

## **RedHill Education Limited**

### **RedHill Reports H1 FY21 EBITDA Increase of 21%**

RedHill Education Limited (ASX: RDH) today released its financial results for the half-year ended 31 December 2020 (H1 FY21).

#### **KEY HIGHLIGHTS**

RedHill has been impressive in adapting to tough trading circumstances caused by the COVID-19 pandemic. Despite the significant challenges being faced, the organisation has demonstrated enormous resilience and maintained its future-oriented focus as follows:

#### **1. NEW COURSES**

RedHill has invested in the development and launching of innovative new course and programmes including:

- 3 new accredited higher education certificates in specialist digital curriculums which have been approved to offer FEE-HELP tuition loans to eligible domestic students;
- Greenwich Online Academy, delivering 100% online English language programmes to students located overseas and in Australia;
- 3 new vocational diploma courses to be delivered 100% online to domestic students, for which VET Student Loans (VSL) accreditation is currently being sought for eligible domestic students; and
- Approval of 100 Commonwealth Government Funded places for students to undertake our newly developed courses in Data Analytics and Cloud Systems, and Programming.

#### **2. NEW FUTURE-FOCUSED INITIATIVES**

RedHill has adapted its businesses during the COVID-19 pandemic with exciting developments including:

- NSW State Government has approved RedHill as one of a small number of private education organisations to participate in its upcoming programme to re-commence international student arrivals into NSW in a safe and supported manner;
- First cohort of offshore students have completed the Greenwich Online Academy 100% online courses;
- A new 100% online adaptive, automated English language placement test has been developed and launched to efficiently assess international student English language proficiency prior to commencing studies online or in Australia and thus improving student service quality;
- First cohort of offshore international students commencing their Academy of Information Technology bachelor degrees 100% online in February 2021;
- Adopted and implemented leading virtual AV system technologies to effectively teach simultaneously in-classroom and online; and

- Launched Go Study Canada, expanding RedHill's international student agency operations to service Canada as a destination for international student studies, with first arrivals into Canada achieved in February 2021.

### 3. FINANCIAL PERFORMANCE

RedHill's financial performance in H1 FY21 significantly outperformed previous expectations, and included:

- Growth in domestic student numbers and revenues (including a 36% growth in Coder Academy and 13% growth in AIT);
- Higher than expected international student numbers and revenues;
- Impressive operating cashflow;
- Growth in EBITDA and net profit;
- Closing cash balance (including term deposits) of \$25.6 million as at 31 December 2021.

\$'000	H1 FY21	H1 FY20	% Increase / (Decrease)
Revenue *	22,661	33,314	(32%)
EBITDA **	5,411	4,467	21%
EBITDA % of Revenue	23.9%	13.4%	
Operating cashflow	2,928	2,249	30%
<b>Net profit after tax</b>	<b>1,308</b>	<b>114</b>	<b>1,047%</b>

EBITDA in H1 FY21 increased by 21%, despite the reduction in revenue. This was achieved by implementing swift and rigorous cuts to operating overheads to reflect the changed trading conditions.

As a result of the effective cash flow and operating overheads management, RedHill reported \$23.1 million cash on hand (plus additional term deposits of \$2.5 million which were classified as non-current assets) as at 31 December 2020, beating the earlier guidance provided at the November 2020 AGM.

RedHill's CEO, Glenn Elith, said:

*"Despite the negative impacts of temporary international border closures, we are very pleased by the resiliency of our international student revenues, which we believe is testament to RedHill's positive brand reputation, industry leadership, organisational capabilities, strong financial position and agility to quickly adapt to market demands."*

*"We are delighted by the growth in our domestic student numbers, and we will continue to invest in growing our domestic student course range and revenues."*

*"We believe that RedHill's strong balance sheet, which includes its cash balance increasing to \$25.6 million as at 31 December 2020 (inclusive of term deposits), provides a strong platform to manage ongoing disruptions to the international student market, and to confidently rebound and recover student numbers when borders re-open and international travel resumes."*

*"We are currently working with the NSW State Government and have been approved as one of a small number of private education organisations to participate in its upcoming programme to re-commence international student arrivals into NSW in a safe and supported manner. We remain hopeful this initiative will commence later in 2021, and we are very encouraged by the NSW Government's acknowledgement that recovery of the international student education industry will be an important aspect of rebuilding the NSW economy."*

*\* Revenues in H1 FY21 fell, as expected, by 32% due primarily to continued impacts of the COVID-19 pandemic and ongoing international border closures.*

*\*\* EBITDA is a non-IFRS accounting term which has been determined using information presented in the Company's financial statements, and is shown on a post AASB 16 basis.*

Authorised for release to ASX by the Board of Directors of RedHill.

## **CONTACTS**

Glenn Elith  
Chief Executive Officer  
Email: [gelith@redhilleducation.com](mailto:gelith@redhilleducation.com)

Lisa Jones  
Company Secretary  
Email: [lisa.jones@redhilleducation.com](mailto:lisa.jones@redhilleducation.com)

## **ABOUT REDHILL**

RedHill has a portfolio of quality education businesses at the premium end of the private education market to capitalise on the demand for higher education, vocational training and English language programmes. For further information refer to our website [www.redhilleducation.com](http://www.redhilleducation.com).

## RedHill Education Limited and Controlled Entities

### Appendix 4D

#### Interim Financial Report

##### 1. Company details

Name of entity:	RedHill Education Limited
ABN:	41 119 952 493
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

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

	Half-year ended 31 Dec 2020 \$'000	Half-year ended 31 Dec 2019 Restated \$'000	Change Increase/ (decrease) \$'000	Change Increase/ (decrease) %
Revenues from ordinary activities	22,644	33,251	(10,607)	(32%)
Profit from ordinary activities after tax attributable to the shareholders of RedHill Education Limited	1,308	114	1,194	1,047%
Total comprehensive income attributable to the shareholders of RedHill Education Limited	1,315	54	1,261	2,335%
Cash and cash equivalents	23,099	11,027	12,072	109%

##### *Comments on financial performance*

The profit for the consolidated entity after providing for income tax amounted to \$1,308,000 (31 December 2019: \$114,000).

The balance of cash and cash equivalents as at 31 December 2020 was \$23,099,000 (30 June 2020: \$22,194,000). In addition to cash and cash equivalents, there were term deposits of \$2,468,000 (30 June 2020: \$2,454,000) classified within non-current assets.

Net cash inflows from operating activities were \$2,928,000 for the half-year ended 31 December 2020 (31 December 2019: inflows \$2,249,000).

**RedHill Education Limited and Controlled Entities**  
**Appendix 4D**  
**Interim Financial Report**

The key highlights for the half-year included:

- Domestic student revenues grew faster than previous estimates which helped to deliver consolidated revenues of \$22,644,000 for the half-year period ended 31 December 2020, which was within the range of \$22,400,000 to \$22,800,000 provided in a market update to the ASX on 6 January 2021.
- Greenwich English language student numbers and tuition revenues outperformed previous estimates made when international borders first closed.
- Greenwich Management and Coder Academy student numbers were up 8% and 36% for the half-year ended 31 December 2020, respectively, over the prior comparative period.
- Go Study onshore revenues of \$1,717,000 were 2% down for the half-year ended 31 December 2020, which was more resilient than was previously estimated.
- Effective cash flow and operating overhead management delivered outperformance in cash inflows with \$23,099,000 cash on hand as at 31 December 2020, beating the guidance provided at the November 2020 Annual General Meeting.
- Strong regulator recognition with three new higher education undergraduate certificate courses approved for FEE-HELP student tuition loans and Commonwealth Government Funded Places to underpin future domestic student revenue growth.

*Impact of COVID-19 pandemic*

The consolidated entity has been materially impacted by the COVID-19 pandemic circumstances. The pandemic has caused the consolidated entity to undertake a wide range of drastic measures to ensure the safety of its employees and students, and to preserve cash so that the consolidated entity can re-invigorate when circumstances improve. These measures have included undertaking a capital raising on ASX by way of an institutional placement and rights issue, seeking rental relief from landlords, partially standing down a large proportion of the non-teaching workforce through to the end of December 2020, and accessing government relief schemes (including JobKeeper).

*Unsolicited, highly conditional takeover offer by UCW Limited*

The Company received an unsolicited, highly conditional takeover offer by UWC Limited on 14 December 2020. UCW released a Bidder's Statement on 29 December 2020 to the ASX and the current offer remains open until 12 March 2021.

The Company released a Target's Statement to the ASX on 12 January 2021 recommending that shareholders **REJECT THE OFFER AND TAKE NO ACTION**.

*Proposed unsolicited, highly conditional takeover offer by iCollege Limited*

The Company received notice of a proposed unsolicited, highly conditional takeover offer by iCollege Limited on 22 February 2021. iCollege is expected to lodge a Bidder's Statement within 21 days of this announcement. The Board is not in a position to make a recommendation as yet but will do so in RedHill's Target's Statement, which will be released within approximately 1 month after receipt of the iCollege Bidder's Statement.

Accordingly, shareholders are advised to **TAKE NO ACTION** in relation to the proposed offer.

While RedHill shareholders are urged to **take no action** in relation to both the UCW Limited Offer and the iCollege Limited Offer, both of which are unsolicited and conditional, your Board notes that these offers are recognition for RedHill's strong brand reputation, industry leadership, strong financial position and attractive business profile.

Costs associated with the takeover offers will be recognised in the Financial Statements for the year ending 30 June 2021.

### 3. Net tangible assets

	Reporting period Cents	Previous period Restated Cents
Net tangible assets per ordinary security	12.17	28.63

The net tangible assets calculation includes rights-of-use assets of \$11,448,000 (31 Dec 2019: \$16,327,000) and lease liabilities of \$22,607,000 (31 Dec 2019: \$18,548,000).

### 4. Prior year revenue restatement

The consolidated entity adopted AASB 15 'Revenue from Contracts with Customers' effective from 1 July 2018 with a full retrospective approach. A detailed evaluation of the revenue recognition treatment was undertaken by management and reviewed by the previous external auditor at the time of adopting the standard. The financial statements for the year ended 30 June 2019 were audited and an unqualified audit opinion was given.

Following a subsequent internal review during the year ended 30 June 2020 with the current external auditors, the accounting treatment of recognising a component of Greenwich operating segment revenue at the time of enrolment was determined to be more appropriately recognised over the period of course delivery. This change in the interpretation of AASB 15 has been retrospectively adopted and the prior year comparative period ended 31 December 2019 has been restated accordingly.

This restatement has had no impact on revenues, profits, or cash flows in the half year period ended 31 December 2020. Full details are included in the Financial Statements for the year ended 30 June 2020, which were audited.

### 5. Dividends

Due to the ongoing impacts of the COVID-19 pandemic, the directors do not propose to declare a dividend in relation to the half-year ended 31 December 2020.

No dividends were paid during the half-year.

#### *Previous period*

	Amount per security Cents	Franked amount per security Cents
Dividends paid during the half-year ended 31 December 2019	2.000	2.000

A full franked dividend of \$0.02 per ordinary share was paid on 30 September 2019 out of retained profits. For the purposes of determining the entitlement of the dividend, the record date was 11 September 2019.

Dividends paid in the previous corresponding half-year period were fully franked based on a tax rate of 30%.

**RedHill Education Limited and Controlled Entities**

**Appendix 4D**

**Half-year report**

**6. Audit qualification or review**

The financial statements were subject to a review by the company's auditors whose unmodified report is attached as part of the Interim Financial Report for the half-year ended 31 December 2020.

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**7. Attachments**

Interim Financial Report of RedHill Education Limited and Controlled Entities for the half-year ended 31 December 2020.

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**8. Signed**

Authorised by the Board of Directors.

Signed  \_\_\_\_\_

Date: 26 February 2021

Stephen Heath  
Chairman  
Sydney



**REDHILL EDUCATION**

**RedHill Education Limited  
and Controlled Entities**

**ABN 41 119 952 493**

**Interim Financial Report for  
the Half-Year Ended  
31 December 2020**



**RedHill Education Limited and Controlled Entities****Corporate directory****For the half-year ended 31 December 2020**

Directors	Stephen Heath Glenn Elith William Deane Sandra Hook
Company secretary	Lisa Jones
Registered office	Level 2, 7 Kelly Street Ultimo, NSW 2007 Head office telephone: +61 2 8355 3820
Principal place of business	Level 2, 7 Kelly Street Ultimo, NSW 2007
Share registry	Computershare Investor Services Pty Limited Level 4, 60 Carrington Street Sydney, NSW 2000 Shareholders enquiries: 1300 787 272
Auditor	RSM Australia Partners Level 13, 60 Castlereagh Street Sydney, NSW 2000
Solicitors	Minter Ellison Collins Arch, 447 Collins Street Melbourne, VIC 3000
Stock exchange listing	RedHill Education Limited shares are listed on the Australian Securities Exchange (ASX: RDH)
Website	<a href="http://www.redhilleducation.com">www.redhilleducation.com</a>
ASIC registrations	ACN: 119 952 453 ABN: 41 119 952 453

## **RedHill Education Limited and Controlled Entities**

### **Directors' report**

#### **For the half-year ended 31 December 2020**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of RedHill Education Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the half-year ended 31 December 2020.

### **Directors**

The following persons were directors of the Company during the whole of the financial half-year and up to the date of this report unless otherwise noted:

Stephen Heath - Chairman (an existing non-executive director who was appointed as Chairman on 1 December 2020)

Glenn Elith - Managing Director

William Deane

Sandra Hook

William J. Beerworth - Chairman (retired on 30 November 2020)

Each of the directors is an independent director other than Glenn Elith, who is an executive director.

### **Company secretary**

Lisa Jones

### **Principal activities**

During the financial half-year, the Company's principal activities were:

- delivering high quality English language, creative digital technologies, managerial, marketing, computer coding and interior design and styling courses; and
- providing education recruitment agency services to international students.

### **Review of operations**

The net profit for the consolidated entity after providing for income tax for the half-year ended 31 December 2020 was \$1,308,000 (31 December 2019: \$114,000).

The balance of cash and cash equivalents as at 31 December 2020 was \$23,099,000 (30 June 2020: \$22,194,000). In addition to cash and cash equivalents, there were term deposits of \$2,468,000 (30 June 2020: \$2,454,000) classified within non-current assets. Net cash inflows from operating activities for the half-year ended 31 December 2020 were \$2,928,000 (31 December 2019: inflows \$2,249,000).

The key highlights for the half-year include:

- Domestic student revenues grew faster than previous estimates which helped to deliver consolidated revenues of \$22,644,000 for the half-year period ended 31 December 2020, which was within the range of \$22,400,000 to \$22,800,000 provided in a market update to the ASX on 6 January 2021.
- Greenwich English language student numbers and tuition revenues outperformed previous estimates made when international borders first closed.
- Greenwich Management and Coder Academy student numbers were up 8% and 36% for the half-year ended 31 December 2020, respectively, over the prior comparative period.
- Go Study onshore revenues of \$1,717,000 were 2% down for the half-year ended 31 December 2020, which was more resilient than was previously estimated.
- Effective cash flow and operating overhead management delivered outperformance in cash inflows with \$23,099,000 cash on hand as at 31 December 2020, beating the guidance provided at the November 2020 Annual General Meeting.
- Strong regulator recognition with three new higher education undergraduate certificate courses approved for FEE-HELP student tuition loans and Commonwealth Government Funded Places to underpin future domestic student revenue growth.

**RedHill Education Limited and Controlled Entities**  
**Directors' report**  
**For the half-year ended 31 December 2020**

*Impact of COVID-19 pandemic*

The consolidated entity has been materially impacted by the COVID-19 pandemic circumstances. The pandemic has caused the consolidated entity to undertake a wide range of drastic measures to ensure the safety of its employees and students, and to preserve cash so that the consolidated entity can re-invigorate when circumstances improve. These measures have included undertaking a capital raising on ASX by way of an institutional placement and rights issue, seeking rental relief from landlords, partially standing down a large proportion of the non-teaching workforce through to the end of December 2020, and accessing government relief schemes (including JobKeeper).

**Dividends**

Due to the ongoing impacts of the COVID-19 pandemic, the Directors do not propose to declare a dividend in relation to the half-year ended 31 December 2020.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the half-year ended 31 December 2020 other than as described in this report.

**Going concern**

The spread of COVID-19 was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The pandemic has seen an unprecedented global response by governments, regulators and impacted industry sectors.

The consolidated entity continued to be materially impacted by the COVID-19 pandemic in the half-year ended 31 December 2020, and the consolidated entity continues to undertake wide range of significant measures to preserve cash so that it can re-invigorate when circumstances improve. As at 31 December 2020, the consolidated entity held \$23,099,000 of cash and cash equivalents. In addition to cash and cash equivalents, there were term deposits of \$2,468,000 (30 June 2020: \$2,454,000) classified within non-current assets.

The Directors believe it remains appropriate to prepare the financial statements on a going concern basis and have a reasonable expectation that the consolidated entity has sufficient funds on hand to pay its debts as and when they fall due over the next twelve months.

**Unsolicited, highly conditional takeover offer by UCW Limited**

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The Company released its Target's Statement to the ASX on 12 January 2021 recommending that shareholders **REJECT THE OFFER AND TAKE NO ACTION**.

**RedHill Education Limited and Controlled Entities**  
**Directors' report**  
**For the half-year ended 31 December 2020**

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Accordingly, shareholders are advised to **TAKE NO ACTION** in relation to the proposed offer.

Costs associated with the takeover offers will be recognised in the Financial Statements for the year ending 30 June 2021.

**Rounding of amounts**

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Stephen Heath  
Chairman

26 February 2021  
Sydney

**RSM Australia Partners**

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500

F +61 (0) 2 8226 4501

[www.rsm.com.au](http://www.rsm.com.au)**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of RedHill Education Limited for the half year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

**RSM AUSTRALIA PARTNERS**

**Gary Sherwood**  
Partner

Sydney, NSW

Dated: 26 February 2021

## **RedHill Education Limited and Controlled Entities**

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### **General information**

The Interim Financial Report covers RedHill Education Limited as a consolidated entity consisting of RedHill Education Limited and the entities it controlled. The Interim Financial Report is presented in Australian dollars, which is RedHill Education Limited's functional and presentation currency.

The Interim Financial Report consists of the financial statements, notes to the financial statements and the directors' declaration.

RedHill Education Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2  
7 Kelly Street  
Ultimo NSW 2007

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the Interim Financial Report.

The Interim Financial Report was authorised for issue, in accordance with a resolution of directors, on 26 February 2021.

The directors have the power to amend and reissue the Interim Financial Report.

**RedHill Education Limited and Controlled Entities**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2020**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
		<b>\$'000</b>	<b>Restated \$'000</b>
<b>Revenue from contracts with customers</b>	4	22,644	33,251
Other income	5	3,896	-
Interest revenue		17	63
<b>Expenses</b>			
Salaries and employee benefits expense		(13,081)	(17,670)
Cost of services		(4,200)	(6,319)
Depreciation and amortisation expense	6	(2,333)	(3,361)
Impairment of receivables		(369)	(390)
Property and occupancy costs		(995)	(1,381)
Professional and consulting fees		(226)	(313)
Marketing expenses		(747)	(1,194)
Public company related costs		(393)	(332)
Other expenses		(1,135)	(1,248)
Finance costs	6	(1,060)	(942)
<b>Profit before income tax expense</b>		2,018	164
Income tax expense		(710)	(50)
<b>Profit after income tax expense for the half-year attributable to the shareholders of RedHill Education Limited</b>		1,308	114
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		7	(60)
Other comprehensive income for the half-year, net of tax		7	(60)
<b>Total comprehensive income for the half-year attributable to the shareholders of RedHill Education Limited</b>		<b>1,315</b>	<b>54</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	13	2.58	0.37
Diluted earnings per share	13	2.58	0.37

Refer to note 2 for detailed information on restatement of comparatives.

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**RedHill Education Limited and Controlled Entities**  
**Consolidated statement of financial position**  
**As at 31 December 2020**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2020</b>	<b>30 Jun 2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		23,099	22,194
Trade receivables	7	7,377	7,322
Income tax refund due		-	568
Prepayments and other assets		1,972	2,531
Total current assets		<u>32,448</u>	<u>32,615</u>
<b>Non-current assets</b>			
Property, plant and equipment		3,849	4,409
Right-of-use assets		11,448	12,707
Intangibles		690	693
Prepayments and other assets		2,468	2,454
Total non-current assets		<u>18,455</u>	<u>20,263</u>
<b>Total assets</b>		<u>50,903</u>	<u>52,878</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		4,277	4,630
Contract liabilities	8	14,051	17,518
Lease liabilities		5,174	4,674
Income tax payable		143	-
Employee benefits		1,293	1,350
Total current liabilities		<u>24,938</u>	<u>28,172</u>
<b>Non-current liabilities</b>			
Lease liabilities		17,433	19,587
Employee benefits		197	90
Make good provisions		826	826
Onerous contracts provisions		633	749
Total non-current liabilities		<u>19,089</u>	<u>21,252</u>
<b>Total liabilities</b>		<u>44,027</u>	<u>49,424</u>
<b>Net assets</b>		<u>6,876</u>	<u>3,454</u>
<b>Equity</b>			
Issued capital	9	30,592	28,557
Reserves	10	267	188
Accumulated losses		(23,983)	(25,291)
<b>Total equity</b>		<u>6,876</u>	<u>3,454</u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*



**RedHill Education Limited and Controlled Entities**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2020**

<b>Consolidated</b>	<b>Issued capital \$'000</b>	<b>Share-based payments reserves \$'000</b>	<b>Foreign currency translation reserves \$'000</b>	<b>Accumulated losses (Restated) \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2019	19,166	22	-	(5,034)	14,154
Profit after income tax expense for the half-year	-	-	-	114	114
Other comprehensive income for the half-year, net of tax	-	-	(60)	-	(60)
Total comprehensive income for the half-year	-	-	(60)	114	54
<i>Transactions with shareholders in their capacity as shareholders:</i>					
Share-based payments	-	40	-	-	40
Dividends paid (note 11)	-	-	-	(616)	(616)
Balance at 31 December 2019	<u>19,166</u>	<u>62</u>	<u>(60)</u>	<u>(5,536)</u>	<u>13,632</u>

<b>Consolidated</b>	<b>Issued capital \$'000</b>	<b>Share-based payments reserves \$'000</b>	<b>Foreign currency translation reserves \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2020	28,557	178	10	(25,291)	3,454
Profit after income tax expense for the half-year	-	-	-	1,308	1,308
Other comprehensive income for the half-year, net of tax	-	-	7	-	7
Total comprehensive income for the half-year	-	-	7	1,308	1,315
<i>Transactions with shareholders in their capacity as shareholders:</i>					
Contributions of equity, net of transaction costs (note 9)	2,035	-	-	-	2,035
Share-based payments	-	72	-	-	72
Balance at 31 December 2020	<u>30,592</u>	<u>250</u>	<u>17</u>	<u>(23,983)</u>	<u>6,876</u>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**RedHill Education Limited and Controlled Entities**  
**Consolidated statement of cash flows**  
**For the half-year ended 31 December 2020**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		18,873	33,722
Payments to suppliers and employees (inclusive of GST)		(19,870)	(32,067)
Receipts from government (JobKeeper scheme)		3,896	-
		<hr/>	<hr/>
		2,899	1,655
Interest received		29	46
Income taxes (paid)/refunds received		-	548
		<hr/>	<hr/>
Net cash from operating activities		2,928	2,249
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
(Payments for) / refunds of security deposits		(14)	243
Payments for property, plant and equipment		(94)	(817)
Payments for intangibles		(166)	(341)
		<hr/>	<hr/>
Net cash used in investing activities		(274)	(915)
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	9	2,035	-
Payments of lease liabilities		(2,724)	(1,704)
Interest and other finance costs paid		(1,060)	(939)
Dividends paid	11	-	(616)
		<hr/>	<hr/>
Net cash used in financing activities		(1,749)	(3,259)
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		905	(1,925)
Cash and cash equivalents at the beginning of the financial half-year		22,194	12,954
Effects of exchange rate changes on cash and cash equivalents		-	(2)
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial half-year		<u>23,099</u>	<u>11,027</u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

**RedHill Education Limited and Controlled Entities**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2020**

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard Board ('AASB') 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Going concern**

The spread of COVID-19 was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The pandemic has seen an unprecedented global response by governments, regulators and impacted industries.

The consolidated entity continued to be materially impacted by the COVID-19 pandemic in the half-year ended 31 December 2020, and the consolidated entity continues to undertake a wide range of significant measures to preserve cash so that it can re-invigorate when circumstances improve. As at 31 December 2020, the consolidated entity held \$23,099,000 of cash and cash equivalents. In addition to cash and cash equivalents, there were term deposits of \$2,468,000 (30 June 2020: \$2,454,000) classified within non-current assets.

The Directors continue to believe it remains appropriate to prepare the financial statements on a going concern basis and have a reasonable expectation that the consolidated entity has sufficient funds on hand to pay its debts as and when they fall due over the next twelve months.

**Note 2. Restatement of comparatives**

**Revenue recognition**

The consolidated entity adopted AASB15 '*Revenue from Contracts with Customers*' effective 1 July 2018 with a full retrospective approach. A detailed evaluation of the revenue recognition treatment was undertaken by management and reviewed by the external auditor at the time of adopting this standard. This evaluation considered the accepted historic practice of recognising a portion of Greenwich revenue at the time of enrolment.

Following a subsequent internal review during the year ended 30 June 2020 with the current external auditors, the accounting treatment of recognising a component of Greenwich revenue at the time of enrolment was determined to be more appropriately recognised over the period of tuition delivery. This change has been retrospectively adopted and the changes recognised in the prior year comparative period ended 31 December 2019. The financial statements have been restated accordingly.

**RedHill Education Limited and Controlled Entities**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2020**

**Note 2. Restatement of comparatives (continued)**

This restatement has had no impact on revenues, profits, or cash flows in the half-year ended 31 December 2020. There is no impact from the restatement of the prior year comparative period on the statement of financial position as at 30 June 2020. The impact on prior year comparative period statement of profit or loss and other comprehensive income for the half-year ended 31 December 2019 are summarised in the following table.

*Statement of profit or loss and other comprehensive income*

Extract	Consolidated	
	31 Dec 2019 \$'000 Reported	31 Dec 2019 \$'000 Restated
<b>Revenue from contracts with customers</b>	34,027	33,251
<b>Profit before income tax expense</b>	940	164
Income tax expense	(282)	(50)
<b>Profit after income tax expense for the half-year attributable to the shareholders of RedHill Education Limited</b>	658	114
Other comprehensive income for the half-year, net of tax	(60)	(60)
<b>Total comprehensive income for the half-year attributable to the shareholders of RedHill Education Limited</b>	<b>598</b>	<b>54</b>
	<b>Cents Reported</b>	<b>Cents Restated</b>
Basic earnings per share	2.14	0.37
Diluted earnings per share	2.11	0.37

**Note 3. Operating segments**

*Identification of reportable operating segments*

The consolidated entity is organised into three operating segments: Technology & Design, Greenwich and Go Study. These operating segments are based on the internal reports that are reviewed and used by the Chief Executive Officer who is identified as the Chief Operating Decision Maker ('CODM') in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews both adjusted earnings before interest, tax, depreciation and amortisation ('EBITDA') and profit before income tax for each operating segment.

The information reported to the CODM on each operating segment is on at least a monthly basis.

**RedHill Education Limited and Controlled Entities**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2020**

**Note 3. Operating segments (continued)**

*Types of products and services*

The principal products and services of each of these operating segments are as follows:

Technology & Design	A provider of face-to-face and online courses in information technology, digital design, interactive multimedia, computer coding, digital marketing, games and apps programming, and interior design.
Greenwich	An Australian provider of English Language Intensive Courses for Overseas Students ('ELICOS'), and Vocational Education and Training ('VET') courses for overseas students.
Go Study	An international student advisory recruitment agency with operations in Australia (Sydney, Melbourne, Brisbane, Gold Coast, Perth), Europe (Spain, France, Italy) and South America (Colombia, Chile).

*Intersegment transactions*

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

*Intersegment receivables, payables and loans*

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

**RedHill Education Limited and Controlled Entities**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2020**

**Note 3. Operating segments (continued)**

*Operating segment information*

<b>Consolidated - 31 Dec 2020</b>	<b>Technology &amp; Design \$'000</b>	<b>Greenwich \$'000</b>	<b>Go Study \$'000</b>	<b>Intersegment eliminations/ unallocated \$'000</b>	<b>Total \$'000</b>
<b>Revenue</b>					
Sales to external customers	8,144	12,783	1,717	-	22,644
Intersegment sales	-	-	235	(235)	-
Total sales revenue	8,144	12,783	1,952	(235)	22,644
Government grants (JobKeeper)	-	-	-	3,896	3,896
<b>Total revenue</b>	<b>8,144</b>	<b>12,783</b>	<b>1,952</b>	<b>3,661</b>	<b>26,540</b>
<b>Segment operating result</b>	<b>1,457</b>	<b>2,623</b>	<b>(80)</b>	<b>3,896</b>	<b>7,896</b>
Unallocated items:					
Corporate, finance and IT expenses	-	-	-	(1,482)	(1,482)
Professional and consulting fees	-	-	-	(145)	(145)
Public company related costs	-	-	-	(393)	(393)
Property and occupancy costs	-	-	-	(67)	(67)
Other expenses	-	-	-	(415)	(415)
Depreciation and amortisation	(818)	(1,114)	(93)	(308)	(2,333)
Finance cost	-	-	-	(1,060)	(1,060)
Interest revenue	-	-	-	17	17
<b>Profit/(loss) before income tax expense</b>	<b>639</b>	<b>1,509</b>	<b>(173)</b>	<b>43</b>	<b>2,018</b>
Income tax expense					(710)
<b>Profit after income tax expense</b>					<b>1,308</b>
<b>Assets</b>					
Segment assets	8,955	34,370	4,727	-	48,052
Intersegment eliminations					(3,797)
Unallocated assets					6,648
<b>Total assets</b>					<b>50,903</b>
<b>Liabilities</b>					
Segment liabilities	7,608	28,736	2,268	-	38,612
Unallocated liabilities					5,415
<b>Total liabilities</b>					<b>44,027</b>

**RedHill Education Limited and Controlled Entities**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2020**

**Note 3. Operating segments (continued)**

<b>Consolidated - 31 Dec 2019 Restated</b>	<b>Technology &amp; Design \$'000</b>	<b>Greenwich \$'000</b>	<b>Go Study \$'000</b>	<b>Intersegment eliminations/ unallocated \$'000</b>	<b>Total \$'000</b>
<b>Revenue</b>					
Sales to external customers	9,695	20,576	2,980	-	33,251
Intersegment sales	-	-	651	(651)	-
Total sales revenue	9,695	20,576	3,631	(651)	33,251
<b>Total revenue</b>	9,695	20,576	3,631	(651)	33,251
<b>Segment operating result</b>	2,203	4,918	614	-	7,735
Unallocated items:					
Corporate, finance and IT expenses	-	-	-	(2,322)	(2,322)
Professional and consulting fees	-	-	-	(205)	(205)
Public company related costs	-	-	-	(332)	(332)
Property and occupancy costs	-	-	-	(52)	(52)
Other expenses	-	-	-	(420)	(420)
Depreciation and amortisation	(1,245)	(1,583)	(136)	(397)	(3,361)
Finance cost	-	-	-	(942)	(942)
Interest revenue	-	-	-	63	63
<b>Profit/(loss) before income tax expense</b>	958	3,335	478	(4,607)	164
Income tax expense					(50)
<b>Profit after income tax expense</b>					114
<b>Consolidated - 30 Jun 2020</b>					
<b>Assets</b>					
Segment assets	10,122	33,767	3,877	-	47,766
Intersegment eliminations					(3,767)
Unallocated assets					8,879
<b>Total assets</b>					52,878
<b>Liabilities</b>					
Segment liabilities	9,212	29,789	1,121	-	40,122
Unallocated liabilities					9,302
<b>Total liabilities</b>					49,424

**RedHill Education Limited and Controlled Entities**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2020**

**Note 4. Revenue from contracts with customers**

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>\$'000</b>	<b>Restated \$'000</b>
Tuition related revenue	20,927	30,271
Commission revenue	1,717	2,980
Revenue from contracts with customers	<u>22,644</u>	<u>33,251</u>

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>\$'000</b>	<b>Restated \$'000</b>
<i>Geographical regions</i>		
Australia	22,644	32,267
Europe	-	893
South America	-	91
	<u>22,644</u>	<u>33,251</u>

*Timing of revenue recognition*

Goods transferred at a point in time	1,717	2,980
Services transferred over time	20,927	30,271
	<u>22,644</u>	<u>33,251</u>

**Note 5. Other income**

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Government grants (JobKeeper)	<u>3,896</u>	<u>-</u>

During the COVID-19 pandemic, the consolidated entity has received JobKeeper support payments from the Australian Government which are passed on to eligible employees. These have been recognized as government grants in the financial statements and recorded as other income over the periods in which the related employee benefits are recognized as an expense. The JobKeeper payment scheme in its current form runs for the fortnights from 30 March 2020 until 28 March 2021. The consolidated entity is eligible for JobKeeper support from the government on the condition that the employee benefits continue to be paid.



**RedHill Education Limited and Controlled Entities**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2020**

**Note 6. Expenses**

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	207	497
Plant and equipment	447	402
Land and buildings right-of-use assets	1,510	2,275
Total depreciation	2,164	3,174
<i>Amortisation</i>		
Copyrights	169	187
Total depreciation and amortisation	2,333	3,361
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	1,060	942
<i>Leases</i>		
Short-term lease payments	111	190
Low-value assets lease payments	46	38
	157	228

**Note 7. Trade receivables**

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	<b>30 Jun 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Trade receivables	8,243	8,189
Less: Allowance for expected credit losses	(866)	(867)
	7,377	7,322

**Note 8. Contract liabilities**

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	<b>30 Jun 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Contract liabilities	14,051	17,518

**RedHill Education Limited and Controlled Entities**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2020**

**Note 8. Contract liabilities (continued)**

*Tuition related performance obligations*

The aggregate amount of the transaction price allocated to tuition related services, which are paid in advance or due for payment and are yet to be delivered at balance date was \$14,051,000 as at 31 December 2020 (30 June 2020: \$17,518,000) and is expected to be recognised as revenue in future periods.

The duration of study is used to measure the progress of the performance obligation to determine how much revenue should be recognised, and that revenue is recognised as the performance obligation is satisfied.

The ageing of the expected performance obligation of contract liabilities are as follows:

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	<b>30 Jun 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
To be realised within 12 months	14,051	17,518
	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	<b>30 Jun 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Contract liabilities consists of:		
Contract liabilities paid, and due for payment	14,051	17,518
Contract liabilities not yet due for payment	22,756	19,412
Total contract liabilities	36,807	36,930

Contract liabilities relate to tuition fees in relation to domestic and international students where an agreement has been signed and a payment plan is in place with students for studies which are expected to be undertaken after the balance date.

**Note 9. Issued capital**

	<b>Consolidated</b>			
	<b>31 Dec 2020</b>	<b>30 Jun 2020</b>	<b>31 Dec 2020</b>	<b>30 Jun 2020</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$'000</b>	<b>\$'000</b>
Ordinary shares - fully paid	50,850,381	47,156,520	30,592	28,557

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$'000</b>
Balance	1 July 2020	47,156,520		28,557
Shares issued through Retail Entitlement Offer	9 July 2020	3,693,861	\$0.60	2,216
Share issue costs		-		(181)
Balance	31 December 2020	50,850,381		30,592

**RedHill Education Limited and Controlled Entities**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2020**

**Note 9. Issued capital (continued)**

*Ordinary shares*

The consolidated entity completed its capital raising through a Retail Entitlement Offer finalised in July 2020, as part of its measures to protect the business during COVID-19.

**Note 10. Reserves**

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	<b>30 Jun 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Foreign currency reserve	17	10
Share-based payments reserve	250	178
	<u>267</u>	<u>188</u>

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services under the consolidated entity's Employee Incentive Plan.

The RedHill Education Limited Rights Plan (Rights Plan) was approved by shareholders at the Annual General Meeting (AGM) of the Company held on 19th November 2020. Additionally, at the AGM shareholders also approved the issue of 408,526 Performance Rights and 402,257 Performance Share Appreciation Rights to Managing Director, Glenn Elith, under the terms of the Rights Plan. These Rights were issued to Glenn Elith on 24th December 2020.

Full details of the terms of the rights granted can be found in the notice of meeting lodged with ASX on 19 October 2020.

**Note 11. Dividends**

*Dividends*

Dividends paid during the financial half-year were as follows:

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Dividends paid during the reporting period	-	616

*Franking credits*

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	<b>30 Jun 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Franking credits available at the reporting date based on a tax rate of 30%	1,911	1,911
Franking credits available for subsequent financial years based on a tax rate of 30%	<u>1,911</u>	<u>1,911</u>

**RedHill Education Limited and Controlled Entities**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2020**

**Note 12. Contingent liabilities**

The consolidated entity has given bank guarantees as at 31 December 2020 of \$4,279,641 (30 June 2020: \$4,279,641) to various lessors.

The consolidated entity has a bank guarantee facility with a limit of \$4,500,000 with National Australia Bank (NAB) as at 31 December 2020 (30 June 2020: \$4,500,000). The consolidated entity has term deposits of \$2,468,000 as at 31 December 2020 (30 June 2020: \$2,454,000) classified within non-current assets to support this facility. The consolidated entity is required to maintain a minimum cash balance of 100% of the bank guarantee facility with NAB, inclusive of amounts held as term deposits.

**Note 13. Earnings per share**

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit after income tax attributable to the shareholders of RedHill Education Limited	1,308	114
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	50,688,901	30,815,885
Adjustments for calculation of diluted earnings per share:		
Exercisable options	-	385,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	50,688,901	31,200,885
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	2.58	0.37
Diluted earnings per share	2.58	0.37

**RedHill Education Limited and Controlled Entities**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2020**

**Note 14. Events after the reporting period**

The consolidated entity has been materially impacted by the COVID-19 pandemic in the half-year ended 31 December 2020, and it is not practicable to accurately determine the potential impact, positive or negative, after the reporting date. The situation continues to evolve and the impact upon the consolidated entity is, in part, impacted by measures implemented by the Australian Government and by the governments of other countries, such as social distancing requirements, lockdowns, quarantine measures, international travel restrictions and other forms of economic stimulus.

On 22 February 2021 iCollege Limited (iCollege) advised the Company of a proposed off-market takeover offer for all the shares in RedHill for proposed consideration of 6 shares in iCollege for every one share in RedHill. The offer is unsolicited and conditional on a number of matters.

The Board is reviewing the proposed offer and notes that the iCollege Bidder's Statement will be lodged within the next 21 days. The Board is not in a position to make a recommendation as yet but will do so in RedHill's Target's Statement, which will be released within 1 month post receipt of the iCollege Bidder's Statement.

**Accordingly, RedHill shareholders are advised to take no action in relation to the proposed iCollege offer.**

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**RedHill Education Limited and Controlled Entities**

**Directors' declaration**

**For the half-year ended 31 December 2020**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- 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 directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Stephen Heath  
Chairman

26 February 2021  
Sydney

**RSM Australia Partners**

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500

F +61 (0) 2 8226 4501

[www.rsm.com.au](http://www.rsm.com.au)

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF**  
**REDHILL EDUCATION LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of RedHill Education Limited which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that 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 Auditing Standard on Review Engagements ASRE 2410 *Review of a 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 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 RedHill Education Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

In conducting our 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 RedHill Education Limited, would be in the same terms if given to the directors as at the time of this auditor's 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 RedHill Education Limited 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 *Corporations Regulations 2001*.

RSM

**RSM AUSTRALIA PARTNERS**



**Gary Sherwood**  
Partner

Sydney, NSW  
Dated: 26 February 2021