
		2,698	-
a. Total current and non-current secured liabilities:			
Bank bills	27	4,518	9,790
Overdraft	27	868	2,410
Lease purchase agreements	21, 27	114	102
		5,500	12,302
b. Total current and non-current unsecured liabilities:			
Director's loans	27	73	1,606
Other loans	27	18	67
		91	1,673
c. The carrying amounts of non-current assets pledged as security are:			
Floating charge over assets		43,796	42,816
Plant and equipment		89	63
		43,885	42,879

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

18. BORROWINGS (continued)

- d. The bank bills are secured by a floating charge over the assets of the parent entity and its wholly owned subsidiaries (other than those in Note 22).
- e. The lease purchase borrowings are additionally secured on the leased asset. The leases are due for repayment in 2020.

The major bank facilities comprise Bank overdraft, Cash Advance Facilities and Bank Guarantees

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

The Group's utilisation of bank facilities as at 30 June 2017 is shown in Note 24b on page 44.

	2017 \$000s	2016 \$000s
19. PROVISIONS		
CURRENT		
Employee entitlements	1,381	1,370
Lease incentives	861	558
	2,242	1,928
NON-CURRENT		
Employee entitlements	1,143	1,001
Lease incentives	5,305	3,911
	6,448	4,912
TOTAL		
Employee entitlements	2,524	2,371
Lease incentives	6,166	4,469
	8,690	6,840

ACADEMIES AUSTRALASIA GROUP LIMITED
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For the year ended 30 June 2017

20. SHARE CAPITAL

	2017	2017	2016	2016
	Share number	\$000s	Share number	\$000s

a. Issued Share Capital

Ordinary shares fully paid	126,754,079	42,677	75,362,979	36,504
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Ordinary share capital

Balance at the beginning of the financial year	75,362,979	36,504	62,063,484	32,533
Rights Issue on 16 November 2015	-	-	13,299,495	3,971
Ordinary share issue 23 August 2016, part settlement 3 rd tranche purchase STA	800,000	200	-	-
Pro-rata non-renounceable Rights Issue on 23 June 2017	50,591,100	5,973	-	-
Balance at the end of the financial year	126,754,079	42,677	75,362,979	36,504

b. Share Option Reserve

Share options	5,000,000	88	-	-
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i. Shares disclosure.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At a shareholders meeting each ordinary share is entitled to one vote when a poll is called. Otherwise, each shareholder has one vote on a show of hands.

The number of shares authorised is equal to the number of shares issued. Shares have no par value.

ii. Capital Management.

Management controls the capital of the Group in order to maintain an acceptable debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There were no changes in the Group's capital management procedures during the year.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

	Note	2017 \$000s	2016 \$000s
21. LEASING COMMITMENTS			
Lease purchase commitments			
Payable – minimum lease payments			
Not later than one year		41	109
Later than one year but not later than five years		80	-
Minimum lease payments		121	109
Less future finance charges		(7)	(7)
Present value of minimum lease payments	18a	114	102

At the end of the lease periods the lessor's charges over the plant and equipment cease, leaving the assets the unencumbered property of the Group.

Operating Lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2017 \$000s	2016 \$000s
Not later than one year	7,257	7,613
Later than one year but not later than five years	20,202	19,195
Later than five years	19,521	19,355
	46,980	46,163

The Group leases property under operating leases expiring from 1 year to 12 years. Lease payments comprise a base amount plus an incremental rental, based on either movement in the Consumer Price Index or minimum percentage increase criteria. During the year, the Group acquired a number of new leases. Lease incentives have been recognised in accordance with the Group's accounting policies.

22. CONTINGENT LIABILITIES

Contingent Liabilities

Corporate Guarantee

There is a corporate guarantee between wholly-owned Group companies as security for bank facilities in effect during the year. This guarantee does not include:

Academies Australasia College Pte. Limited
Centre for Australian Education Pte. Limited
Academies Australasia Hair and Beauty Pty Limited
Kreate Pty Limited
Language Links International Pty Limited
Humanagement Pty Limited
International College of Capoeira Pty Limited
AMC Training Pty Limited

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23. SEGMENT REPORTING

Business segments

The Company has determined that it has only one operating segment: Education.

Geographical information

The Group operates in Australia and Singapore. The revenues and non-current assets of the Group for the year ended 30 June 2017 are as follows:

Geographic Location	\$000s	A\$000s
	Australia	Singapore
Revenues from External Customers	54,901	3,388
Non-current assets	45,357	307

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments.

2017	2016
\$000s	\$000s

24. CASH FLOW INFORMATION

a. Reconciliation of cash flow from operations with profit after income tax

Profit after income tax	3,041	(4,312)
Non-cash flows in profit (loss)		
Amortisation	987	1,167
Depreciation	453	715
Net (profit)/loss on disposal of plant and equipment	38	-
Write-downs to recoverable amounts	59	123
Unrealised loss/(gain) on investments	(994)	1,163
Unrealised foreign exchange movement	8	(27)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	1,656	418
(Increase)/decrease in other current assets	(1,686)	(866)
(Increase)/decrease in intangibles	119	(26)
(Increase)/decrease in deferred tax assets	506	(1,639)
Increase/(decrease) in trade and other payables	2,054	3,934
Increase/(decrease) in tax payables	559	460
Increase/(decrease) in provisions	(647)	(8)
Cash flow from operations	6,153	1,102

ACADEMIES AUSTRALASIA GROUP LIMITED
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24. CASH FLOW INFORMATION (continued)

	2017 \$000s	2016 \$000s
b. Borrowing arrangements with banks		
Total Facilities		
Cash advance facilities available	6,139	11,438
Amount utilised	(4,518)	(9,790)
	1,621	1,648
Overdraft facility available	1,000	2,500
Amount utilised	(868)	(2,410)
	132	90

The major facilities are summarised as follows:

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

\$2,517,000 of the facilities expire on 30 June 2018 and \$3,622,000 of the facilities expire on 31 May 2020.

25. EVENTS AFTER THE BALANCE SHEET DATE

There were no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

26. RELATED PARTY TRANSACTIONS

Directors' transactions with the Company and the Group

Details of Directors' remuneration are set out in the Remuneration Report on pages 10 and 11. Directors are reimbursed for expenses incurred by them on behalf of the Group.

Directors' loans

In September 2015 the shareholders of CSF, a 51% owned subsidiary of the Company, extended loans totalling \$150,000 to the subsidiary. The minority shareholders, Messrs Julio Chaves and Andre Cerutti, who are directors of the subsidiary, each extended loans of \$36,750, their share of the \$150,000. Interest on the loans paid to these Directors during the financial year amounted to \$4,900.

The loans to the Company by three Directors, Messrs Chiang Meng Heng, Christopher Campbell and John Schlederer, amounting to \$1,500,000, \$500,000 and \$275,000 respectively were repaid in June 2017 from the proceeds of the share issue. Interest on the loans paid to these Directors during the financial year amounted to \$155,000.

All the loans by Directors noted above incurred interest at the prevailing ANZ Bank rate applicable to the Company's secured overdraft facility.

Other loans of \$18,000 disclosed in Note 18(b) comprise dividends payable as at 30 June 2017 to a director of RBT, a 75% owned subsidiary of the Company. The director is also the non-controlling shareholder of that subsidiary. No interest is accrued or payable on this loan.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

26. RELATED PARTY TRANSACTIONS (continued)

Directors' and specified executives' relevant interests in shares

See Directors' Report on pages 7 to 9.

Other related party transactions

Transactions between the Company and controlled entities comprise loans, management fees and interest and are eliminated on consolidation.

27. FINANCIAL INSTRUMENTS

a. Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

The main purpose of non-derivative financial instruments is to raise finance for operations.

i. Treasury Risk Management

Senior management meets on a regular basis to review currency and interest rate exposure and to evaluate treasury management strategies where relevant, in the context of the most recent economic conditions and forecasts.

ii. Financial Risks

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk.

Interest rate risk

The interest rate risk has been managed by the Group by reducing and in most cases eliminating interest bearing debt. Stand by facilities has been set with a combination of fixed and floating rate possibilities. There is no set policy as to the mix of interest rate exposures.

Foreign currency risk

The Group is exposed to foreign currency risk on its purchase of products and the sale of training and education courses to international students and on the translation of its foreign subsidiaries. The Group had not hedged foreign currency transactions as at 30 June 2017. Senior management continues to evaluate this risk on an ongoing basis.

Liquidity risk is managed by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained, where possible.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. In the education business, credit risk is minimised by, generally, collecting tuition fees in advance

Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

ACADEMIES AUSTRALASIA GROUP LIMITED
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27. FINANCIAL INSTRUMENTS (continued)

	Note	Weighted average interest rate	Floating interest rate \$000s	Fixed interest maturing in:		Non- Interest bearing \$000s	Total \$000s
				1 year or less \$000s	1 to 5 years \$000s		
Year ended 30 June 2017							
<i>Financial assets</i>							
Cash and cash equivalents	9	1.19%	10,488	-	-	-	10,488
Investments	12		-	-	-	3,054	3,054
Trade and other receivables	10		-	-	-	10,143	10,143
			10,488	-	-	13,197	23,685
<i>Financial liabilities</i>							
Trade and other payables	17		-	-	-	7,669	7,669
Bank bills	18	3.69%	-	1,895	2,623	-	4,518
Overdraft		7.12%	-	868	-	-	868
Lease purchase agreements	18	5.75%	-	39	75	-	114
Other loans	18		-	73	-	18	91
			-	2,875	2,698	7,687	13,260
Year ended 30 June 2016							
<i>Financial assets</i>							
Cash and cash equivalents	9	2.86%	8,068	-	-	-	8,068
Investments	12		-	-	-	2,060	2,060
Trade and other receivables	10		-	-	-	9,365	9,365
			8,068	-	-	11,425	19,493
<i>Financial liabilities</i>							
Trade and other payables	17		-	-	-	8,444	8,444
Bank bills	18	3.43%	-	9,790	-	-	9,790
Overdraft		7.09%	-	2,410	-	-	2,410
Lease purchase agreements	18	5.19%	-	102	-	-	102
Director's loans	18		-	1,533	-	-	1,533
Other loans	18		-	73	-	67	140
			-	13,908	-	8,511	22,419

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

27. FINANCIAL INSTRUMENTS (continued)

- ii. Net fair values of financial assets and liabilities

The carrying amounts of financial assets and liabilities approximate their net fair value.

- iii. Sensitivity Analysis

The following table illustrates sensitivity analysis to the Group's exposure to changes in interest rates. The table indicates the estimated impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the interest rate that management considers reasonably possible.

	Profit	Equity
	\$	\$
2017		
+/- 2% in interest rates	(251)	(251)

28. PARENT INFORMATION

The following information has been extracted from the books of the parent and has been prepared in accordance with Australian Accounting Standards

	2017 \$000s	2016 \$000s
STATEMENT OF FINANCIAL POSITION		
Assets		
Current assets	35,777	29,959
Non-current assets	3,943	5,217
Total Assets	39,720	35,176
Liabilities		
Current Liabilities	1,372	2,433
Non-current liabilities	796	732
Total Liabilities	2,168	3,165
Equity		
Share capital	42,677	36,504
Share option reserve	88	-
Retained earnings	(5,213)	(4,493)
Total Equity	37,552	32,011

STATEMENT OF COMPREHENSIVE INCOME

Total profit	(720)	318
Total comprehensive income	(720)	318

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

29. COMPANY DETAILS

The registered office and principal place of business of Academies Australasia Group Limited is:

Level 6, 505 George Street
Sydney NSW 2000
Australia

Principal places of business of AKG colleges:

NEW SOUTH WALES

Academies Australasia Institute
Academy of English
Australian College of Technology
Australian International High School
Clarendon Business College
Supreme Business College
Level 6, 505 George Street
Sydney, NSW 2000

Benchmark College
140 Henry Street, Penrith, NSW 2750

College of Sports & Fitness
12 Wentworth Avenue, Darlinghurst, NSW 2010

RuralBiz Training
46 Wingewarra Street, Dubbo, NSW 2830

QUEENSLAND

Brisbane School of Hairdressing
Brisbane School of Beauty
Brisbane School of Barbering
Queen Adelaide Building
90-112 Queen Street Mall
Brisbane, QLD 4000

Gold Coast School of Hairdressing
Pivotal Point Tower,
3/2 Nerang Street
Southport, QLD 4215

VICTORIA

Academies Australasia Polytechnic
Level 7, 628 Bourke Street
Melbourne, VIC 3000

Discover English
247 Collins Street, Melbourne, VIC 3000

Spectra Training
Vostro Institute
Level 15, 459 Little Collins Street,
Melbourne, VIC

Skills Training Australia
Level 2, 2 Capital City Boulevard
Knox Ozone, Wantirna, South VIC 3152

SOUTH AUSTRALIA

Print Training Australia
Unit 17, 169 Unley Road, Unley, SA 5061

WESTERN AUSTRALIA

Language Links
120 Roe Street, Perth, WA 6003

SINGAPORE

Academies Australasia College
45 Middle Road, Singapore 1889954

**ACADEMIES AUSTRALASIA GROUP LIMITED
AND CONTROLLED ENTITIES
DIRECTORS DECLARATION**

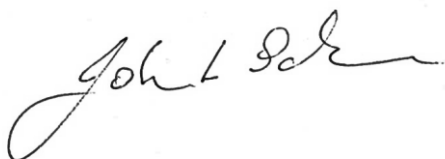
The Directors of the Company declare that:

1. the financial statements and notes, set out on pages 14 to 48, are in accordance with the *Corporations Act 2001* and
 - (i) comply with Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (ii) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Company and consolidated group;
2. The Chief Executive Officer and Chief Financial Officer have each declared that:
 - (i) the financial records of the Company and the consolidated group for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
 - (ii) the financial statements and notes for the financial year comply with Accounting Standards; and
 - (iii) the financial statements and notes for the financial year give a true and fair view; and
3. Without qualifying their opinion, the Directors draw attention to the facts set out in Note 1(w) on page 28 and in their 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.

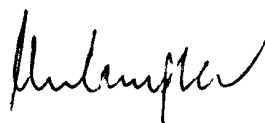
The Company and wholly-owned subsidiaries identified in Note 13 on page 34, but excluding those in Note 22 on page 42, have entered into a deed of cross guarantee under which the Company and its subsidiaries guarantee the debts of each other.

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the deed.

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



Dr John Lewis Schlederer
Director



Christopher Elmore Campbell
Director

18 August 2017



PILOT PARTNERS
Chartered Accountants
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1 Eagle St. Brisbane 4000
PO Box 7095 Brisbane 4001
Queensland Australia
P +61 7 3023 1300
F +61 7 3229 1227
pilotpartners.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ACADEMIES AUSTRALASIA GROUP LIMITED

OPINION

We have audited the financial report of Academies Australasia Group Limited ("the Company" and its subsidiaries ("the Group")), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of 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 significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) 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* (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.



Goodwill and Impairment

Reason for significance:

The impairment assessment made by the Group over its goodwill balances is a key audit matter as it incorporates significant judgements in respect of factors such as forecast cash flows, growth rates and economic and operational assumptions. Goodwill comprises a significant portion of the Groups total assets.

How our audit addressed the matter:

Our audit considered whether the methodology and principles applied by the Group to their discounted cash flow impairment model met the requirements of AASB 136 Impairment of Assets.

Using our understanding of the nature of the Group's business and the environment which it operates in, we assessed and tested the assumptions and methodologies used in the Group's discounted cash flow model. In doing so:

- We assessed the basis for the Group's cash flow forecasts including consideration of the historical accuracy of previous estimates;
- We compared the discount rate, growth rates and other economic assumptions to available external data;
- We assessed the appropriateness of using a single Cash Generating Unit (CGU) as a basis for consideration of goodwill impairment; and
- We performed sensitivity analysis and evaluated whether a reasonable change in assumptions could cause the carrying amount of the CGU to exceed its recoverable amount.

We also considered the adequacy of the financial report disclosures in regard to those assumptions disclosed in Note 16 of the financial report.

Revenue Recognition

Reason for significance:

Revenue recognition is a key audit matter due to the high volume of transactions, its significance to profit and the judgement required in recognising revenue from contracts with customers. The Group has one distinct category of revenue, being revenue from providing tuition services to customers.

Revenue from services is recognised over the period of tuition, upon completion of specific performance obligations of each contract. As all customer contracts are for the provision of tuition, income for tuition is recognised as training is provided.

How our audit addressed the matter:

Our audit work included selecting sufficient items for testing to satisfy ourselves that revenue was recognised in accordance with the revenue recognition policy. This was done by agreeing total revenue due to be recognised over the period of tuition to course fee listings, sighting cash receipts and recalculating revenue and unearned income to ensure that recognition and cut-off were appropriate.



Substantive analytical review procedures were also performed, comparing current year revenue recognition to the prior year taking into consideration movements in key revenue drivers, such as student numbers.

Further testing was completed to verify the mathematical accuracy of the spreadsheets used to assist in determining the recognition of revenue.

Finally we reviewed the adequacy of the financial report disclosures to ensure compliance with *AASB 15 Revenue from Contracts with Customers*.

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 2017, 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 the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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 has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.



REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 11 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Academies Australasia Group Limited, for the year ended 30 June 2017 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.

PILOT PARTNERS
Chartered Accountants

CHRIS KING
Partner

Signed on 18 August 2017

Level 10
1 Eagle Street
Brisbane Qld 4000

**ACADEMIES AUSTRALASIA GROUP LIMITED
AND CONTROLLED ENTITIES
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES**

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows.

SUBSTANTIAL HOLDERS

Ordinary Shares

The relevant interests of substantial shareholders as at 16 August 2017 were:

<u>Shareholder</u>	<u>No. of Shares Held</u>	<u>%</u>
Mr Chiang Meng Heng ^a	51,185,961	40.38
Mr Christopher Elmore Campbell ^b	15,666,666	12.36
Jilcy Pty Ltd <Jilcy Super Fund A/C>	14,308,284	11.29
Andrew Low	12,326,981	9.73
Dr John Lewis Schlederer ^c	7,955,198	6.28
Eng Kim Low	7,648,232	6.03
Raphael Geminder ^d	6,601,910	5.21

^a Includes 7,648,232 shares held by Eng Kim Low

^b Includes 14,313,331 shares held by Jilcy Pty Ltd <Jilcy Super Fund A/C> and 1,345,238 shares held by Bankura Pty Ltd <Campbell Family Trust A/C>

^c Includes 5,705,198 shares held by J&B Schlederer Pty Ltd <J&B Schlederer Super A/C> and 2,250,000 shares held by Schlederer Nominees Pty Ltd <JLS Family A/C>

^d 4,006,396 held by BB&M Holdings Pty Limited and 2,595,514 held by Kin Group Pty Limited

VOTING RIGHTS

Ordinary Shares

At 16 August 2017 there were 396 holders of the ordinary shares of the Company. The voting rights attaching to the ordinary shares, set out in Articles 69 and 70 of the Company's constitution, are:

Article 69

"Subject to these Articles and any rights or restrictions for the time being attached to any class or classes of shares:

- (a) at meetings of members or classes of members each member entitled to attend and vote may attend and vote in person or by proxy, or attorney and (where the member is a body corporate) by representative;*
- (b) on a show of hands, every Member present has 1 vote;*
- (c) on a poll, every Member present has:*
 - (i) 1 vote for each fully paid share;*

Article 70

"Where more than 1 joint holder votes, the vote of the holder, whose name appears first in the register of members shall be accepted to the exclusion of the others."

**ACADEMIES AUSTRALASIA GROUP LIMITED
AND CONTROLLED ENTITIES
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES**

20 LARGEST SHAREHOLDERS AS AT 16 AUGUST 2017

	<u>Registered Name</u>	<u>No. Shares</u>	<u>%</u>
1	Mr Chiang Meng Heng	43,537,729	34.35
2	Jilcy Pty Ltd <Jilcy Super Fund A/C>	14,313,331	11.29
3	Andrew Low	12,326,981	9.73
4	Eng Kim Low	7,648,232	6.03
5	J&B Schlederer Pty Ltd <J&B Schlederer Super A/C>	5,705,198	4.50
6	Citicorp Nominees Pty Limited	4,455,816	3.52
7	DFL Holdings Pty Limited	4,139,612	3.27
8	BB&M Holdings Pty Limited	4,006,396	3.16
9	RTO Solutions Pty Ltd	2,921,163	2.30
10	Kin Group Pty Limited	2,595,514	2.05
11	Schlederer Nominees Pty Ltd <JLS Family A/C>	2,250,000	1.78
12	Sargoda Pty Ltd <Birdeep Family A/C>	1,833,334	1.45
13	HSBC Customer Nominees (Australia) Limited	1,306,821	1.03
14	Cheeky Boys Pty Ltd<Meharnehhaal Super A/C>	1,283,333	1.01
15	BNP Paribas Noms ty Ltd <UOB KH P/L Ac UOB KH DRP>	1,038,347	0.82
16	Bankura Pty Ltd <Campbell Family Trust A/C>	963,334	0.76
17	Mrs Melinda Kaye Burgess	811,936	0.64
18	MK & MP Investments Pty Ltd <M&M Super Fund A/C>	677,135	0.53
19	Mrs Gail Leslie Storey	634,335	0.50
20	Mr Sartaj Hans	599,762	0.47
		<u>113,048,309</u>	<u>89.19</u>

HOLDING RANGE (SHAREHOLDERS) AS AT 16 AUGUST 2017

<u>Range</u>	<u>No. Holders</u>	<u>Total No. Shares</u>	<u>%</u>
1 - 1,000	65	38,137	0.03
1,001 - 5,000	117	329,644	0.26
5,001 - 10,000	45	351,908	0.28
10,001 - 100,000	110	4,582,155	3.61
100,001 +	59	121,452,235	95.82
	<u>396</u>	<u>126,754,079</u>	<u>100.00</u>

UNMARKETABLE PARCELS AS AT 16 AUGUST 2017

	<u>Minimum Parcel Size</u>	<u>No. Holders</u>	<u>Units</u>
Minimum \$500 parcel at \$0.310 per unit	1,613	83	61,906

**ACADEMIES AUSTRALASIA GROUP LIMITED
AND CONTROLLED ENTITIES
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES**

CORPORATE INFORMATION

DIRECTORS

Dr John Lewis Schlederer

Christopher Elmore Campbell

Chiang Meng Heng

Gabriela Del Carmen Rodriguez Naranjo

Sartaj Hans

**COMPANY
SECRETARIES**

Stephanie Noble

Gabriela Del Carmen Rodriguez Naranjo

REGISTERED OFFICE

Academies Australasia Group Limited
Level 6, 505 George Street
Sydney NSW 2000
Australia

Telephone: (02) 9224 5555
Facsimile: (02) 9224 5550
Email: companysecretary@academies.edu.au

Web Site: www.academies.edu.au

SHARE REGISTRAR

Computershare Investor Services Pty Limited
GPO Box 2975 Melbourne, VIC 3001
Australia

Telephone: +61 (03) 9415 4000
Toll Free (Australia only) 1300 855 080

SECURITIES EXCHANGE

The Company is listed on the Australian Securities Exchange.
The Home Exchange is Sydney.

ASX Code: AKG

**ACADEMIES AUSTRALASIA GROUP LIMITED
AND CONTROLLED ENTITIES
GLOSSARY**

AAC	Academies Australasia College Pte. Limited
AAI	Academies Australasia Institute Pty Limited
AAPoly	Academies Australasia Polytechnic Pty Limited
AASB	Australian Accounting Standards Board or a numbered Standard issued by it
ACPET	Australian Council for Private Education and Training
AKG	ASX code for Academies Australasia Group Limited – The Company
ASX	Australian Securities Exchange
BMC	Benchmark Resources Pty Limited - trading as Benchmark College
Board	The Board of Directors of Academies Australasia Group Limited
Company	Academies Australasia Group Limited (ACN 000 003 725) - the parent company
COPHE	Council of Private Higher Education
Corporations Act	Corporations Act 2001 (Cth)
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students
CSF	International College of Capoeira Pty Limited - trading as College of Sports & Fitness
DE	Discover English Pty Limited
Directors	Board of Directors of AKG
EBITDA	Earnings before interest, taxation, depreciation and amortisation
EPS	Earnings per share
FY16	Financial Year to 30 June 2016
FY17	Financial Year to 30 June 2017
FY18	Financial Year to 30 June 2018
Group	AKG and all its subsidiaries
GST	Goods and Services Tax
IEAA	International Education Association of Australia
LLI	Language Links International Pty Limited
RBT	Kreate Pty Limited – trading as RuralBiz Training
Rights Issue	The Rights Issue concluded in June 2017, comprising an underwritten 2 for 3 Pro-Rata Non - Renounceable Issue. The shares were offered at 12 cents each. The issue raised \$6 million.
RTO	Registered Training Organisation
Shares	Fully paid ordinary shares in the Company
SPT	CLB Training & Development Pty Limited as trustee for the CLB Unit Trust - trading as Spectra Training
STA	Transformations – Pathways to Competence and Developing Excellence Pty Limited - trading as Skills Training Australia
TAFE	Technical and Further Education
TPS	Tuition Protection Scheme
VET	Vocational Education and Training
VOS	Vostro Institute of Training Australia Pty Limited