

12 February 2021

Company Announcements Office  
Australian Securities Exchange

Via ASX Online

(Page 1 of 18)

**ANNOUNCEMENT**  
**FY2021 HALF YEAR REPORT**

Academies Australasia today released its report for the half year to December 2020.

Directors are pleased to announce the declaration of a fully franked dividend of 0.5 cents per share payable on 26 March 2021.

Stephanie Noble  
Company Secretary

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

*Academies Australasia has been operating for 112 years and listed on the Australian Securities Exchange for 43 years. The group comprises 18 separately licensed colleges operating in New South Wales, Queensland, South Australia, Victoria and Western Australia in Australia, and overseas in Singapore. The group offers a wide range of recognised courses at different levels – Certificate, Diploma, Advanced Diploma and Bachelor Degree. Over the years, Academies Australasia colleges have taught more than 100,000 students from 130 countries.*

# **ACADEMIES AUSTRALASIA GROUP LIMITED**

## **FINANCIAL REPORT FOR THE HALF YEAR TO DECEMBER 2020**

*[Incorporating the requirements of Appendix 4D]*

### **APPENDIX 4D**

#### **1. Company details.**

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

Reporting Period: Half Year ended 31 December 2020  
Previous Period: Half Year ended 31 December 2019

#### **2. Results for announcement to the market.**

\$000s

2.1	Revenue from ordinary activities	down	31%	to	22,270
2.2	Profit from ordinary activities before tax	down	17%	to	2,117
2.3	Profit from ordinary activities after tax	down	31%	to	1,398
2.4	Net profit for the period attributable to owners of the parent entity	down	32%	to	1,306
2.5	Earnings before interest, tax, depreciation and amortisation (EBITDA)	up	3%	to	6,705

#### **3. Commentary.**

3.1 Eighty seven percent of the difference between the EBITDA of \$6.7m and the profit from ordinary activities before tax of \$2.1m (\$4.6m) is made up of \$3.1m depreciation on right of use assets and \$0.9m interest recognised on finance leases which are recorded in accordance with AASB16 *Leases*.

3.2 The following table presents EBITDA after adjustment for significant items

\$000s

	Reporting Period	Previous Period	
EBITDA	6,705	6,518	
Premises outgoing expenses related to prior years	-	283	
Redundancies and termination costs	245	18	
Allowance for credit losses	68	-	
EBITDA after adjustment for significant items	7,018	6,819	+ 2.9%

*[Note: 'EBITDA' and 'significant item' are not terms prescribed by the Australian Accounting Standards ('AAS').]*

- 3.3 With the adoption of AASB 16 *Leases*, compared to the Previous Period, profit from ordinary activities before tax decreased by \$301,000. Depreciation on right of use assets increased by \$311,000, interest on lease liabilities increased by \$224,000 and premises expenses decreased by \$234,000. (See Note 5 in the Half Year Report).
- 3.4 The Group continues to be free of borrowings.
- 3.5 International students and international revenue continue to make up about 80% of total students and total revenue. While restrictions on people movement (including inter-state border closures) continue to negatively affect group operations, it is the closure of Australia's borders to international students that have had the most effect on our main source of revenue. It is now about ten months since international students were blocked from entering Australia.

It is not clear exactly when international students will be allowed to return to Australia. Ministerial comments suggest that international students are not likely to be allowed to enter Australia until 2022. We have therefore considered this in our planning. We see a gradual increase in international numbers from 2022. In the meantime, we will carry on with developing new courses, encouraging existing students to extend their studies with us, seek further growth in the domestic sector, seek to attract international students already in Australia and reduce costs.

#### 4. Net tangible Assets.

	Reporting Period	Previous Period
Net tangible asset backing per ordinary share is based on 127,614,467 shares at both reporting dates.	0.4 cents	0.6 cents

#### 5. Dividends.

A fully franked dividend of 1.365 cents per share (\$1,742,000) was paid on 25 September 2020.

The Directors have announced the payment of a fully franked dividend of 0.5 cents per share (*Previous corresponding period: 1.365 cents*).

Dividend dates

Ex-Dividend	4 March 2021
Record	5 March 2021
Payment	26 March 2021

There was no conduit foreign income during the Reporting Period.

#### 6. Dividend reinvestment plans.

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

#### 7. Associates and joint venture entities.

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

**8. Foreign entities.**

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

*This Report is to be read in conjunction with the most recent Annual Report and the Consolidated Financial Report for the Company and its controlled entities for the Half Year to 31 December 2020*

Stephanie Noble  
Group Finance Manager

11 February 2021

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**FINANCIAL REPORT FOR THE HALF YEAR TO DECEMBER 2020**  
*[Incorporating the requirements of Appendix 4D]*

**CONSOLIDATED FINANCIAL REPORT FOR  
ACADEMIES AUSTRALASIA GROUP LIMITED  
(ABN 93 000 003 725)  
AND CONTROLLED ENTITIES**

<b>Contents</b>	<b>Page</b>
Directors' Report	2 - 4
Auditor's Independence Declaration	5
Consolidated Statement of Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	12
Independent Auditor's Review Report	13 - 14

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725  
AND CONTROLLED ENTITIES  
DIRECTORS' REPORT  
For the half year ended 31 December 2020**

Dear Shareholder

Your Directors submit the financial report of the economic entity for the half year ended 31 December 2020.

**Directors**

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

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

**Review of operations**

A summary of the Statement of Financial Performance for the half year ended 31 December 2020 ('Reporting Period') is set out below. All comparisons are to the half year ended 31 December 2019.

	Reporting Period	\$000s Previous Period
Total Revenue	<u>22,270</u>	<u>32,346</u>
Operating Profit Before Income Tax	<u>2,117</u>	<u>2,542</u>
Operating Profit After Income Tax	<u>1,398</u>	<u>2,029</u>
Earnings Before Interest, Tax, depreciation and Amortisation (EBITDA)	<u>6,705</u>	<u>6,518</u>

Revenue from ordinary activities decreased by 31% to \$22,270,000.

The Group continues to be free of borrowings.

**COVID-19 PANDEMIC**

International students and international revenue continue to make up about 80% of total students and total revenue. While restrictions on people movement (including inter-state border closures) continue to negatively affect group operations, it is the closure of Australia's borders to international students that have had the most effect on our main source of revenue. It is now about ten months since international students were blocked from entering Australia.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725**  
**AND CONTROLLED ENTITIES**  
**DIRECTORS' REPORT**  
**For the half year ended 31 December 2020**

It is not clear exactly when international students will be allowed to return to Australia. Ministerial comments suggest that international students are not likely to be allowed to enter Australia until 2022. We have therefore considered this in our planning. We see a gradual increase in international numbers from 2022. In the meantime, we will carry on with developing new courses, encouraging existing students to extend their studies with us, seek further growth in the domestic sector, seek to attract international students already in Australia and reduce costs.

In the reporting period certain companies in the Group qualified for a total of \$4,317,000 under the Australian Government JobKeeper Payment scheme. That included \$645,000 'topped-up' by the Group. Academies Australasia College qualified for a similar type of support of \$113,000 from the Singapore Government. The results also include rental assistance amounting to \$202,000.

### **EBITDA**

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

	Reporting Period	Previous Period
EBITDA	6,705	6,518
Premises outgoing expenses related to prior years	-	283
Redundancies and termination costs	245	18
Allowance for credit losses	68	-
EBITDA after adjustment for significant items	7,018	6,819

*[Note: 'EBITDA' and 'significant item' are not terms prescribed by the Australian Accounting Standards ('AAS').]*

### **Rounding of amounts**

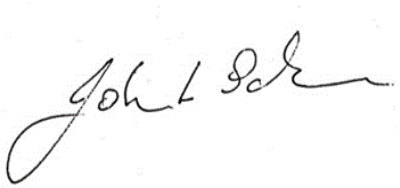
The group has applied the relief available to it in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and accordingly certain amounts in the financial report and the Directors' Report have been rounded to the nearest \$1,000.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725**  
**AND CONTROLLED ENTITIES**  
**DIRECTORS' REPORT**  
**For the half year ended 31 December 2020**

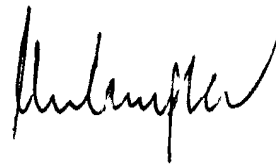
**Auditor's Declaration**

The auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half year ended 31 December 2020 is set out on page 5.

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



John Schlederer  
Director



Christopher Campbell  
Director

Sydney  
11 February 2021





**PILOT PARTNERS**  
**Chartered Accountants**  
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## AUDITOR'S INDEPENDENCE DECLARATION

**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

### ACADEMIES AUSTRALASIA GROUP LIMITED

I declare that to the best of my knowledge and belief, during the half year ended 31 December 2020, there have been:

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

**PILOT PARTNERS**

Chartered Accountants

**DANIEL GILL**

Partner

**Signed on** 11 February 2021

Level 10  
1 Eagle Street  
Brisbane Qld 4000

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725**  
**AND CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the half year ended 31 December 2020**

<b>\$000s</b>	<b>Note</b>	<b>Reporting Period</b>	<b>Previous Period</b>
Revenue from services		22,270	32,346
Student acquisition and teaching costs		(10,067)	(14,809)
Gross profit		12,203	17,537
Personnel expenses		(6,976)	(7,030)
Premises expenses		(1,675)	(1,967)
Other administration expenses		(1,234)	(1,831)
		2,318	6,709
Restructure and non-recurring costs		(245)	(283)
		2,073	6,426
Other income		4,632	92
<b>Profit before interest, depreciation and amortisation</b>		6,705	6,518
Depreciation and amortisation expenses	5	(3,697)	(3,346)
Finance costs	5	(926)	(710)
Interest income		35	80
<b>Profit before income tax</b>		2,117	2,542
Income tax expense		(719)	(513)
<b>Profit for the period</b>		1,398	2,029
<b>Other comprehensive income</b>			
Exchange differences on translating foreign controlled entities		(1)	1
<b>Other comprehensive income for the year, net of tax</b>		(1)	1
<b>Total comprehensive income for the year</b>		1,397	2,030
Profit attributable to			
Owners of the parent entity		1,306	1,909
Non-controlling interests		92	120
		1,398	2,029
Total comprehensive income attributable to			
Owners of the parent entity		1,305	1,910
Non-controlling interests		92	120
		1,397	2,030
<b>Earnings per share:</b>			
Basic earnings per share (cents)		1.02	1.49
Diluted earnings per share (cents)		1.02	1.49

The accompanying notes form part of these financial statements.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725**  
**AND CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2020**

<b>\$000s</b>	<b>31/12/2020</b>	<b>30/06/2020</b>
<b>Current Assets</b>		
Cash and cash equivalents	15,354	16,904
Trade and other receivables	2,791	3,700
Other current assets	1,894	2,548
<b>Total Current Assets</b>	<b>20,039</b>	<b>23,152</b>
<b>Non-Current Assets</b>		
Plant and equipment	5,106	5,457
Right of use assets	33,693	35,602
Deferred tax assets	4,928	5,038
Intangible assets	32,734	32,813
<b>Total Non-Current Assets</b>	<b>76,461</b>	<b>78,910</b>
<b>Total Assets</b>	<b>96,500</b>	<b>102,062</b>
<b>Current Liabilities</b>		
Tuition fees in advance (Deferred income)	15,148	17,431
Trade and other payables	3,348	5,012
Current tax liabilities	245	-
Lease Liabilities	5,487	5,329
Provisions	2,902	2,865
<b>Total Current Liabilities</b>	<b>27,130</b>	<b>30,637</b>
<b>Non-Current Liabilities</b>		
Lease Liabilities	35,670	37,349
Provisions	475	474
<b>Total Non-Current Liabilities</b>	<b>36,145</b>	<b>37,823</b>
<b>Total Liabilities</b>	<b>63,275</b>	<b>68,460</b>
<b>NET ASSETS</b>	<b>33,225</b>	<b>33,602</b>
<b>EQUITY</b>		
Share capital	42,066	42,066
Accumulated losses	(9,561)	(9,125)
Foreign Currency Translation Reserve	69	70
Non-Controlling Interests	651	591
<b>TOTAL EQUITY</b>	<b>33,225</b>	<b>33,602</b>

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725**  
**AND CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the half year ended 31 December 2020**

<b>\$000s</b>	<b>Ordinary Shares</b>	<b>Retained Profits</b>	<b>Reserves</b>	<b>Non - Controlling Interest</b>	<b>Total</b>
<b>Balance at 1.7.2020</b>	42,066	(9,125)	70	591	33,602
Profit for the period	-	1,306	-	92	1,398
Exchange differences on translating foreign operations	-	-	(1)	-	(1)
<b>Total comprehensive income for the period</b>	-	1,306	(1)	92	1,397
Dividend paid	-	(1,742)	-	(32)	(1,774)
<b>Balance at 31.12.2020</b>	42,066	(9,561)	69	651	33,225
<b>Balance at 1.7.2019</b>	42,066	(7,893)	107	374	34,654
Profit for the period	-	1,909	-	120	2,029
Exchange differences on translating foreign operations	-	-	1	-	1
<b>Total comprehensive income for the period</b>	-	1,909	1	120	2,030
Dividend paid	-	(3,024)	-	-	(3,024)
<b>Balance at 31.12.2019</b>	42,066	(9,008)	108	494	33,660

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725**  
**AND CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the half year ended 31 December 2020**

<b>\$000s</b>	<b>Reporting Period</b>	<b>Previous Period</b>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	25,550	36,022
Payments to suppliers and employees	(21,745)	(27,156)
Interest received	35	80
Finance costs	(926)	(710)
Income taxes paid	182	(1,174)
Net cash provided by operating activities	<u>3,096</u>	<u>7,062</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of non-current assets	(147)	(162)
Net cash used in investing activities	<u>(147)</u>	<u>(162)</u>
<b>Cash Flows From Financing Activities</b>		
Dividends paid	(1,774)	(3,024)
Lease payments	(2,725)	(2,845)
Net cash used in financing activities	<u>(4,499)</u>	<u>(5,869)</u>
Net (decrease)/increase in cash held	(1,550)	1,031
Cash at the beginning of period	<u>16,904</u>	<u>14,996</u>
Cash at the end of the period	<u>15,354</u>	<u>16,027</u>

The accompanying notes form part of these financial statements.

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

**NOTE 1: BASIS OF PREPARATION**

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

The half year financial report does not include full disclosures of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by Academies Australasia Group Limited and its controlled entities during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

These interim financial statements were authorised for issue on 11 February 2021.

**(a) Significant Accounting Policies**

The accounting policies applied by the consolidated entity in this consolidated half year financial report are the same as those applied by the consolidated entity in its consolidated financial report for the year ended 30 June 2020.

In the current period, the consolidated entity has adopted all new and revised Standards and Interpretations issued by the Australia Accounting Standards Board that are relevant to its operations and effective for reporting periods beginning on or after 1 July 2020.

**(b) Comparative Figures**

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

**NOTE 2: DIVIDEND PAID AND DECLARED**

A fully franked dividend of 1.365 cents per share (\$1,742,000) was paid on 25 September 2020.

The Directors have announced the payment of a fully franked dividend of 0.5 cents per share (\$638,000)

**NOTE 3: POST BALANCE DATE EVENTS**

Other than the ongoing COVID-19 pandemic, there are no matters that significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

**NOTE 4: CONTINGENT LIABILITIES**

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

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

**NOTE 5: IMPACT ON PROFIT FOR THE PERIOD**

		\$000s
	Reporting Period	Previous Period
Depreciation and amortisation expenses		
Depreciation of plant and equipment	461	433
Amortisation of intangible assets	100	88
Depreciation of right of use assets	3,136	2,825
Total	3,697	3,346
Finance costs		
Interest and bank facility fees	66	74
Interest recognised on lease liabilities	860	636
Total	926	710

The impact of AASB 16 *Leases* has been a reduction in profit from ordinary activities before tax by \$301,000 compared to the prior reporting period.

		\$000s
	Reporting Period	Previous Period
Depreciation of right of use assets	3,136	2,825
Interest recognised on lease liabilities	860	636
Premises expenses	(3,487)	(3,253)
Reduction in profit from ordinary activities before tax	(509)	(208)

**NOTE 6: COVID-19 PANDEMIC**

International students and international revenue continue to make up about 80% of total students and total revenue. While restrictions on people movement (including inter-state border closures) continue to negatively affect group operations, it is the closure of Australia's borders to international students that have had the most effect on our main source of revenue. It is now about ten months since international students were blocked from entering Australia.

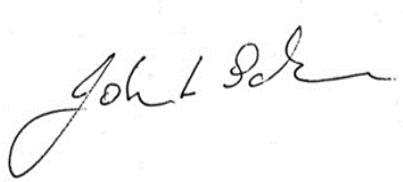
It is not clear exactly when international students will be allowed to return to Australia. Ministerial comments suggest that international students are not likely to be allowed to enter Australia until 2022. We have therefore considered this in our planning. We see a gradual increase in international numbers from 2022. In the meantime, we will carry on with developing new courses, encouraging existing students to extend their studies with us, seek further growth in the domestic sector, seek to attract international students already in Australia and reduce costs.

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

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

1. The financial statements and notes, as set out on pages 6 to 11, are in accordance with the *Corporations Act 2001*, including
  - a. Complying with accounting standard AASB 134: *Interim Financial Reporting*, and
  - b. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half year ended on that date.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors



John Schlederer  
Director



Christopher Campbell  
Director

Sydney  
11 February 2021



## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF

### ACADEMIES AUSTRALASIA GROUP LIMITED

#### REPORT ON THE HALF YEAR FINANCIAL REPORT

We have reviewed the accompanying half year financial report of Academies Australasia Group Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated condensed balance sheet as at 31 December 2020 and the consolidated condensed income statement, consolidated condensed statement of changes in equity and consolidated condensed cash flow statement for the half year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration.

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

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

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group financial position as at 31 December 2020 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



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

## INDEPENDENCE

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company would be in the same terms if provided to the directors as at the date of this auditor's review report

## CONCLUSION

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**PILOT PARTNERS**  
Chartered Accountants

**DANIEL GILL**  
Partner

**Signed** on 11 February 2021

Level 10  
1 Eagle Street  
Brisbane Qld 4000