



ACADEMIES AUSTRALASIA

THE POSSIBILITIES ARE INFINITE

ACADEMIES AUSTRALASIA GROUP LIMITED
ANNUAL REPORT 2018
ACN 000 003 725

ACADEMIES AUSTRALASIA GROUP LIMITED

ANNUAL REPORT 2018

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REPORT OF THE CHAIRMAN AND THE GROUP MANAGING DIRECTOR

Dear Shareholder

Your Board is delighted to present your Company's results for FY18.

While FY17 showed a spectacular turnaround from the results of FY16, FY18 saw even further improvement. Indeed, FY18 recorded the best results in AKG's 110-year history!

- EBITDA \$7.46 million
- Earnings before tax \$6.12 million

The management team is to be commended for the 42% increase on FY17's earnings before tax (FY17: \$4.31 million). After adjusting for gains on investment (FY18: \$1.58 million, FY17: \$0.99 million), FY18's earnings before tax are \$1.22 million or 37% more than that in FY17.

After adding back \$1.06 million (FY17: \$0.84 million) for restructure and non-recurring costs, FY18's earnings before tax are \$5.60 million (FY17: \$4.16 million).

Our business environment

Consistent with the concern we expressed in last year's report, compared to FY17, revenue from our domestic business declined \$5.75 million (30%) to \$13.37 million. The experience of our 3 colleges with VSL approval, BMC, RBT and STA, reflected the sector experience in FY18: the VSL scheme is not as attractive as the VET Fee Help scheme that it replaced. We also note that TAFE in Victoria is offering certain courses to domestic students for free. And that Navitas Limited has decided to close or divest a significant operation in Australia because '*changes to the vocation education funding rules in Australia have impacted the economic viability of the business*'. These developments are being monitored. STA is in the same business.

Again, in line with our views conveyed in last year's report, the contribution of international education to Australia's economy in FY18 hit a record \$32 billion (FY17: \$28 billion). Overall, our group of 12 colleges registered on CRICOS (AAHB, AAI, AAPoly, ACT, AIHS, AOE, CBC, CSF, DE, LLI, SBC and STA) did well. Revenue from international business grew by \$8.59 million to \$47.91 million – a strong 22% increase from that in FY17. This was far greater than the sector growth of 14%.

FY18 improvements on FY17

- Revenue from ordinary activities Up 5% (\$2.84 million) to \$61.28 million
- EBITDA Up 16% (\$1.02 million) to \$7.46 million
- Profit from ordinary activities before tax Up 42% (\$1.81 million) to \$6.12 million
- Profit from ordinary activities after tax Up 46% (\$1.41million) to \$4.45 million
- Net assets Up 8% (\$2.58 million) to \$36.86 million
- Net cash at 30 June Up 35% (\$3.35 million) to \$12.97 million

- Total borrowings Down \$4.3 million to \$1.29 million

Borrowings

We are particularly pleased to have reduced total borrowings to \$1.29 million, now representing just 17% of FY18 EBITDA (FY17: 87% of EBITDA). This equates to

- a 92% (\$14.18 million) decrease from the high of \$15.47 million at the end of FY15, or
- a 77% decrease from the outstanding borrowings at the end of FY17.

Dividend

For FY18, an interim dividend of 1.5 cents per share (fully franked) was paid (FY17: Nil) – of which 1.0 cent was a special dividend. A final dividend of 1.0 cent per share (fully franked) will be paid in October 2018 (FY17: 0.5 cent, fully franked).

It is the Board's intention to, generally, adopt a dividend payout ratio of 75%.

Outlook

We do not see a bed of roses. None of the negative issues we raised in the FY16 and FY17 reports has gone away. Australia is still strong in the area of international education which is the second largest export sector, after minerals. But, surely there is a need for a long-term road map outlining national targets, to facilitate better coordination amongst all the participants and address issues that have nagged the sector for a long time. Last year we thought it futile to expect long term plans from a ruling party hanging on to government by the slimmest of majorities. Recent developments, especially the impending by-election, disappointingly point to more short-termism. And comments from politicians calling for a cap on international student numbers and a smaller migration programme (*which seem to get more coverage than the government paper that says that only 40% of students take up their work rights and only 16% of students stay as migrants*), are not at all encouraging to serious investors in the international education sector. As for the domestic sector, business will be more challenging if funding continues to be more restrictive and if competitors offer courses for free.

Notwithstanding these frustrations, we will press on. Education is a laudable activity. The thousands of graduates who return home each year are excellent ambassadors. You do not forget your teachers, and the friends you made while studying in one of the best countries in the world. We have the resources, infrastructure and experience to continue to focus on providing quality education. We are committed. The Board have a substantial interest in AKG.

Strategic direction and priorities for FY19 and FY20

The acquisition of Spectra Training and its related problems led to a period of poor performance across the group over FY15 and FY16. AKG's domestic operations have been markedly streamlined over the last few years. The focus has now moved to our strength, international education, where FY18 revenue growth was very strong. International operations now constitute 78% of total revenue.

The group's focus for FY19 will be on:

- Further growth of international operations
- Further improving financial discipline and implementing cost savings initiatives
- Paying off borrowings

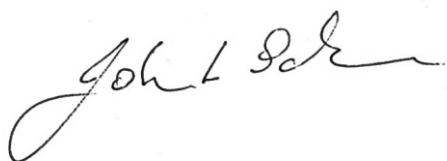
There are no immediate plans to pursue any acquisitions.

Shares

There were two significant changes to our share capital since the latter part of FY17. On completion of the 2017 Rights Issue, there were 126,754,079 shares. This went up to 131,754,079 upon exercise of the 5,000,000 options on 1 January 2018. On 22 August 2018, following the buy-back and cancellation of 4,139,612 shares, there are now 127,614,467 shares on issue. The Board thanks the substantial number of shareholders who voted in favour of the motion at the EGM. The votes in favour were more than 3 times the number against.

Acknowledgement

The Board would like to thank all shareholders, students, clients, partners, associates and all other stakeholders for their loyalty and support. And to all members of management and staff, we sincerely thank you too. You can be proud that you produced record results. We know that it was not easy.



Dr John Lewis Schlederer
Chairman

5 September 2018



Christopher Elmore Campbell
Group Managing Director and CEO

110th ANNUAL DIRECTORS' REPORT

Your Directors present their report on Academies Australasia Group Limited (the Company) and its controlled entities (jointly the Group) for the year ended 30 June 2018.

DIRECTORS

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

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

All Directors have all been in office since the start of the financial year to the date of this report.

Details on the Directors and Company Secretaries are set out on pages 8 and 9.

PRINCIPAL ACTIVITY

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

CONSOLIDATED RESULT

Consolidated result

The consolidated profit of the Group for the financial year, after providing for income, amounted to \$4,454,000 (2017:\$3,041,000).

REVIEW OF OPERATIONS

Revenue from operating activities increased by 5% to \$61,120,000 (2017: \$58,289,000).

Profit from ordinary activities before income tax increased by 42% to \$6,120,000 (2017: \$4,306,000).

Dividends

A fully franked dividend of 0.5 cents per share (\$634,000) was paid on 8 November 2017.

A fully franked dividend of 1.5 cents per share (\$1,976,000) was paid on 28 February 2018. This included a 1.0 cent one-off special dividend in recognition of the profit made from the sale of the investment in RedHill Education Limited.

The Directors have announced the payment of a fully franked dividend of 1.0 cents per share (\$1,276,000) to be paid on 19 October 2018.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

SALE OF INVESTMENT

In November 2017, the Company sold its \$331,000 investment in RedHill Limited for \$4,581,000. The investment had been marked to market previously, recording an unrealised gain of \$2,723,000 recognised in prior financial years. Following the sale, the remaining realised gain on sale of \$1,527,000 was recognised. (2017: \$994,000 unrealised gain).

EXERCISE OF OPTIONS

On 1 January 2018, Andrew Low, Underwriter to the June 2017 Rights Issue, exercised the 5 million options over unissued shares that he held. The exercise price was at 15 cents a share.

EVENTS AFTER THE REPORTING DATE

Following approval at an Extraordinary General Meeting convened for the purpose, the Company bought back and cancelled 4,139,612 shares at the price of 35 cents per share. After that cancellation the total shares on issue was reduced to 127,614,467.

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

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Chairman's and the Group Managing Director's Report (Pages 2 to 4) addresses the Group's outlook.

ENVIRONMENTAL ISSUES

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

INDEMNIFICATION AND INSURANCE OF OFFICERS

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

The Company has paid an insurance premium amounting to \$23,000 in respect of a directors and officers liability insurance policy covering the directors' and officers' liabilities as officers of the Company.

OPTIONS

There are no other options over unissued share capital.

ROUNDING OF AMOUNTS

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

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

Dr John Lewis Schlederer Non-executive Director, appointed 21 August 2009 (9 years 1 month), Chairman since 1 January 2014 (4 years 7 months).
Qualifications B.Sc. (Hons), Grad. Diploma, PhD.
Experience More than 20 years teaching experience at University of New South Wales and TAFE NSW and many years in business.
Interest in Shares 7,977,000 shares (6.25%)
Special Responsibilities Chairman of the Board. Chairman of the Remuneration Committee. Member of the Audit and Risk Committee.
Directorships held in other listed entities None

Christopher Elmore Campbell Group Managing Director and Chief Executive Officer, appointed 1 July 1996 (22 years 3 months).
Qualifications B.Soc.Sci. (Hons), FFin, FAICD, FCIS, FSCA.
Experience Experience in mergers and acquisitions and more than 19 years' experience in managing educational institutions. Previous positions include senior appointments with the Monetary Authority of Singapore and an international bank in Australia.
Director, Asia Society Australia.
Director, ACPET (20 March 2012 to 25 September 2017)
Interest in Shares 16,815,195 shares (13.18%)
Special Responsibilities Member of the Remuneration Committee.
Directorships held in other listed entities None.

Chiang Meng Heng Non-executive Director, appointed 15 February 2000 (18 years 7 months).
Qualifications BBA (Hons).
Experience Previous positions include Treasurer, Citibank NA, Singapore and Hong Kong; Adviser & Head, Banking Supervision, Monetary Authority of Singapore; EVP, Overseas Union Bank Ltd including secondments as Executive Director, International Bank of Singapore Ltd and President, Asia Commercial Bank Ltd; Managing Director, First Capital Corporation Ltd; Executive Director, Far East Organization and Group Managing Director, Lim Kah Ngam Ltd. Member of Singapore Parliament for 4 terms from 1985 to 2001.
Interest in Shares 51,185,961 shares (40.11%)
Special Responsibilities Member of the Audit and Risk Committee and Remuneration Committee.
Directorships held in other listed entities None.

**Gabriela Del Carmen
Rodriguez Naranjo**

Qualifications
Experience

Executive Director, appointed 21 October 2013 (4 years 11 months).
Alternate Director, May 2011 to December 2013 (2 years 7 months),
(Alternate to Neville Thomas Cleary (Retired 31 December 2013)).

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

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

Director, COPHE from 17 May 2017.

Interest in Shares
Special Responsibilities

80,549 shares (0.06%)

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

Directorships held in other listed
entities

None

Sartaj Hans

Qualifications
Experience

Independent, Non-executive Director, appointed 19 October 2016 (1
year 11 months)

B.E. Honours (Electronics)

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

Interest in Shares
Special Responsibilities

708,096 shares (0.55%)

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

Directorships held in other listed
entities

None

COMPANY SECRETARIES

Stephanie Noble

Qualifications
Experience

Appointed 27 November 2006

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

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

Other Responsibilities

Group Finance Manager

**Gabriela Del Carmen
Rodriguez Naranjo**

Appointed 14 September 2016

See Information on Directors.

MEETINGS OF DIRECTORS

<u>Director</u>	<u>Directors' Meetings</u>		<u>Audit and Risk Committee</u>		<u>Remuneration Committee</u>	
	<u>A</u>	<u>B</u>	<u>A</u>	<u>B</u>	<u>A</u>	<u>B</u>
Dr John Lewis Schlederer	4	4	2	2	1	1
Christopher Elmore Campbell	4	4	2	2	1	1
Chiang Meng Heng	4	4	2	2	1	1
Gabriela Del Carmen Rodriguez Naranjo	4	4	2	2	-	-
Sartaj Hans	4	4	2	2	-	-

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

B - Number of meetings attended

INFORMATION ON SENIOR EXECUTIVES

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

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

Stephanie Noble Group Finance Manager
See Information on Company Secretaries.

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

Melinda Burgess Director, Strategic Operations (Resigned 15 September 2017).
Qualifications B.A, GradDipAgedServMgmt, DipQualityAuditing.
Experience 20 years' experience in the VET sector, managing operations in RTOs. Founder STA. Previous experience includes Case Management, Aged and Community Care Management and Aged Care Accreditation.

REMUNERATION REPORT – AUDITED

Remuneration Policies

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

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

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

The Company does not have an employee share option plan.

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

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

Directors and Senior Executives

Details of the Directors and Senior Executives holding office at any time during the financial year are set out on pages 8 to 10.

a. Remuneration

30 June 2018 Directors and Senior Executives	Short-term employee benefits			Post-employment benefits	Total
	Cash, salary and commissions	Bonus	Non-monetary benefits	Superannuation	
	\$000s	\$000s	\$000s	\$000s	
Dr John Lewis Schlederer	30	-	-	25	55
Christopher Elmore Campbell	430	-	-	20	450
Chiang Meng Heng	32	-	-	3	35
Gabriela Del Carmen Rodriguez Naranjo	207	10	-	20	237
Sartaj Hans	40	-	-	4	44
Stephanie Noble	167	10	-	16	193
Esther Teo	151	-	-	25	176
Melinda Burgess (to 15 September 2017)	51	-	-	5	56
	1,108	20	-	118	1,246

30 June 2017 Directors and Senior Executives

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

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

b. Options issued as part of remuneration for the year ended 30 June 2018

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

c. Employment contracts of Senior Executives

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

Christopher Elmore Campbell has a fixed term contract of employment which expires on 31 December 2020.

AUDITORS' INDEPENDENCE DECLARATION

The Auditor's Independence Declaration for the year ended 30 June 2018 appears on page 14. It forms part of the Directors' Report for the year ended 30 June 2018.

NON-AUDIT SERVICES

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

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

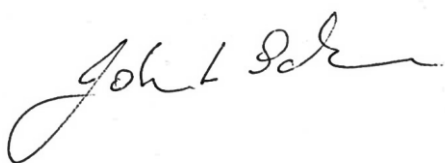
The following fees were paid or payable for non-audit services to the external auditors during the year ended 30 June 2018:

- | | | |
|---------------------|----------|------------------|
| • Taxation services | \$66,000 | (2017:\$60,000) |
| • Other services | \$43,000 | (2017:\$271,000) |

CORPORATE GOVERNANCE STATEMENT

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

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



Dr John Lewis Schlederer
Director



Christopher Elmore Campbell
Director

5 September 2018



AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

ACADEMIES AUSTRALASIA GROUP LIMITED

I declare that to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

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

PILOT PARTNERS

Chartered Accountants

CHRIS KING

Partner

Signed on 5 September 2018

Level 10
1 Eagle Street
Brisbane Qld 4000

ACADEMIES AUSTRALASIA GROUP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Note	2018 \$000s	2017 \$000s
Revenue from continuing operations	2	61,120	58,289
Student acquisition and teaching costs	3	(26,522)	(24,233)
Gross profit		<u>34,598</u>	<u>34,056</u>
Personnel expenses	3	(14,303)	(14,298)
Premises expenses	3	(9,396)	(9,124)
Other administration expenses	3	(3,962)	(4,408)
		<u>6,937</u>	<u>6,226</u>
Restructure and non-recurring costs	3	(1,061)	(836)
		<u>5,876</u>	<u>5,390</u>
Realised gain on investments		1,527	-
Unrealised gain on investments		-	994
Other income	2	53	54
		<u>7,456</u>	<u>6,438</u>
Earnings before interest, depreciation and amortisation		7,456	6,438
Depreciation and amortisation expense		(1,005)	(1,440)
Loss on disposal of assets		(10)	(39)
Interest paid		(432)	(753)
Interest received		111	100
Profit before income tax		<u>6,120</u>	<u>4,306</u>
Income tax expense	4	(1,666)	(1,265)
Profit for the year		<u>4,454</u>	<u>3,041</u>
Other comprehensive income:			
Exchange differences on translating foreign controlled entities		13	(18)
Other comprehensive income for the year, net of tax		<u>13</u>	<u>(18)</u>
Total comprehensive income for the year		<u>4,467</u>	<u>3,023</u>
Profit attributable to:			
Owners of the parent entity		4,270	2,855
Non-controlling interests		184	186
		<u>4,454</u>	<u>3,041</u>
Total comprehensive income attributable to:			
Owners of the parent entity		4,283	2,837
Non-controlling interests		184	186
		<u>4,467</u>	<u>3,023</u>
Earnings per share (cents per share)			
Basic	7	3.3	3.7
Diluted	7	3.3	3.7
Dividends per share (cents)	8	2.0	0.0

The accompanying notes form part of these financial statements.

ACADEMIES AUSTRALASIA GROUP LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note	2018 \$000s	2017 \$000s
Current Assets			
Cash and cash equivalents	9	12,968	10,488
Trade and other receivables	10	8,155	10,550
Other current assets	11	5,496	6,249
Investments	12	-	3,054
Total Current Assets		26,619	30,341
Non-Current Assets			
Trade and other receivables	10	2,180	2,586
Plant and equipment	14	6,717	7,159
Deferred tax assets	15	4,014	2,953
Intangible assets	16	32,973	32,966
Total Non-Current Assets		45,884	45,664
Total Assets		72,503	76,005
Current Liabilities			
Tuition fees in advance (Deferred income)	17	19,125	19,156
Trade and other payables	17	4,643	7,669
Current tax liabilities	4	2,367	621
Borrowings	18	1,087	2,893
Provisions	19	2,443	2,242
Total Current Liabilities		29,665	32,581
Non-Current Liabilities			
Borrowings	18	201	2,698
Provisions	19	5,779	6,448
Total Non-Current Liabilities		5,980	9,146
Total Liabilities		35,645	41,727
Net Assets		36,858	34,278
Equity			
Share capital	20a	43,515	42,677
Share option reserve		-	88
Accumulated losses		(7,088)	(8,748)
Foreign currency translation reserve		68	55
Non-controlling interests		363	206
Total Equity		36,858	34,278

The accompanying notes form part of these financial statements.

ACADEMIES AUSTRALASIA GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	Ordinary Shares	Share Option Reserve	Retained Profits	Reserves	Non - Controlling Interests	Total
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Year ended 30 June 2017	42,677	88	(8,748)	55	206	34,278
Profit for the period	-	-	4,270	-	184	4,454
Exchange differences on translating foreign operations	-	-	-	13	-	13
Total comprehensive income for the year	-	-	4,270	13	184	4,467
Issue share capital	750	-	-	-	-	750
Share option	88	(88)	-	-	-	-
Acquisition of subsidiaries (Note 13)	-	-	-	-	(27)	(27)
Dividend paid	-	-	(2,610)	-	-	(2,610)
Balance at 30 June 2018	43,515	-	(7,088)	68	363	36,858
Year ended 30 June 2016	36,504	-	(11,603)	73	114	25,088
Profit for the period	-	-	2,855	-	186	3,041
Exchange differences on translating foreign operations	-	-	-	(18)	-	(18)
Total comprehensive income for the year	-	-	2,855	(18)	186	3,023
Issue share capital	6,173	-	-	-	-	6,173
Share option	-	88	-	-	-	88
Acquisition of subsidiaries	-	-	-	-	(77)	(77)
Dividend proposed	-	-	-	-	(17)	(17)
Balance at 30 June 2017	42,677	88	(8,748)	55	206	34,278

The accompanying notes form part of these financial statements.

ACADEMIES AUSTRALASIA GROUP LIMITED
CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2018

	Note	2018 \$000s	2017 \$000s
Cash Flows from Operating Activities			
Receipts from customers		63,327	60,200
Payments to suppliers and employees		(58,339)	(53,317)
Dividend received		48	-
Interest received		111	100
Finance costs		(432)	(631)
Income taxes paid		(981)	(199)
		<hr/>	<hr/>
Net cash provided by (used in) operating activities	24a	3,734	6,153
Cash Flows from Investing Activities			
Proceeds from sale of plant & equipment		-	35
Purchase of plant & equipment		(429)	(965)
Proceeds from sale of investment		4,581	-
Net cash on acquisition/disposal of subsidiaries		819	(21)
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		4,971	(951)
Cash Flows from Financing Activities			
Dividends paid		(2,610)	-
Proceeds from borrowings		-	780
Repayment of borrowings		(3,497)	(5,455)
Proceeds from share issue		750	3,435
		<hr/>	<hr/>
Net cash provided by (used in) financing activities		(5,357)	(1,240)
		<hr/>	<hr/>
Net increase in cash held		3,348	3,962
Net cash at the beginning of the financial year		9,620	5,658
		<hr/>	<hr/>
Net cash at the end of the financial year	9	12,968	9,620
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Academies Australasia Group Limited is a listed public company, incorporated and domiciled in Australia.

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

The financial statements were authorised for adoption on 5 September 2018.

New, revised or amending Accounting Standards and Interpretations

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

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

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

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

The main changes introduced by the new Standard include:

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

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

During the course of the year work has been completed to quantify the impact of the change.

Based on the current leases held in the portfolio, and which will continue to be held by the Group at the date of application of the standard, the Group has initially estimated the following impact on the financial statements for the year ended 30 June 2020.

Consolidated Statement of Financial Position (\$000's)

	DR	CR
Increase in Right of Use Assets	18,012	
Increase in Lease Liabilities (Current)		3,539
Increase in Lease Liabilities (Non- Current)		20,709
Decrease of Lease Incentives Recognised	2,713	
Increase in Deferred Tax Asset	1,870	
Cumulative Impact on Retrospective Application of Standard to Opening Retained Earnings	1,653	

Consolidated Statement of Comprehensive Income (\$000's)

	DR	CR
Increase in Depreciation Expense	3,477	
Increase in Interest Expense	1,216	
Decrease in Premises Expenses		4,727
Profit Before Tax Increase / (Reduction)	34	

Bases of preparation

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

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Policies

a. Basis of consolidation

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

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

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

b. Business combinations

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

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

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

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

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

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Cash and cash equivalents

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

d. Trade and other receivables

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

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

e. Financial instruments

Recognition and Initial Measurement

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

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

Derecognition

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

Classification and Subsequent Measurement

i. Financial assets at fair value through profit or loss

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

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ii. *Loans and receivables*

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

iii. *Available-for-sale investments*

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

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

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

iv. *Financial Liabilities*

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

Fair value

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

Financial guarantees

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

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

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Interest borrowing costs

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

f. Leases

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

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

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

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

g. Leasehold Improvements and plant and equipment

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

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

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Depreciation

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

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

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

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

i. Goodwill

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

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

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

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

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

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

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Goodwill (continued)

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

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

Goodwill on acquisitions of subsidiaries is included in intangible assets.

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

j. Intangible assets

Intangible assets include course development costs and other intangible assets.

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

k. Impairment of assets

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

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

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

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

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Trade and other payables

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

m. Provisions and employee benefits

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

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

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

n. Issued capital

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

o. Revenue

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

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

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

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Revenue (continued)

Revenue is recognised over the period of tuition, upon completion of specific performance obligations of each of the contracts. No revenue is recognised prior to a student commencing the tuition phase of delivery. As all student contracts are for the provision of tuition, income for tuition is recognised as training is provided. Payment terms vary from contract to contract but in most cases cash is received prior to the performance obligation being delivered. International students in particular are required to pay some level of tuition in advance. Monies received in advance are held as unearned income and recognised as revenue as the performance obligations are satisfied. The unearned income (tuition fees in advance) at 30 June 2017 has been recognised as revenue in FY18 (net of any refunds paid). Generally, the Group's obligations in respect of refunds cease after the course commences.

Revenue derived from the provision of education services is measured at the fair value of consideration received or receivable to the extent that economic benefits will flow to the Group and the revenue can be reliably measured.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

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

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

p. Goods and services tax (GST)

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

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

q. Income tax

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

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

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Income tax (continued)

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

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

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

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

r. Foreign currency transactions and balances

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

Foreign Group Companies

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

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

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

s. Earnings per share

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

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Comparative figures

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

u. Critical accounting estimates and judgements

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

Key Estimates – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. Further details on the key estimates used in impairment can be found in Note 16. No impairment has been recognised in respect of goodwill for the year ended 30 June 2018.

Key Estimates – Revenue

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

v. Segment reporting

An operating segment is a component of an entity

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

The Company has only one operating segment: Education.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

	2018	2017
	\$000s	\$000s
2. REVENUE		
Operating activities		
Services revenue	61,120	58,289
Non-operating activities		
Rent received	5	54
Dividend received	48	-
	53	54
3. PROFIT FOR THE YEAR		
Student acquisition and teaching costs		
- Teaching costs	14,260	14,933
- Acquisition costs	10,118	7,417
- Teaching materials	2,144	1,883
	26,522	24,233
Personnel costs		
- Wages and Salaries	11,443	11,594
- Superannuation	1,204	1,329
- Payroll Tax	786	837
- Other	870	538
	14,303	14,298
Premises		
- Rental	8,270	8,037
- Electricity	336	323
- Cleaning	462	441
- Other	328	323
	9,396	9,124
Other administration expenses		
- Other administration expenses	3,897	4,349
- Bad and doubtful debts	65	59
	3,962	4,408
Restructure and non-recurring costs		
- Costs of personnel now retrenched, including redundancies	540	637
- Costs of premises now vacated, including make-good payments	8	199
- Provision for impairment of receivables	513	-
	1,061	836

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

	2018	2017
	\$000s	\$000s
4. INCOME TAX EXPENSES		
a. The components of tax expense comprise:		
Current tax	(2,727)	(759)
Deferred tax	1,061	(506)
	(1,666)	(1,265)
b. The prima facie tax on profit from ordinary activities before tax is reconciled to income tax as follows:		
Tax payable on profit from ordinary activities before tax at 30%	1,836	1,292
Add/(less):		
Tax effect of:		
Permanent differences	(58)	(47)
Assumption of tax balances of controlled entities	(112)	20
Income tax expense attributable to the entity	1,666	1,265
The effective tax rate is 27.2% (2017: 29.4%)		
c. Current tax payable for the year reconciles as follows:		
Opening provision	621	61
Add: Current year provision	2,727	759
Less: Tax paid	(981)	(199)
Closing provision	2,367	621

5. EXECUTIVE DIRECTORS AND OTHER SENIOR EXECUTIVES COMPENSATION

- a. Details of Executive Directors and other Senior Executives have been set out in Information on Directors and in Information on Senior Executives on pages 8 to 10.
- b. Remuneration for Senior Executives has been included in the Remuneration Report section of the Directors' Report.
- c. **Shareholdings**

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

Shareholdings: Executive Directors and Senior Executives	Balance 1 July 2017	Purchased *	Purchased off market	Balance 30 June 2018
Christopher Elmore Campbell	15,666,666	336,593	811,936	16,815,195
Gabriela Rodriguez Naranjo	80,549	-	-	80,549

* Shares purchased on market via the Australian securities Exchange.

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

	2018 \$000s	2017 \$000s
6. AUDITORS' REMUNERATION		
Remuneration of the auditors of the parent entity for:		
- Auditing and reviewing the financial report	260	238
- Taxation services	66	60
- Due diligence and other services	43	271
	<u>369</u>	<u>569</u>

Remuneration of other auditors of subsidiaries for:		
- Auditing and reviewing the financial report	34	25
- Taxation services	1	2
- Other services	-	5
	<u>35</u>	<u>32</u>

7. EARNINGS PER SHARE

Basic (cents per share)	<u>3.3</u>	<u>3.7</u>
Diluted (cents per share)	<u>3.3</u>	<u>3.7</u>
Weighted average number of ordinary shares used in calculation of basic earnings per share	<u>129,233,531</u>	<u>77,059,769</u>

- a. The share options of 5,000,000 have been included in estimating the fully diluted earnings per share for 2017.
- b. The earnings amount used was \$4,270,000 (2017: \$2,855,000), being profit on ordinary activities after tax attributable to owners of the parent entity.

	2018 \$000s	2017 \$000s
8. DIVIDENDS		
Distributions recognised		
Year ended 30 June 2018: interim ordinary dividend of 1.5 cents per share, fully franked, which included a one-off special dividend of 1.0 cent (2017: Nil)	1,976	-
Year ended 30 June 2017: final ordinary dividend of 0.5 cents per share, fully franked, paid in 2018 (2016: Nil)	634	-
	<u>2,610</u>	<u>-</u>
a. Dividends proposed or declared but not recognised in the financial statements:		
Proposed fully franked ordinary dividend of 1.0 cent per share (2017: fully franked 0.5 cents)	1,276	634
b. Balance of franking account at year end adjusted for franking credits arising from payment of income tax	<u>2,787</u>	<u>3,020</u>

ACADEMIES AUSTRALASIA GROUP LIMITED
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	2018 \$000s	2017 \$000s
9. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	12,968	10,488

There is no overdraft balance at 30 June 2018 (2017: \$868,000) (Note 18). The net cash position is \$12,968,000 (2017: \$9,620,000)

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

As at 30 June 2018, the Group held \$8,502,000 (2017: \$8,721,000) in TPS accounts.

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

	2018 \$000s	2017 \$000s
10. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	6,682	8,251
Less provision for impairment	(588)	(104)
	6,094	8,147
Other receivables	1,654	1,059
Receivable from the sale of Premier Fasteners	-	937
Lease incentives	407	407
	8,155	10,550
NON-CURRENT		
Lease incentives	2,180	2,586
	2,180	2,586

ACADEMIES AUSTRALASIA GROUP LIMITED
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	2018 \$000s	2017 \$000s
10. TRADE AND OTHER RECEIVABLES (continued)		
TOTAL		
Trade receivables	6,682	8,251
Less provision for impairment	(588)	(104)
	6,094	8,147
Other receivables	1,654	1,059
Receivable from the sale of Premier Fasteners	-	937
Lease incentives	2,587	2,993
	10,335	13,136

a. The ageing analysis of trade receivables is as follows:

0 -30 days	1,377	2,012
31- 60 days – not impaired *	651	1,074
61- 90 days – not impaired *	448	335
Over 90 days – not impaired *	3,618	4,726
Past due and impaired	588	104
	6,682	8,251

* These are debtors that are past due for which no collateral is held and for which no provision for doubtful debts has been made as there has not been a significant change in credit quality and the directors believe that the amounts are still recoverable.

b. The Group has an exposure to credit risk in Singapore and Australia given the Group's operations in those countries. For FY18, an amount of \$624,000 is included in trade and other receivables in respect of the business operations in Singapore. All other receivables of the Group are exposures in Australia.

	2018 \$000s	2017 \$000s
11. OTHER ASSETS		
CURRENT		
Prepayments and accrued income	5,024	5,712
Security deposits	472	537
	5,496	6,249

12. INVESTMENTS

CURRENT		
Shares in Listed Corporations	-	3,054
	-	3,054

ACADEMIES AUSTRALASIA GROUP LIMITED
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13. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned/Controlled	
		2018	2017
Academies Australasia Group Limited (Ultimate Parent Entity)			
Subsidiaries (controlled directly or indirectly)			
ACA Investment Holdings Pte. Limited	Singapore	100	100
Academies Australasia (Management) Pty Limited	Australia	100	100
Academies Australasia College Pte. Limited	Singapore	100	100
Academies Australasia Institute Pty Limited	Australia	100	100
Academies Australasia Polytechnic Pty Limited	Australia	100	100
Academies Australasia Pty Limited	Australia	100	100
Academy of English Pty Limited	Australia	100	100
AKG Investment Holdings Pty Limited	Australia	100	100
AKG2 Investment Holdings Pty Limited	Australia	100	100
AKG3 Investment Holdings Pty Limited	Australia	100	100
AKG4 Investment Holdings Pty Limited	Australia	100	100
AKG5 Investment Holdings Pty Limited	Australia	100	100
AKG6 Investment Holdings Pty Limited	Australia	100	100
AKG7 Investment Holdings Pty Limited	Australia	100	100
AMC Training Pty Limited	Australia	100	100
AMI Education Pty Limited	Australia	100	100
Australian College of Technology Pty Limited	Australia	100	100
Australian Institute of Professional Studies Pty Limited	Australia	100	100
Australian International High School Pty Limited	Australia	100	100
Australian Trades Institute Pty Limited	Australia	100	100
Benchmark Resources Pty Limited T/A Benchmark College	Australia	100	100
Centre for Australian Education Pte. Limited	Singapore	100	100
Clarendon Business College Pty Limited	Australia	100	100
Academies Australasia Hair and Beauty T/A Brisbane School of Hairdressing, Gold Coast School of Hairdressing, Brisbane School of Beauty and Brisbane School of Barbering	Australia	100	100
CLB Training & Development Pty Limited as trustee for the CLB Unit Trust T/A Spectra Training	Australia	100	100
Discover English Pty Limited	Australia	100	100
International College of Capoeira Pty Limited T/A College of Sports & Fitness	Australia	67.54	51
Humagement Pty Limited T/A Print Training Australia	Australia	100	100
Kreate Pty Limited T/A RuralBiz Training	Australia	75	75
Language Links International Pty Limited	Australia	75	75
Live. Laugh. Learn. Pty Limited	Australia	100	100
Newco CLB Training & Development Pty Limited	Australia	100	100
Skilled Placements Pty Limited	Australia	100	100
Supreme Business College Pty Limited	Australia	100	100
Transformations – Pathways to Competence and Developing Excellence Pty Limited T/A Skills Training Australia	Australia	100	100
Vostro Institute of Training Australia Pty Limited	Australia	100	100

ACADEMIES AUSTRALASIA GROUP LIMITED
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13. CONTROLLED ENTITIES (continued)

Acquisition of Controlled Entities

On 15 January 2018, AKG3 Investment Holdings Pty Limited acquired a further 16.54% of the issued capital of International College of Capoeira Limited T/A College of Sports & Fitness. The purchase was satisfied by the payment of \$118,125 in cash. The Group now owns 67.54%.

	\$000
	Fair Value
Purchase consideration - cash	118
Net assets	383
Share acquired (16.54%)	(63)
Goodwill	55
Non-Controlling Interest	
Share acquired	(63)
Loans converted to capital (note 26)	36
	(27)

14. PLANT AND EQUIPMENT

	2018	2017
	\$000s	\$000s
Plant and equipment		
At cost	5,556	5,408
Accumulated depreciation	(3,924)	(3,623)
	1,632	1,785
Leasehold improvements		
At cost	8,718	8,626
Accumulated amortisation	(3,756)	(3,341)
	4,962	5,285
Leased plant and equipment		
Capitalised leased assets	379	289
Accumulated depreciation	(256)	(200)
	123	89
Total plant & equipment	6,717	7,159

ACADEMIES AUSTRALASIA GROUP LIMITED
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14. PLANT AND EQUIPMENT (continued)

	Plant and equipment	Leasehold improvements	Leased plant and equipment	Total
Year ended 30 June 2018	\$000s	\$000s	\$000s	\$000s
Balance at the beginning of the year	1,785	5,285	89	7,159
Additions	247	75	90	412
Disposals	(10)	-	-	(10)
Depreciation expense	(392)	(405)	(56)	(853)
Net foreign currency difference arising on translation of financial statements of foreign operations	2	7	-	9
Carrying amount at the end of the year	<u>1,632</u>	<u>4,962</u>	<u>123</u>	<u>6,717</u>

Year ended 30 June 2017

Balance at the beginning of the year	1,907	4,323	63	6,293
Additions	332	1,770	74	2,176
Disposals	(47)	(26)	-	(73)
Depreciation expense	(405)	(766)	(48)	(1,219)
Net foreign currency difference arising on translation of financial statements of foreign operations	(2)	(16)	-	(18)
Carrying amount at the end of the year	<u>1,785</u>	<u>5,285</u>	<u>89</u>	<u>7,159</u>

15. DEFERRED TAX ASSETS / LIABILITIES

	2018 \$000s	2017 \$000s
Deferred Tax Asset	<u>4,014</u>	<u>2,953</u>

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

Temporary differences:

-deferred tax assets	4,962	4,677
-deferred tax liabilities	(948)	(1,724)
	<u>4,014</u>	<u>2,953</u>

ACADEMIES AUSTRALASIA GROUP LIMITED
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15. DEFERRED TAX ASSETS (continued)

	Opening Balance \$000s	Charged To Income \$000s	Closing Balance \$000s
Deferred Tax Assets			
Provisions	777	264	1,041
Unearned income	3,217	7	3,224
Other	683	14	697
	<u>4,677</u>	<u>285</u>	<u>4,962</u>
Deferred Tax Liabilities			
Plant & equipment	(245)	(292)	(537)
Investments	(817)	817	-
Prepayments and other	(662)	251	(411)
	<u>(1,724)</u>	<u>776</u>	<u>(948)</u>
Total	<u>2,953</u>	<u>1,061</u>	<u>4,014</u>

	2018 \$000s	2017 \$000s
Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(q) occur:		
Tax losses:		
-operating losses	<u>398</u>	446

16. INTANGIBLE ASSETS

Goodwill at cost	32,753	32,694
Accumulated impairment losses	(382)	(382)
Net carrying value	<u>32,371</u>	32,312
Course development costs	2,099	1,992
Accumulated amortisation	(1,540)	(1,388)
Net carrying value	<u>559</u>	604
Other at cost	43	50
	<u>32,973</u>	<u>32,966</u>

ACADEMIES AUSTRALASIA GROUP LIMITED
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16. INTANGIBLE ASSETS (continued)

	Goodwill \$000s	Course Development Costs \$000s	Other \$000s	Total \$000s
Year ended 30 June 2018				
Balance at the beginning of the year	32,312	604	50	32,966
Foreign exchange AAC	4	-	-	4
Rebranding costs amortisation	-	-	(7)	(7)
Acquisition additional 16.54% CSF	55	-	-	55
Course development costs acquisition	-	107	-	107
Course development costs amortisation	-	(152)	-	(152)
Balance at the end of the year	32,371	559	43	32,973
Year ended 30 June 2017				
Balance at the beginning of the year	32,284	583	57	32,924
Foreign exchange AAC	(7)	-	-	(7)
Rebranding costs amortisation	-	-	(7)	(7)
Acquisition additional 24% RBT	35	-	-	35
Course development costs acquisition	-	242	-	242
Course development costs amortisation	-	(221)	-	(221)
Balance at the end of the year	32,312	604	50	32,966

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

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

Growth rate	Discount rate	Terminal Multiple
2.5%	10%	2.5

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

The discount rate used reflects entity and market specific factors

Assuming that the Group achieves its budget for FY19, impairment would be triggered if: the discount rate were to exceed 16.7%; or the growth rate were to be minus 16.3%; or the terminal value were to be less than 1.2.

Impairment would also be triggered in FY19 if the Group does not achieve certain minimum cash flows which are in line with those achieved in FY18.

ACADEMIES AUSTRALASIA GROUP LIMITED
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	Note	2018 \$000s	2017 \$000s
17. TRADE AND OTHER PAYABLES			
CURRENT			
<u>Unsecured Liabilities</u>			
Tuition fees in advance (Deferred income)		19,125	19,156
Trade payables		551	2,592
Sundry payables and accrued expenses		4,092	5,077
		23,768	26,825
18. BORROWINGS			
CURRENT			
<u>Secured Liabilities – Interest Bearing</u>			
Cash Advance Facilities	18a	1,000	1,895
Overdraft	18a	-	868
Lease purchase	18a	69	39
		1,069	2,802
<u>Unsecured Liabilities – Interest Bearing</u>			
Other loans	18a	-	73
		-	73
<u>Unsecured Liabilities – Non - Interest Bearing</u>			
Other loans	18a	18	18
TOTAL CURRENT		1,087	2,893
NON-CURRENT			
<u>Secured Liabilities – Interest Bearing</u>			
Cash Advance Facilities	18a	123	2,623
Lease purchase	18a	78	75
		201	2,698
a. Total current and non-current secured liabilities:			
Cash Advance Facilities	27	1,123	4,518
Overdraft	27	-	868
Lease purchase	21, 27	147	114
		1,270	5,500
b. Total current and non-current unsecured liabilities:			
Director's loans	27	-	73
Other loans	27	18	18
		18	91

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	2018	2017
18. BORROWINGS (continued)	\$000s	\$000s

c. The carrying amounts of non-current assets pledged as security are:

Floating charge over assets	45,270	43,796
Plant and equipment	123	89
	45,393	43,885

d. The cash advance facilities are secured by a floating charge over the assets of the parent entity and its wholly owned subsidiaries (other than those in Note 22).

e. The lease purchase borrowings are additionally secured on the leased asset. The leases are due for repayment in 2020.

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

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

The Group's utilisation of bank facilities as at 30 June 2018 is shown in Note 24b.

	2018	2017
19. PROVISIONS	\$000s	\$000s

CURRENT

Employee entitlements	1,579	1,381
Lease incentives	864	861
	2,443	2,242

NON-CURRENT

Employee entitlements	1,343	1,143
Lease incentives	4,436	5,305
	5,779	6,448

TOTAL

Employee entitlements	2,922	2,524
Lease incentives	5,300	6,166
	8,222	8,690

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20. SHARE CAPITAL

	2018	2018	2017	2017
	Share number	\$000s	Share number	\$000s
a. Issued Share Capital				
Ordinary shares fully paid	131,754,079	43,515	126,754,079	42,677
Ordinary share capital				
Balance at the beginning of the financial year	126,754,079	42,677	75,362,979	36,504
Ordinary share issue 23 August 2016, part settlement 3 rd tranche purchase STA	-	-	800,000	200
Pro-rata non-renounceable Rights Issue on 23 June 2017	-	-	50,591,100	5,973
Exercise 5,000,000 options over unissued shares 1 January 2018	5,000,000	838	-	-
Balance at the end of the financial year	131,754,079	43,515	126,754,079	42,677
b. Share Option Reserve				
Share options	-	-	5,000,000	88

i. Shares disclosure.

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

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

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

ii. Capital Management.

Management controls the capital of the Group in order to maintain an acceptable debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

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

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

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	Note	2018 \$000s	2017 \$000s
21. LEASING COMMITMENTS			
Lease purchase commitments			
Payable – minimum lease payments			
Not later than one year		77	41
Later than one year but not later than five years		85	80
Minimum lease payments		162	121
Less future finance charges		(15)	(7)
Present value of minimum lease payments	18a	147	114

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

Operating Lease commitments

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

	2018 \$000s	2017 \$000s
Not later than one year	6,231	7,257
Later than one year but not later than five years	16,251	20,202
Later than five years	15,760	19,521
	38,242	46,980

The Group leases property under operating leases expiring from 1 year to 11 years. Lease payments comprise a base amount plus an incremental rental, based on either movement in the Consumer Price Index or minimum percentage increase criteria. Lease incentives have been recognised in accordance with the Group's accounting policies.

22. CONTINGENT LIABILITIES

Contingent Liabilities

Corporate Guarantee

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

Academies Australasia College Pte. Limited
Academies Australasia Hair and Beauty Pty Limited
AKG6 Investment Holdings Pty Limited
AMC Training Pty Limited
Centre for Australian Education Pte. Limited
Humanagement Pty Limited
International College of Capoeira Pty Limited
Kreate Pty Limited
Language Links International Pty Limited

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23. SEGMENT REPORTING

Business segments

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

Geographical information

The Group operates in Australia and Singapore. The revenues and non-current assets of the Group for the year ended 30 June 2018 are as follows:

Geographic Location	\$000s	A\$000s
	Australia	Singapore
Revenues from External Customers	57,285	3,835
Non-current assets	45,463	421

Accounting Policies

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

	2018	2017
	\$000s	\$000s
24. CASH FLOW INFORMATION		
a. Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	4,454	3,041
Non-cash flows in profit		
Amortisation	448	987
Depreciation	557	453
Net loss on disposal of plant and equipment	10	39
Write-downs to recoverable amounts	578	59
Realised gain on investments	(1,527)	-
Unrealised gain on investments	-	(994)
Unrealised foreign exchange movement	(1)	8
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	1,286	1,656
(Increase)/decrease in other current assets	753	(1,686)
(Increase)/decrease in intangibles	7	119
(Increase)/decrease in deferred tax assets	(1,061)	506
Increase/(decrease) in trade and other payables	(3,048)	2,053
Increase/(decrease) in tax payables	1,746	559
Increase/(decrease) in provisions	(468)	(647)
Cash flow from operations	3,734	6,153

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	2018	2017
	\$000s	\$000s
24. CASH FLOW INFORMATION (continued)		
b. Borrowing arrangements with banks		
Total Facilities		
Cash advance facilities available	1,373	6,139
Amount utilised	(1,123)	(4,518)
	250	1,621
Overdraft facility available	1,000	1,000
Amount utilised	-	(868)
	1,000	132

The major facilities are summarised as follows:

Bank overdrafts

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

Cash Advance Facilities

The facility expires on 31 May 2020.

25. EVENTS AFTER THE BALANCE SHEET DATE

Following approval at an Extraordinary General Meeting convened for the purpose, the Company bought back and cancelled 4,139,612 shares at the price of 35 cents per share. After that cancellation the total shares on issue was reduced to 127,614,467.

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

26. RELATED PARTY TRANSACTIONS

Directors' transactions with the Company and the Group

Details of Directors' remuneration are set out in the Remuneration Report on pages 11 and 12. Directors are reimbursed for expenses incurred by them on behalf of the Group.

Directors' loans

In September 2015 the shareholders of CSF, a 51% (now 67.54%) owned subsidiary of the Company, extended loans totalling \$150,000 to the subsidiary. The minority shareholders, Messrs Julio Chaves and Andre Cerutti, who at that time were directors of the subsidiary, each extended loans of \$36,750, their share of the \$150,000.

On 10 January 2018, 50% of the loans extended were converted to share capital. The balance of the loans were repaid during 2018. Interest on the loans paid to these Directors during the financial year amounted to \$2,661.

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

Other loans of \$18,000 disclosed in Note 18(b) comprise dividends payable as at 30 June 2018 to a director of RBT, a 75% owned subsidiary of the Company. The director is also the non-controlling shareholder of that subsidiary. No interest is accrued or payable on this loan.

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26. RELATED PARTY TRANSACTIONS (continued)

Directors' and specified executives' relevant interests in shares

See Directors' Report on pages 8 to 9.

Other related party transactions

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

27. FINANCIAL INSTRUMENTS

Financial Risk Management

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

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

i. Treasury Risk Management

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

ii. Financial Risks

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

Foreign currency risk

The Group is exposed to foreign currency risk on its purchase of products and the sale of training and education courses to international students and on the translation of its foreign subsidiaries. The Group had not hedged foreign currency transactions as at 30 June 2018. Senior management continues to evaluate this risk on an ongoing basis.

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

Credit risk

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

ACADEMIES AUSTRALASIA GROUP LIMITED
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27. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

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

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

	Note	Weighted average interest rate	Floating interest rate \$000s	Fixed interest maturing in:		Non- Interest bearing \$000s	Total \$000s
				1 year or less \$000s	1 to 5 years \$000s		
Year ended 30 June 2018							
<i>Financial assets</i>							
Cash and cash equivalents	9	0.95%	12,968	-	-	-	12,968
Trade and other receivables	10		-	-	-	7,748	7,748
			12,968	-	-	7,748	20,716
<i>Financial liabilities</i>							
Trade and other payables	17		-	-	-	4,643	4,643
Bank bills	18	3.66%	-	1,000	123	-	1,123
Lease purchase agreements	18	7.54%	-	69	78	-	147
Other loans	18		-	-	-	18	18
			-	1,069	201	4,661	5,931
Year ended 30 June 2017							
<i>Financial assets</i>							
Cash and cash equivalents	9	1.19%	10,488	-	-	-	10,488
Investments	12		-	-	-	3,054	3,054
Trade and other receivables	10		-	-	-	10,143	10,143
			10,488	-	-	13,197	23,685
<i>Financial liabilities</i>							
Trade and other payables	17		-	-	-	7,669	7,669
Bank bills	18	3.69%	-	1,895	2,623	-	4,518
Overdraft		7.12%	-	868	-	-	868
Lease purchase agreements	18	5.75%	-	39	75	-	114
Other loans	18		-	73	-	18	91
			-	2,875	2,698	7,687	13,260

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

27. FINANCIAL INSTRUMENTS (continued)

iii. Net fair values of financial assets and liabilities

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

iv. Sensitivity Analysis

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

	Profit	Equity
	\$	\$
2018		
+/- 2% in interest rates	124	124

28. PARENT INFORMATION

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

	2018	2017
	\$000s	\$000s
STATEMENT OF FINANCIAL POSITION		
Assets		
Current assets	37,817	35,777
Non-current assets	5,012	3,943
Total Assets	42,829	39,720
Liabilities		
Current Liabilities	2,618	1,372
Non-current liabilities	949	796
Total Liabilities	3,567	2,168
Equity		
Share capital	43,515	42,677
Share option reserve	-	88
Retained earnings	(4,253)	(5,213)
Total Equity	39,262	37,552
STATEMENT OF COMPREHENSIVE INCOME		
Total profit	3,571	(720)
Total comprehensive income	3,571	(720)

ACADEMIES AUSTRALASIA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

29. COMPANY DETAILS

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

Level 6, 505 George Street
Sydney NSW 2000
Australia

Principal places of business of AKG colleges:

NEW SOUTH WALES

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

Benchmark College
140 Henry Street, Penrith, NSW 2750

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

RuralBiz Training
46 Wingewarra Street, Dubbo, NSW 2830

QUEENSLAND

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

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

VICTORIA

Academies Australasia Polytechnic
Spectra Training
Vostro Institute
Level 7, 628 Bourke Street
Melbourne, VIC 3000

Discover English
247 Collins Street, Melbourne, VIC 3000

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

SOUTH AUSTRALIA

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

WESTERN AUSTRALIA

Language Links
120 Roe Street, Perth, WA 6003

SINGAPORE

Academies Australasia College
45 Middle Road, Singapore 1889954

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

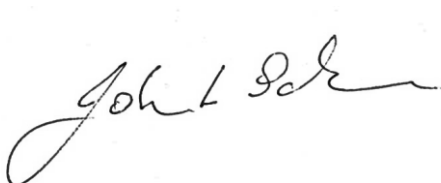
The Directors of the Company declare that:

1. the financial statements and notes, set out on pages 15 to 50, are in accordance with the *Corporations Act 2001* and
 - (i) comply with Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (ii) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Company and consolidated group;
2. The Chief Executive Officer and Group Finance Manager have each declared that:
 - (i) the financial records of the Company and the consolidated group for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
 - (ii) the financial statements and notes for the financial year comply with Accounting Standards; and
 - (iii) the financial statements and notes for the financial year give a true and fair view; and
3. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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

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



Dr John Lewis Schlederer
Director



Christopher Elmore Campbell
Director

5 September 2018



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 REPORT TO THE MEMBERS OF

ACADEMIES AUSTRALASIA GROUP LIMITED

OPINION

We have audited the financial report of Academies Australasia Group Limited ("the Company" and its subsidiaries ("the Group")), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

BASIS FOR OPINION

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill and Impairment

Reason for significance:

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

How our audit addressed the matter:

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

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

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

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



Revenue Recognition

Reason for significance:

Revenue recognition is a key audit matter due to the high volume of transactions, its significance to profit and the judgement required in recognising revenue from contracts with customers.

The Group has one distinct category of revenue, being revenue from providing tuition services to customers.

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

How our audit addressed the matter:

Our audit work included selecting sufficient items for testing to satisfy ourselves that revenue was recognised in accordance with the revenue recognition policy. This was done by agreeing total revenue due to be recognised over the period of tuition to course fee listings, sighting cash receipts and recalculating revenue and unearned income to ensure that recognition and cut-off were appropriate. Substantive analytical review procedures were also performed, comparing current year revenue recognition to the prior year taking into consideration movements in key revenue drivers, such as student numbers.

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

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

Trade and Other Receivables

Reason for significance:

The collection of trade and other receivables as a significant impact on the group's operating cash flow, and overall financial performance. Consideration of the recoverability of Trade and Other Receivables is also an areas that requires judgement in respect of the risk associated with individual debtor's not meeting their payment obligations.

How our audit addressed the matter:

Our work involved ensuring the underlying receivables records reconciled to the general ledger. Receivable's ledgers were reviewed for transactions unusual in nature. We assessed whether the debtor's balances were recoverable, and whether any allowances for impairment of receivables are appropriate.



Where appropriate, individual receivable amounts were verified to subsequent cash collection after year end.

Analytical procedures were performed over Trade and Other Receivables to identify any unusual or unexpected fluctuations in the balances.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 12 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Academies Australasia Group Limited, for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PILOT PARTNERS
Chartered Accountants

CHRIS KING
Partner

Signed on 5 September 2018

Level 10
1 Eagle Street
Brisbane Qld 4000

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

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

SUBSTANTIAL HOLDERS

Ordinary Shares

The relevant interests of substantial shareholders as at 31 August 2018 were:

<u>Shareholder</u>	<u>No. of Shares Held</u>	<u>%</u>
Mr Chiang Meng Heng ^a	51,185,961	40.11
Andrew Low ^b	17,326,981	13.58
Mr Christopher Elmore Campbell ^c	16,815,195	13.18
Jilcy Pty Ltd <Jilcy Super Fund A/C>	15,410,195	12.08
Dr John Lewis Schlederer ^d	7,977,000	6.25
Eng Kim Low	7,648,232	5.99
Raphael Geminder ^e	6,601,910	5.17

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

^b 12,326,981 held by Andrew Low and 5,000,000 held by Paris Pushkin Pty Ltd<Paris A/C>

^c Includes 15,410,195 shares held by Jilcy Pty Ltd <Jilcy Super Fund A/C> and 1,395,000 shares held by Bankura Pty Ltd <Campbell Family Trust A/C>

^d Includes 5,715,000 shares held by J&B Schlederer Pty Ltd <J&B Schlederer Super A/C> and 2,262,000 shares held by Schlederer Nominees Pty Ltd <JLS Family A/C>

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

VOTING RIGHTS

Ordinary Shares

At 31 August 2018 there were 423 holders of the ordinary shares of the Company. The voting rights attaching to the ordinary shares, set out in Articles 69 and 70 of the Company's constitution, are:

Article 69

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

(a) at meetings of members or classes of members each member entitled to attend and vote may attend and vote in person or by proxy, or attorney and (where the member is a body corporate) by representative;

(b) on a show of hands, every Member present has 1 vote;

(c) on a poll, every Member present has:

(i) 1 vote for each fully paid share;"

Article 70

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

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

20 LARGEST SHAREHOLDERS AS AT 31 AUGUST 2018

	<u>Registered Name</u>	<u>No. Shares</u>	<u>%</u>
1	Mr Chiang Meng Heng	43,537,729	34.12
2	Jilcy Pty Ltd <Jilcy Super Fund A/C>	15,410,195	12.08
3	Andrew Low	12,326,981	9.66
4	Eng Kim Low	7,648,232	5.99
5	J&B Schlederer Pty Ltd <J&B Schlederer Super A/C>	5,715,000	4.48
6	Paris Pushkin Pty Ltd <Paris A/C>	5,000,000	3.92
7	JP Morgan Nominees Australia Limited	4,221,425	3.31
8	BB&M Holdings Pty Limited	4,006,396	3.14
9	Kin Group Pty Limited	2,595,514	2.03
10	RTO Solutions Pty Ltd	2,475,441	1.94
11	Schlederer Nominees Pty Ltd <JLS Family A/C>	2,262,000	1.77
12	Sargoda Pty Ltd <Birdeep Family A/C>	1,833,334	1.44
13	Cheeky Boys Pty Ltd<Meharnehhaal Super A/C>	1,559,934	1.22
14	HSBC Custody Nominees (Australia) Limited <Euroclear Bank SA NV A/C>	1,306,821	1.02
15	National Nominees Limited	981,579	0.77
16	Bankura Pty Ltd <Campbell Family Trust A/C>	963,334	0.75
17	MK & MP Investments Pty Ltd <M&M Super Fund A/C>	677,135	0.53
18	Mrs Gail Leslie Storey	634,335	0.50
19	Mr Sartaj Hans	619,762	0.49
20	Mr Nicholas William Marlin	513,000	0.40
		<hr/>	
		114,288,147	89.56

HOLDING RANGE (SHAREHOLDERS) AS AT 31 AUGUST 2018

<u>Range</u>	<u>No. Holders</u>	<u>Total No. Shares</u>	<u>%</u>
1 - 1,000	64	37,542	0.03
1,001 - 5,000	125	350,292	0.27
5,001 - 10,000	59	471,884	0.37
10,001 - 100,000	115	4,490,162	3.52
100,001 +	60	122,264,587	95.81
	<hr/>	<hr/>	<hr/>
	423	127,614,467	100.00

UNMARKETABLE PARCELS AS AT 31 AUGUST 2018

	<u>Minimum Parcel Size</u>	<u>No. Holders</u>	<u>Units</u>
Minimum \$500 parcel at \$0.33 per unit	1,516	80	58,360

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

CORPORATE INFORMATION

DIRECTORS

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

**COMPANY
SECRETARIES**

Stephanie Noble
Gabriela Del Carmen Rodriguez Naranjo

REGISTERED OFFICE

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

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

Web Site: www.academies.edu.au

SHARE REGISTRAR

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

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

SECURITIES EXCHANGE

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

ASX Code: AKG

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

AAC	Academies Australasia College Pte. Limited
AAHB	Academies Australasia Hair and Beauty Pty Limited
AAI	Academies Australasia Institute Pty Limited
AAPoly	Academies Australasia Polytechnic Pty Limited
AASB	Australian Accounting Standards Board or a numbered Standard issued by it
ACPET	Australian Council for Private Education and Training
ACT	Australian College of Technology Pty Limited
AIHS	Australian International High School Pty Limited
AKG	ASX code for Academies Australasia Group Limited – The Company
AOE	Academy of English Pty Limited
ASX	Australian Securities Exchange
BMC	Benchmark Resources Pty Limited - trading as Benchmark College
Board	The Board of Directors of Academies Australasia Group Limited
CBC	Clarendon Business College Pty Limited
Company	Academies Australasia Group Limited (ACN 000 003 725) - the parent company
COPHE	Council of Private Higher Education
Corporations Act	Corporations Act 2001 (Cth)
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students
CSF	International College of Capoeira Pty Limited - trading as College of Sports & Fitness
DE	Discover English Pty Limited
Directors	Board of Directors of AKG
EBITDA	Earnings before interest, taxation, depreciation and amortisation
EGM	Extraordinary General Meeting
EPS	Earnings per share
FY14 to FY19	Financial Year to 30 June 2014 to Financial Year to 30 June 2019 respectively
Group	AKG and all its subsidiaries
GST	Goods and Services Tax

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

LLI	Language Links International Pty Limited
RBT	Kreate Pty Limited – trading as RuralBiz Training
RTO	Registered Training Organisation
SBC	Supreme Business College Pty Limited
Shares	Fully paid ordinary shares in the Company
SPT	CLB Training & Development Pty Limited as trustee for the CLB Unit Trust - trading as Spectra Training
STA	Transformations – Pathways to Competence and Developing Excellence Pty Limited - trading as Skills Training Australia
TAFE	Technical and Further Education
TPS	Tuition Protection Scheme
VET	Vocational Education and Training
VOS	Vostro Institute of Training Australia Pty Limited
VSL	Vet Student Loans