

19 February 2020

Company Announcements Office
Australian Securities Exchange

Via ASX Online

(Page 1 of 21)

ANNOUNCEMENT

FY2020 HALF YEAR REPORT

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

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

Stephanie Noble
Company Secretary

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

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

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

APPENDIX 4D

1. Company details

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

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

2. Results for announcement to the market

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

\$000s

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

3. Commentary

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

\$000s

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

- 3.2 The voluntary change of accounting policy in respect to trade receivables had no impact on the profit and loss (See Note 4 of the Financial Report)
- 3.3 The following table presents EBITDA after adjustment for significant items

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

[Note

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

- 3.4 The Group continues to be free of borrowings.

4. Net tangible Assets

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

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

5. Dividends

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

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

Dividend dates

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

There was no conduit foreign income during the Reporting Period.

6. Dividend reinvestment plans

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

7. Associates and joint venture entities

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

8. Foreign entities

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

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

Stephanie Noble
Group Finance Manager

19 February 2020

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

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

Contents	Page
Directors' Report	2 - 3
Auditor's Independence Declaration	5
Consolidated Statement of Comprehensive Income	6
Consolidated Balance Sheet	7
Consolidated Statement of Changes in Equity	8
Consolidated Cash Flow Statement	9
Notes to the Financial Statements	10
Directors' Declaration	15
Independent Auditor's Review Report	16 - 17

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

Dear Shareholder

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

Directors

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

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

Review of operations

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

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

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

The Group continues to be free of borrowings.

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

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

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

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

[Note

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

Rounding of amounts

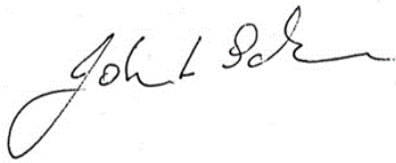
The group has applied the relief available to it in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and accordingly certain amounts in the financial report and the Directors' Report have been rounded to the nearest \$1,000.

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


Auditor's Declaration

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

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



John Schlederer
Director



Christopher Campbell
Director

Sydney
19 February 2020



PILOT PARTNERS
Chartered Accountants
Level 10, Waterfront Place
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

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

ACADEMIES AUSTRALASIA GROUP LIMITED

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

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

PILOT PARTNERS
Chartered Accountants

DANIEL GILL
Partner

Signed on 19 February 2020

Level 10
1 Eagle Street
Brisbane Qld 4000

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

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

The accompanying notes form part of these financial statements.

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

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

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

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

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

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

The accompanying notes form part of these financial statements.

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

NOTE 1: BASIS OF PREPARATION

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

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

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

(a) Significant Accounting Policies

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

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

(b) Comparative Figures

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

NOTE 2: DIVIDEND PAID AND DECLARED

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

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

NOTE 3: ADOPTION OF NEW ACCOUNTING STANDARDS

AASB16 Leases

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 4: CHANGES IN ACCOUNTING POLICY

Trade receivables/unearned income and prepaid/accrued commission

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

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

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

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

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

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

The restatement amounts are as follows:

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

NOTE 5: PROFIT FOR THE PERIOD

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

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

NOTE 6: POST BALANCE DATE EVENTS

Other than the eruption of the COVID-19 disease, there are no matters or circumstances that have arisen since 31 December 2019 which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

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

NOTE 7: CONTINGENT LIABILITES

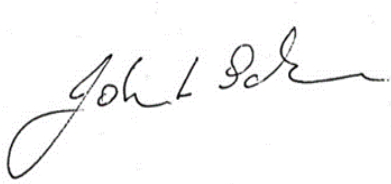
There has been no change in contingent liabilities since the last annual reporting period.

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

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

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

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



John Schlederer
Director



Christopher Campbell
Director

Sydney
19 February 2020



PILOT PARTNERS
Chartered Accountants
Level 10, Waterfront Place
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 REVIEW REPORT TO THE MEMBERS OF

ACADEMIES AUSTRALASIA GROUP LIMITED

REPORT ON THE HALF YEAR FINANCIAL REPORT

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

DIRECTORS' RESPONSIBILITY FOR THE HALF YEAR FINANCIAL REPORT

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

AUDITOR'S RESPONSIBILITY

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

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



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

INDEPENDENCE

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

CONCLUSION

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

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

PILOT PARTNERS
Chartered Accountants

DANIEL GILL
Partner

Signed on 19 February 2020

Level 10
1 Eagle Street
Brisbane Qld 4000