

6 August 2014

Company Announcements Office
Australian Securities Exchange
Level 4
20 Bridge Street
Sydney NSW 2000

Via ASX Online

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ANNOUNCEMENT

PRELIMINARY FINAL RESULTS

Academies Australasia today announced their preliminary final results for the year ended 30 June 2014.

In accordance with ASX Listing Rule 4.3A, we attach Appendix 4E (Preliminary Final Report) for the year ended 30 June 2014.

The Board is pleased to announce an increase in the final dividend of 0.5 cents, to 3.0 cents.

Stephanie Noble
Company Secretary

For further information call Christopher Campbell on +61 412 087 088 or +61 2 9224 5555.

Academies Australasia has been operating for 106 years and listed on the Australian Securities Exchange for 37 years. The group's education business now comprises 16 separately licensed colleges operating in New South Wales, South Australia, Queensland, Victoria and Western Australia in Australia, and in Singapore. Over the years, Academies Australasia colleges have taught tens of thousands of students from 119 countries.

Appendix 4E

Preliminary Final Report

Introduced 1/1/2003.

ACADEMIES AUSTRALASIA GROUP LIMITED ABN: 93 000 003 725
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1.	Financial year ended ('reporting period')	30-Jun-14
	Financial year ended ('previous corresponding period')	30-Jun-13

2. Results for announcement to the market

		\$A'000			
Movements from previous corresponding period					
2.1	Revenues from ordinary activities (<i>item 3.1</i>)	up	21%	to	45,784
2.2	Profit from ordinary activities after tax (<i>item 3.6</i>)	up	65%	to	5,400
2.3	Net profit for the period attributable to owners of the parent entity (<i>item 3.13</i>)	up	61%	to	5,264
2.4	Net profit for the period attributable to/from non-controlling interest (<i>item 3.12</i>)	up	136	to	136

2.5 Explanation of items 2.1 to 2.4 above:

Operating profit before tax increased by 55% to \$7,074,000.

The contribution to profitability (before tax) by the education operations was \$7,984,000 compared to the \$5,681,000 contributed in the previous year, an increase of 40%.

The contribution to profitability (before tax) by the fasteners operations was \$359,000. The fasteners business was sold on 1 December 2013.

The figures at 2.1 to 2.3 include \$2,109,000 from a revaluation of investments to market value.

3. Condensed consolidated income statement

	Reporting period - \$A'000	Previous corresponding period - \$A'000
3.1 Revenues from ordinary activities (<i>see items 3.14 - 3.15</i>)	45,784	37,827
3.2 Expenses from ordinary activities (<i>see item 3.16</i>)	(38,405)	(33,054)
3.3 Finance costs	(305)	(210)
3.4 Profit from ordinary activities before tax	7,074	4,563
3.5 Income tax expense on ordinary activities	(1,674)	(1,294)
3.6 Profit from ordinary activities after tax	5,400	3,269
3.7 Other comprehensive income		
3.8 Net gain on revaluation of assets	(719)	630
3.9 Exchange differences on translating foreign controlled entities	(25)	87
3.10 Income tax on other comprehensive income	-	-
3.11 Total comprehensive income	4,656	3,986
3.12 Profit attributable to non-controlling interest	136	-
3.13 Profit attributable to members of the parent entity	5,264	3,269

Notes to the condensed consolidated income statement

Revenue and expenses from ordinary activities

3.14 Revenue from sales and services		
- Sales	3,215	7,495
- Services	40,094	29,818
3.15 Other revenue		
- Rental income	297	272
- Interest	69	64
- Fair value gain on investments	2,109	178
3.16 Details of expenses		
- Depreciation and amortisation	767	715
- Costs of sales	1,549	3,587
- Costs of services	14,633	12,230
- Employee benefits expense	10,569	8,066
- Insurance	494	424
- Lease rental expense – operating leases	4,990	4,084
- Legal expenses	113	74
- Non-executive directors fees	116	133
- Payroll Tax	574	438
- Other	4,600	3,303

4 Condensed consolidated balance sheet

	Reporting period - \$A'000	Previous corresponding period - \$A'000
Current assets		
4.1 Cash	7,833	4,992
4.2 Receivables	8,798	2,417
4.3 Inventories	-	3,815
4.4 Other		
- Prepayments	1,062	954
- Other	165	2
4.5 Total current assets	17,858	12,180
Non-current assets		
4.6 Receivables	6,225	-
4.7 Investments	2,618	903
4.8 Plant and equipment	6,637	3,759
4.9 Deferred tax assets	-	436
4.10 Intangibles	28,770	10,408
4.11 Total non-current assets	44,250	15,506
4.12 Total assets	62,108	27,686
Current liabilities		
4.13 Payables	18,852	6,327
4.14 Current tax payable	297	456
4.15 Short-term borrowings	1,319	969
4.16 Short-term provisions	1,556	752
4.17 Total current liabilities	22,024	8,504
Non-current liabilities		
4.18 Deferred tax liability	85	-
4.19 Long-term borrowings	2,665	2,402
4.20 Long-term provisions	5,740	1,488
4.21 Total non-current liabilities	8,490	3,890
4.22 Total liabilities	30,514	12,394
4.23 Net assets	31,594	15,292
Equity		
4.24 Share capital	25,446	18,372
4.25 Share capital contracted to be issued	7,087	-
4.26 Retained profits (accumulated losses)	(1,319)	(4,226)
4.27 Asset revaluation reserve	-	1,063
4.28 Foreign currency translation reserve	58	83
4.29 Non-Controlling Interest	322	-
4.30 Total equity	31,594	15,292

5 Condensed consolidated cash flow statement

	Reporting period - \$A'000	Previous corresponding period - \$A'000
Cash flows from operating activities		
5.1 Receipts from customers	44,410	39,849
5.2 Payments to suppliers and employees	(40,166)	(33,326)
5.3 Interest received	73	63
5.4 Finance costs	(305)	(210)
5.5 Income taxes paid	(1,097)	(950)
5.6 Net operating cash flows	2,915	5,426
Cash flows from investing activities		
5.7 Proceeds from sale of plant and equipment	39	-
5.8 Purchases of plant and equipment	(1,805)	(262)
5.9 Expenditure on re branding	-	(62)
5.10 Acquisition of non controlling interests	-	(1,401)
5.11 Investment in subsidiary	-	(190)
5.12 Investment in associate	-	(300)
5.13 Investment in other financial assets	-	(29)
5.14 Net cash on acquisition of subsidiary	1,701	585
Net investing cash flows	(65)	(1,659)
Cash flows from financing activities		
5.15 Proceeds from borrowings	1,784	1,781
5.16 Dividends paid	(2,701)	(2,387)
5.17 Non recurring payment on closure of performance incentive plan	(1,007)	-
5.18 Proceeds from share issue	3,808	-
5.19 Repayment of borrowings	(1,893)	(737)
5.20 Net financing cash flows	(9)	(1,343)
5.21 Net increase in cash held	2,841	2,424
5.22 Cash at beginning of period	4,992	2,568
5.23 Cash at end of period	7,833	4,992

5.24 Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows:

- Revaluation of Investments to market value \$2,109,000

5.23 Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Reporting period - \$A'000	Previous corresponding period - \$A'000
5.23 Cash on hand and at bank (<i>item 5.23</i>)	7,833	4,992

6. Dividends

On 26 September 2013, the Company paid a fully franked dividend of two and a half cents per share (1,318,704) and on 15 April 2014, the Company paid a fully franked dividend of two and a half cents per share (1,403,931)

The Company has declared a fully franked dividend of three cents per share (\$1,861,905) [Calculated on 62,063,484 shares (60,563,484 issued plus 1,500,000 contracted to be issued. See note 10.2b)]

Dividend Dates

Ex Dividend	5-Sep-14
Record	11-Sep-14
Payment	26-Sep-14

7. Dividend reinvestment plans

No dividend reinvestment plans were in operation during the reporting period or the previous corresponding period.

8. Statement of retained earnings

	Reporting period - \$A'000	Previous corresponding period - \$A'000
8.1 Retained profits (accumulated losses) at the beginning of the financial period	(4,226)	(4,414)
8.2 Net profit attributable to members (<i>item 3.13</i>)	5,264	3,269
8.3 Dividend paid	(2,701)	(2,387)
8.4 Asset revaluation reserve	344	-
8.5 Acquisition non controlling interests	-	(694)
8.6 Retained profits (accumulated losses) at end of financial period	(1,319)	(4,226)

9. Net tangible Assets

	Reporting period	Previous corresponding period
Net tangible asset backing per ordinary share	5.0 cents ^a	10.1 cents ^b

^a Based on 56,157,234 shares at 30 June 2014 [Diluted to 4.6 cents following the issue of 5,906,250 shares (See note 10.2b)].

^b Based on 48,254,297 shares at 30 June 2013

10. Gain or loss of control over entities

10.1 On 1 December 2013 the group acquired:

- a 100% of the issued share capital of DFL Education (Qld) Pty Limited, a college operating in Brisbane and the Gold Coast for a consideration of \$4,858,094. The purchase was satisfied by the issue of 3,409,091 fully paid ordinary shares in Academies Australasia Group Limited and the payment of \$1,108,094 in cash.
- b A further 11% in the issued share capital of International College of Capoeira Pty Limited T/A College of Sports and Fitness (CSF) for \$70,000. The Group now owns 51%.
- c 100% of the issued share capital of Vostro Institute of Training Australia Pty Limited, a college in Melbourne. The consideration was \$2,000,000 in cash. The acquisition was completed on 30 January 2014.

The numbers below incorporate final adjustments to those reported on 31 December 2013.

	Vostro Institute of Training Australia	College of Sports and Fitness	DFL Education (Qld)
	Fair Value \$000s	Fair Value \$000s	Fair Value \$000s
Purchase Consideration			
-Ordinary shares	-	-	3,750
-Cash	2,000	70	1,108
-Ordinary shares - (25 October 2012)	-	114	-
-Cash - (25 October 2012)	-	300	-
-Group share accumulated loss as associate	-	7	-
	<hr/> 2,000	<hr/> 491	<hr/> 4,858
Less:			
Cash	623	203	195
Receivables	633	298	417
Property,Plant and Equipment	134	371	653
Intangibles	14	-	13
Payables	(1,639)	(696)	(577)
	<hr/>	<hr/>	<hr/>
Identifiable assets acquired and liabilities assumed	(235)	176	701
	<hr/>	<hr/>	<hr/>
Group share	(235)	62	701
	<hr/>	<hr/>	<hr/>
Goodwill	2,235	401	4,157
	<hr/>	<hr/>	<hr/>
Purchase consideration settled in cash	2,000	70	1,108
	<hr/>	<hr/>	<hr/>
Cash inflow on acquisition	623	203	195
	<hr/>	<hr/>	<hr/>

10.2 On 2 June 2014 the group acquired

- a 51% of the issued share capital of Kreate Pty Limited T/A RuralBiz, a college in Dubbo, NSW, for a consideration of \$234,835 in cash.
- b 100% control of Newco CLB Training and Development Pty Limited as trustee for the CLB Unit Trust T/A Spectra Training (Spectra), a college in Melbourne, operating throughout mainland Australia. The consideration was \$15,750,000, to be satisfied by the issue of 5,906,250 new fully paid ordinary shares in Academies Australasia Group Limited and the payment of \$8,662,500 in cash. The acquisition was completed on 23 July 2014. On that date the cash component was paid and 4,406,250 shares were issued. The issue of the remaining 1,500,000 shares will be considered by shareholders on 1 September 2014.

	Kreate	Spectra
	Fair Value	Fair Value
	\$000s	\$000s
Purchase Consideration		
-Ordinary shares - to be issued	-	7,087
-Cash	235	-
-Cash - payable to vendor	-	8,663
	<u>235</u>	<u>15,750</u>
Less:		
Cash	229	37
Receivables	13	4,682
Property, Plant and Equipment	26	396
Intangibles	-	1,178
Payables	(64)	(2,598)
	<u>204</u>	<u>3,695</u>
Identifiable assets acquired and liabilities assumed	<u>204</u>	<u>3,695</u>
Group share	<u>131</u>	<u>3,695</u>
Goodwill	<u>131</u>	<u>12,055</u>
Purchase consideration settled in cash	<u>235</u>	<u>8,663</u>
Cash inflow on acquisition	<u>229</u>	<u>37</u>

10.3 The consolidated revenue and profit of the group if the acquisitions had taken place on 1 July 2013 has not been disclosed. This is because it is impracticable to determine what the results would have been prior to the actual date of acquisition in accordance with the accounting policies of the group using available accounting information.

10.4 It is impracticable to disclose the profit of these acquisitions since acquisition and include them in the consolidated statement of comprehensive income. This is because they form part of the group's education operation which is managed as a unit. Some costs can be determined only from a group perspective and cannot be allocated specifically to them. Consequently, it is not possible to determine separate results of these acquisitions.

10.5 On 1 December 2013, the Group sold Premier Fasteners Pty Limited for \$7,688,937 in cash.

	Fair Value \$000s
Sale Proceeds	
-Cash	3,939
-Deferred consideration	3,750
	<u>7,689</u>
Less:	
Cash	112
Receivables	1,704
Inventories	3,769
Property, Plant and Equipment	1,142
Intangibles	1,892
Payables	<u>(930)</u>
Identifiable assets and liabilities sold	<u>7,689</u>
Gain/(Loss) on disposal	<u>0</u>

11. **Associates and joint venture entities**

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

12. **Other significant information**

- a The Group did not proceed with the acquisition of a 40% stake in Astin College in Malaysia.
- b An Extraordinary General Meeting of shareholders will be held on 1 September 2014 to consider and if thought fit, to approve the prior issue of 7,815,314 shares since the 2013 Annual General Meeting and the issue of 1,500,000 shares to the vendors of Spectra.

13. **Foreign entities**

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

14. **Commentary on results**

14.1 **Earnings per security (EPS)**

	Reporting period	Previous corresponding period
Basic EPS	9.8 cents	6.8 cents
Diluted EPS*	8.8 cents	6.8 cents

* Diluted to include 5,906,250 shares (See note 10.2b)

Options

No options were on issue during the period under review.

14.2 Returns to shareholders.

A final fully franked dividend of three cents per share has been declared. The dividend for the year is five and a half cents (fully franked).

14.3 Significant features of operating performance.

Education

The contribution (before tax) from the education business has increased by 41% to \$7,984,000 (2013: \$5,681,000), while revenue increased by 40% to \$42,569,000.

Fasteners

The contribution (before tax) from the fasteners business was \$359,000 and the revenue was \$3,215,000. The fasteners business was sold on 1 December 2013.

14.4 Results of segments.

Refer Appendix

14.5 Ratios.

	Reporting period	Previous corresponding period
Profit before tax / revenue Consolidated profit from ordinary activities before tax (<i>item 3.4</i>) as a percentage of revenue (<i>item 3.1</i>)	15.45%	12.06%
Profit after tax / equity interests Consolidated net profit from ordinary activities after tax attributable to members (<i>item 3.13</i>) as a percentage of equity at the end of the period (<i>item 4.30</i>)	17.09%	21.38%

15. This report is based on accounts which are in the process of being audited.

16. These accounts are not likely to be subject to dispute or qualification.

Signed:

Stephanie Noble
(Group Finance Manager)

Date:

**ACADEMIES AUSTRALASIA GROUP LIMITED
AND CONTROLLED ENTITIES**

APPENDIX - SEGMENT REPORT

	FASTENERS		EDUCATION		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Business Segments						
External sales	3,215	7,495	40,094	29,818	43,309	37,313
Other revenue	-	-	2,475	514	2,475	514
	3,215	7,495	42,569	30,332	45,784	37,827
Unallocated revenue					-	-
Total revenue					45,784	37,827
Segment result	359	738	7,984	5,681	8,343	6,419
Unallocated expenses net of unallocated revenue					(964)	(1,646)
Finance costs					(305)	(210)
Profit before income tax					7,074	4,563
Segment assets	-	9,108	58,026	17,078	58,026	26,186
Unallocated					4,082	1,500
Total assets					62,108	27,686
Segment liabilities	-	1,726	29,596	9,437	29,596	11,163
Unallocated					918	1,231
Total liabilities					30,514	12,394
Acquisition of non-current segment assets	46	35	4,079	331	4,125	366
Depreciation and amortisation of segment assets	55	138	595	459	650	597

Geographical Segments

The economic entity's business segments operate predominantly in Australia.