



# ACADEMIES AUSTRALASIA

THE POSSIBILITIES ARE INFINITE

ACADEMIES AUSTRALASIA GROUP LIMITED  
ANNUAL REPORT 2021

ACN 000 003 725

# ACADEMIES AUSTRALASIA GROUP LIMITED

## ANNUAL REPORT 2021

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## REPORT OF THE CHAIRMAN AND THE GROUP MANAGING DIRECTOR AND CEO

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Dear Shareholder

It would not be correct to say that we are delighted to present your Company's results for FY21. We are not. After three successive record EBITDA results (FY18, FY19 and FY20), even with EBITDA of \$9.6 million, it is very disappointing to report a (before tax) loss of \$164,000. Not a big number, but still a loss.

It is frustrating to have been hit by a pandemic that came way out of left field and that there was not very much that we could do about it. Our fate was left in the hands of politicians and bureaucrats whose jobs were safe and who had less to worry about trying to make ends meet.

As you know, most of our business is with international students: students from overseas studying in Australia as well as students being taught overseas under our brand. Because of COVID-19, Australia closed its borders – preventing new enrolments from overseas, our staff travelling to overseas projects and international marketing. Borders have now been shut for 18 months. Yes, the fall of about 30% of our revenue from services in just one year (FY20 to FY21) may be attributed to COVID-19. But is that just too simplistic? What significant sector-specific support did the Federal government give the international education sector that had contributed nearly \$40 billion in exports prior to the pandemic? How efficient have they been in arranging adequate vaccines early, to ensure that borders may be opened earlier? International students do not vote but apart from contributing to substantial income to the country, the sector accounts for more than 200,000 jobs. Many employees and their family members are hurting.

Since the release of our preliminary final results on 26 August, there's been a growing momentum about the opening of borders - opening earlier than we anticipated in August. It is imperative that how the country opens up is carefully thought through and not merely a pre-election popularity exercise. Border-opening must be planned and implemented better than the vaccine rollout.

While there has been excitement about borders opening when we reach 80% double vaccinations, and it is likely that New South Wales will reach 80% by November, it is not clear when the country will get to 80%. When that is achieved, it will be good news for us. To improve our domestic training business it is important that the restrictions on people movement be lifted – including free travel between states.

We press on. We must. We have a company to protect.

FY22 is not expected to be sans COVID-19. Our view is that we will just have to live with it and protect our businesses, staff and students and all their families by adopting mandatory vaccinations unless there is a medical reason for not vaccinating.

We have started FY22 debt-free, with \$12.4 million in cash and today continue to have every one of our key senior people on board. At this point may we pause to acknowledge all our colleagues who put in a sterling performance in a very trying year - those who had to work from home because of restrictions on people movement and those who continued to come to the office for their normal duties as well as to carry out the responsibilities of colleagues who remained at home.

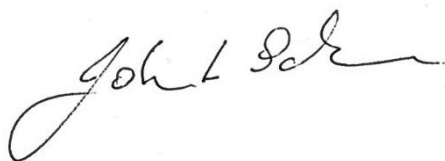
In FY22 we will continue to streamline our operations by sharing premises amongst group colleges to save rent, as we did in FY21. Cost savings measures will also continue.

AAPoly is working on a new Bachelor degree which we will be applying for permission to launch in the second half of FY22. In this connection, we are pleased to announce the appointment of Joanna Kelly as the Chief Executive Officer of AAPoly. Joanna has successfully managed other colleges in the group and will bring strong management to AAPoly. She also sits on the Board of English Australia.

AAC's 4-year EduTrust certification has been successfully renewed for another four years until August 2025. AAC has partnered with University of Derby to offer two 'top-up' honours degrees whereby students with the AAC Advanced Diploma in Tourism and Hospitality Management may enrol to study, at AAC, the University's BA(Hons) International Hospitality Management and the University's BA(Hons) International Tourism Management. Each 'top-up' course spans 12 months.

A third of our 30 Destination Australia scholarships have been awarded and study commenced. The commencement or award of the others were held up because of COVID-19. We are seeking Federal Government approval to extend the participation deadlines for the remaining scholarships.

On behalf of the Board, we would like to convey appreciation to all shareholders, students, clients, partners, associates and other stakeholders for their loyalty, contribution and support during a very difficult year. Thank you.



Dr John Lewis Schlederer  
Chairman



Christopher Elmore Campbell  
Group Managing Director and CEO

17 September 2021

## DIRECTORS' REPORT

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Your Directors present their report on Academies Australasia Group Limited (the Company) and its controlled entities (jointly the Group) for FY21.

### 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 been in office from the start of the financial year to the date of this report.

Details on the Directors and Company Secretaries are set out on pages 7 and 8.

### PRINCIPAL ACTIVITY

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

### CONSOLIDATED RESULT

The consolidated loss before tax for the Group for FY21 was \$164,000 (FY20 restated: \$5,132,000 profit). The consolidated loss for the Group, after providing for income tax, amounted to \$1,060,000 (FY21 restated: \$3,901,000 profit). Eighty percent of this was the impact of the required adjustment of \$844,000 to the deferred tax assets. This is because of the reduction in the rate of income tax as a result of revenue falling below \$50 million.

Previous corresponding period numbers have been restated for a make good liability. (See page 17).

### REVIEW OF OPERATIONS

Revenue from services decreased by 28.6 % to \$42,624,000 (FY20: \$59,694,000).

The following table presents EBITDA after adjustment for significant items.

	<b>FY21</b>	<b>FY20</b>	
	<b>\$000s</b>	<b>\$000s</b>	
EBITDA	<b>9,106</b>	13,613	
Premises outgoing expenses related to prior years	-	283	
Redundancies, termination and one-off costs	<b>540</b>	46	
Income written off or refunded	-	510	
EBITDA after adjustment for significant items	<b>9,646</b>	14,452	-33 %

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

## **Dividends**

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

A fully franked dividend of 0.5 cents per share (\$638,000) was paid on 26 March 2021.

There is no further dividend for the year.

## **SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

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

## **COVID-19 PANDEMIC**

The pandemic continues to be disruptive to our business as well as our staff and associates, in Australia and overseas. It is the cause of the 29% fall (17.07 million) in service revenue compared to FY20 or 35% fall (\$23.43 million) in service revenue compared to FY19.

Most of our business is to do with international students: students from overseas studying with us in Australia as well as students being taught overseas under our brand. It is now 18 months since Australia's borders were shut on 20 March last year. Closed borders prevent new enrolments from overseas and our staff travelling to overseas projects and international marketing. While we have been able to attract some international students already in Australia the numbers are not large, and shrinking.

Domestic training programs have also been badly affected by COVID-19. Generally, the overall slowdown in business, the fear of infection, the restrictions on people movement and, worst of all the severe lockdowns and even curfews, have reduced our income from domestic business.

Most of the *'Redundancies, terminations and other once-off costs'* in 3.1 are because of COVID-19. Presently more than three quarters of our staff in Australia are in lockdown.

We continue with delivering courses on-line, and adopting COVID-safe plans to protect staff, students and visitors.

We see the possibility that 80% of Australians above the age of 16 will be vaccinated by November, following which the borders will be open for the entry of fully vaccinated international students.

## **EVENTS AFTER THE REPORTING DATE**

Other than the COVID-19 pandemic, there were no 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**

Please refer to the Report of the Chairman and the Group Managing Director and CEO (Pages 2 and 3).

## **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 \$37,000 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

**Dr John Lewis Schlederer** Non-executive Director, appointed 21 August 2009. Chairman since 1 January 2014.

Qualifications B.Sc. (Hons), Grad. Diploma, PhD.

Experience More than 21 years teaching experience at University of New South Wales and TAFE NSW and many years in business.

Interest in Shares 12,100,000 shares (9.48 %)

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.

Qualifications B.Soc.Sci. (Hons), FFin, FAICD, FCG (CS, CGP), FGIA.

Experience Experience in mergers and acquisitions and more than 21 years' experience in managing educational institutions. Previous positions include senior appointments with the Monetary Authority of Singapore and an international bank in Australia.

Interest in Shares 19,000,000 shares (14.89 %)

Special Responsibilities Member of the Remuneration Committee.

Directorships held in other listed entities None.

**Chiang Meng Heng** Non-executive Director, appointed 15 February 2000.

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**

Deputy Group Managing Director and Group Chief Operating Officer. Appointed Executive Director, 21 October 2013.

Alternate Director, 10 May 2011 to 31 December 2013, (Alternate to Neville Thomas Cleary (Retired 31 December 2013)). Appointed Chief Operating Officer on 15 August 2017 and Deputy Group Managing Director on 1 January 2019.

Qualifications

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

Experience

Joined the Group in April 2001. More than 20 years' experience managing educational institutions, including experience in acquisitions, marketing, regulatory compliance, curriculum development and lecturing.

Director, IHEA from 17 May 2017. Deputy Chairman of IHEA since 29 May 2019.

Interest in Shares

100,000 shares (0.08 %)

Special Responsibilities

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

Independent, Non-executive Director, appointed 19 October 2016.

Experience

B.E. Honours (Electronics)

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

Interest in Shares

813,929 shares (0.64%)

Special Responsibilities

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

Directorships held in other listed entities

None

**COMPANY SECRETARIES**

**Stephanie Noble**

Qualifications

Appointed 27 November 2006

Experience

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

More than 14 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** Deputy Group Managing Director and Group Chief Operating Officer.  
See Information on Directors.

## 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 7 to 8.

### a. Remuneration

30 June 2021 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	43	-	-	25	68
Christopher Elmore Campbell	470	-	-	25	495
Chiang Meng Heng	40	-	-	4	44
Gabriela Del Carmen Rodriguez Naranjo	304	-	-	25	329
Sartaj Hans	50	-	-	5	55
	907	-	-	84	991

30 June 2020 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	43	-	-	25	68
Christopher Elmore Campbell	425	-	-	25	450
Chiang Meng Heng	40	-	-	4	44
Gabriela Del Carmen Rodriguez Naranjo	304	-	-	25	329
Sartaj Hans	65	-	-	6	71
	877	-	-	85	962

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 2021

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

### c. Employment contracts of Executives

The employment conditions of all 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.

With respect to senior executives, the expiry dates of Christopher Elmore Campbell's fixed term contract of employment and Gabriela Del Carmen Rodriguez Naranjo's fixed term contract of employment have been extended to 31 December 2022 and 31 December 2024 respectively.

## AUDITORS' INDEPENDENCE DECLARATION

The Auditor's Independence Declaration for the year ended 30 June 2021 appears on page 12. It forms part of the Directors' Report for the year ended 30 June 2021.

## 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.

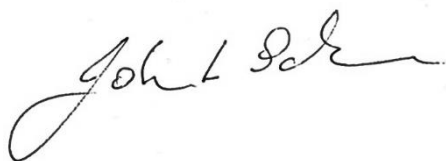
The following fees were paid or payable for non-audit services to the external auditors during the year ended 30 June 2021:

- |                     |          |                  |
|---------------------|----------|------------------|
| • Taxation services | \$73,000 | (2020: \$42,000) |
| • Other services    | \$16,000 | (2020: \$3,000)  |

## 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](http://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

17 September 2021



**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](http://pilotpartners.com.au)

## AUDITOR'S INDEPENDENCE DECLARATION

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

### ACADEMIES AUSTRALASIA GROUP LIMITED

I declare that to the best of my knowledge and belief, during the year ended 30 June 2021, 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

**DANIEL GILL**

Partner

Signed on 17 SEPTEMBER 2021

Level 10  
1 Eagle Street  
Brisbane Qld 4000

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 30 June 2021**

	Note	FY21 \$000s	FY20 Restated \$000s
Revenue from services	2	42,624	59,694
Student acquisition and teaching costs	3	(19,448)	(27,408)
Gross profit		<u>23,176</u>	32,286
Personnel expenses	3	(13,498)	(14,173)
Premises expenses	3	(3,327)	(3,784)
Other administration expenses	3	(2,349)	(3,142)
		<u>4,002</u>	11,187
Restructure and non-recurring costs	3	(540)	(395)
		<u>3,462</u>	10,792
Other income	2	5,644	2,821
Earnings before interest, depreciation and amortisation		<u>9,106</u>	13,613
Depreciation and amortisation expenses	3	(7,186)	(6,876)
Loss on disposal of assets		(364)	(10)
Finance costs	3	(1,761)	(1,718)
Interest income		41	123
(Loss) / profit before income tax		<u>(164)</u>	5,132
Income tax expense	4	(896)	(1,231)
<b>(Loss) / profit for the year</b>		<u>(1,060)</u>	3,901
<b>Other comprehensive income:</b>			
Exchange differences on translating foreign controlled entities		(1)	(48)
Other comprehensive income for the year, net of tax		(1)	(48)
<b>Total comprehensive income for the year</b>		<u>(1,061)</u>	3,853
<b>Profit attributable to:</b>			
Owners of the parent entity		(1,241)	3,604
Non-controlling interests		181	297
		<u>(1,060)</u>	3,901
<b>Total comprehensive income attributable to:</b>			
Owners of the parent entity		(1,242)	3,556
Non-controlling interests		181	297
		<u>(1,061)</u>	3,853
<b>Earnings per share (cents per share)</b>			
Basic	7	(0.97)	2.82
Diluted	7	(0.97)	2.82
Dividends per share (cents)	8	1.865	3.735

The accompanying notes form part of these financial statements.

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2021**

	Note	FY21 \$000s	FY20 Restated \$000s	1/7/2019 Restated \$000s
<b>Current Assets</b>				
Cash and cash equivalents	9	12,371	16,904	14,996
Trade and other receivables	10	2,373	3,700	4,286
Other current assets	11	2,000	2,548	2,930
<b>Total Current Assets</b>		<b>16,744</b>	23,152	22,212
<b>Non-Current Assets</b>				
Plant and equipment	13	4,337	5,457	6,026
Right of use assets	14	28,584	35,753	23,230
Deferred tax assets	15	4,520	5,145	5,936
Intangible assets	16	32,844	32,813	32,850
<b>Total Non-Current Assets</b>		<b>70,285</b>	79,168	68,042
<b>Total Assets</b>		<b>87,029</b>	102,320	90,254
<b>Current Liabilities</b>				
Tuition fees in advance (Deferred income)	17	12,919	17,431	18,390
Trade and other payables	17	3,971	5,012	3,651
Current tax liabilities	4	-	-	534
Lease liabilities	18	5,584	5,484	4,558
Provisions	19	3,317	2,865	2,749
<b>Total Current Liabilities</b>		<b>25,791</b>	30,792	29,882
<b>Non-Current Liabilities</b>				
Lease liabilities	18	31,149	37,711	25,613
Provisions	19	371	474	424
<b>Total Non-Current Liabilities</b>		<b>31,520</b>	38,185	26,037
<b>Total Liabilities</b>		<b>57,311</b>	68,977	55,919
<b>Net Assets</b>		<b>29,718</b>	33,343	34,335
<b>Equity</b>				
Share capital	20	42,066	42,066	42,066
Accumulated losses		(13,003)	(9,382)	(8,220)
Foreign currency translation reserve		69	70	118
Non-controlling interests		586	589	371
<b>Total Equity</b>		<b>29,718</b>	33,343	34,335

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 2021**

	Ordinary Shares	Retained Profits	Reserves	Non - Controlling Interests	Total
	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Year ended 1 July 2020</b>	42,066	(9,125)	70	591	33,602
Adjustment for make good	-	(257)	-	(2)	(259)
<b>Restated balance 1 July 2020</b>	42,066	(9,382)	70	589	33,343
Profit for the period	-	(1,241)	-	181	(1,060)
Exchange differences on translating foreign operations	-	-	(1)	-	(1)
<b>Total comprehensive income for the year</b>	-	(1,241)	(1)	181	(1,061)
Dividend paid	-	(2,380)	-	(184)	(2,564)
<b>Balance at 30 June 2021</b>	42,066	(13,003)	69	586	29,718
<b>Year ended 1 July 2019</b>	42,066	(8,021)	118	371	34,534
Adjustment for make good	-	(199)	-	-	(199)
<b>Restated balance 1 July 2019</b>	42,066	(8,220)	118	371	34,335
Profit for the period restated	-	3,604	-	297	3,901
Exchange differences on translating foreign operations	-	-	(48)	-	(48)
<b>Total comprehensive income for the year</b>	-	3,604	(48)	297	3,853
Dividend paid	-	(4,766)	-	(79)	(4,845)
<b>Balance at 30 June 2020</b>	42,066	(9,382)	70	589	33,343

The accompanying notes form part of these financial statements.



**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the year ended 30 June 2021**

	Note	FY21 \$000s	FY20 \$000s
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		45,230	63,825
Payments to suppliers and employees		(39,757)	(48,056)
Interest received		41	123
Finance costs		(1,743)	(1,697)
Income taxes paid		24	(1,524)
		<hr/>	<hr/>
Net cash provided by (used in) operating activities	23a	3,795	12,671
<b>Cash Flows from Investing Activities</b>			
Make good payments		(82)	-
Purchase of intangible assets		(239)	(176)
Purchase of plant & equipment		(112)	(321)
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		(433)	(497)
<b>Cash Flows from Financing Activities</b>			
Dividends paid		(2,564)	(4,915)
Lease payments		(5,331)	(5,351)
		<hr/>	<hr/>
Net cash provided by (used in) financing activities		(7,895)	(10,266)
<b>Net increase in cash held</b>		<b>(4,533)</b>	<b>1,908</b>
<b>Net cash at the beginning of the financial year</b>		<b>16,904</b>	<b>14,996</b>
		<hr/>	<hr/>
<b>Net cash at the end of the financial year</b>	9	<b>12,371</b>	<b>16,904</b>
		<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 2021**

**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 27.

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 17 September 2021.

**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.

**RESTATEMENT FOR MAKE GOOD LIABILITY**

In accordance with *AASB 16 – Leases*, lease liabilities were increased by \$452,000 to accommodate estimated make good obligations for rental properties.

	30 June 2021 (\$000s)
Expensed in FY21	63
Make good paid net of tax	(62)
Capitalised as a right of use asset, to be amortised over the life of the asset	108
Deferred tax assets	84
Deducted from retained earnings	259
Increase in lease liabilities	452

In FY21, following the contraction of business because of the COVID-19 pandemic, the Company consolidated certain operations to reduce costs, including rent. Make good obligations were crystalized – the exercise strengthening the forecast of make good estimates for those remaining rented properties where make good applies.

The Group has restated the prior year comparatives and the opening balances of the previous period, 30 June 2020 and 1 July 2019.

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

Restated Consolidated Statement of Financial Position (\$000s):

	30 June 2020	1 July 2019
Increase in right of use assets - make good	151	215
Increase in lease liabilities (current)	(155)	-
Increase in lease liabilities (non- current)	(362)	(496)
Increase in deferred tax assets	107	82
Cumulative impact on retrospective adjustment to opening retained earnings	(257)	(199)
Decrease in non-controlling interest	(2)	-

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

	Reporting Period	Previous Period
Increase in depreciation expense	43	64
Increase in interest expense	18	21
Reduction in profit before tax	61	85
Decrease/increase in income tax expense	2	(25)
Reduction in profit after tax	63	60
Profit attributable to non-controlling interests	2	2
Profit attributable to members of the parent entity	61	58

**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.

**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 12.

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.

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

**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.

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e. Financial instruments**

*Recognition and Initial Measurement*

All financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

*Financial Assets – Classification and subsequent measurement*

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

*Financial liabilities – Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Derecognition*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the amount of the consideration received and receivable is recognised in profit and loss.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**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. There are no financial assets or liabilities carried at 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:

- 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.

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**f. Right of use assets and lease liabilities**

The Group's lease portfolio includes property and equipment.

The Group has adopted AASB 16 *Leases* using the full retrospective restatement approach from 1 July 2019, recognising right of use assets (ROUA) and an equivalent lease liability at the commencement of the lease. The ROUA is initially measured at cost less any lease incentives and the lease liability is measured as the present value of the remaining future lease payments discounted at the Group's incremental borrowing rate at the date of initial application.

A depreciation charge against the leased ROUA replaces the straight line expense payment and an interest expense is recognised against the lease liability. Lease payments are no longer recognised as operating cash flows, but as financing cash flows in the Statement of Cash Flows.

AASB 16 eliminates the distinction between operating and finance leases and brings all leases except short term and low value onto the Statement of Financial Position.

The Group recognises a ROUA, representing its right to use the underlying assets and a corresponding lease liability representing its obligation to make future lease payments. The Group recognises a ROUA and lease liability at the commencement date of the lease.

ROUA are initially measured at cost (present value of the lease liability) and subsequently at cost less any accumulated depreciation, impairment losses and adjustments for re-measurement of the lease liability. The ROUA are depreciated using the straight line method from the commencement date to the end of the lease term.

Short term leases (with a term of less than 12 months) and leases of low value assets are not recognised as ROUA and corresponding lease liability. Lease payments on these assets are expensed to the profit and loss account as incurred.

The lease liabilities are initially measured as the present value of future lease payments expected to be paid over the lease term, discounted using the Group's incremental borrowing rate. The lease liability is re-measured if the future estimated lease payments change as a result of rate changes or the likelihood of exercise of extension. The lease liabilities are subsequently increased by the interest cost on the lease liability and decreased by the lease payments.

**Make good liability**

A liability is recognised for the present value of expected costs for future restoration of the leased premises. The liability considers the costs associated with the removal of fittings, fit-out, furniture, signage, and other structures, as well as the cost of restoration of the premises to its original condition by reconditioning or repainting the walls, replacing, or cleaning the surfaces including carpets, tiles, vinyl, wallpaper and so on. The calculation of the make good liability involves assumptions such as lease end dates and cost of make good. The liability recognised for each lease is reviewed at the end of report date and the liability amount is updated based on the information available at the time. Changes to the estimated future make good obligation for leases are recognised in the financial statements by adjusting the lease liabilities account. The make good liability will be carried forward after the lease end date until the make good obligations are fully discharged. The initial estimate of the future make good liability is recognised as part of lease liabilities and the right-of-use assets. The right-of-use asset component is depreciated across the lease term on a straight-line basis. The interest on the make good liability is recognised as part of finance costs.

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**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:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Leasehold improvements	12.5 – 22.5%
Plant and equipment	5 – 67%
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.



**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

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.

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Collectibility of trade and other receivables and contract assets are reviewed on an ongoing basis. Debts are written off when they are known to be uncollectible. An allowance for expected credit losses 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. The Group also applies the AASB 9 simplified model of recognising lifetime expected credit losses for receivables as these items do not have a significant financing component. An expected credit loss allowance is recognised for the total expected loss from possible default events that may arise over the expected life of the financial asset.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

*Recognition of expected credit losses in financial statements*

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

The Group has applied the expected credit loss model based on lifetime expected loss allowance for contract assets.

**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.

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.

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**o. Revenue**

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. 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 Taxation 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.

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 Taxation 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.

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**t. Comparative figures**

When required by Accounting Standards, comparative figures have been restated 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 2021.

*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)).

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Key Estimates- Recoverability of Receivables*

The extent to which receivables are recoverable is used in estimating any allowance for expected credit losses.

Factors considered include:

- the aging profile of receivables;
- the recognition of a corresponding deferred income liability;
- the nature of the debtor (e.g. government, business or individual);
- subsequent recovery of the receivable after date; and
- prior history.

*Key Assumptions-COVID-19 Pandemic*

For assumptions regarding going concern see note 1(w), key issues that may trigger the impairment of goodwill see Note 16 and for estimates on the recoverability of receivables see above. In addition, it is assumed that:

- the borders will re-open in the last quarter of FY22; and
- there will be minimal Government assistance.

Other relevant information on the COVID-19 pandemic is in the Directors' Report.

**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; and
- for which discrete financial information is available.

The Company has only one operating segment: Education.

**w. Going Concern**

These financial statements have been prepared adopting the going concern assumption, which contemplates the orderly realisation of assets and payment of liabilities in the ordinary course of business.

The financial statements show that:

- The Group had a net loss of \$1,060,000 (2020 \$3,901,000 profit) for the year ended 30 June 2021, largely attributable to the impact of COVID-19; and
- The Group had net current liabilities of \$9,047,000 (2020: \$7,640,000) as at 30 June 2021.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The appropriateness of this assumption is dependent upon:

- the continued support of the Group's bankers;
- the continued support of shareholders in the event of a capital raising;
- the ability of the Group to return to profitable trading;
- the orderly realisation of selected assets in the ordinary course of business at values at least equal to their book values.

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Board is currently satisfied that there are reasonable grounds to assume that the Company will meet its future financial obligations as and when they fall due.

The following factors support this assumption:

- Positive cash flow from operations for the year of \$3,795,000.
- Substantial cash holdings across the Group of \$12,371,000 of which \$10,142,000 is required to be held in the TPS controlled accounts.
- Positive net assets of \$29,718,000.
- The Group has no bank debt.
- Significant efforts made to rationalise the cost structures of the business.

The Board recognises that the Statement of Financial Position presents a net current liability position of \$9,047,000. Included in this are fees paid in advance of \$12,919,000. This is not an amount payable in the ordinary course of business and will be recognised as income as tuition is delivered.

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2021

	FY21	FY20
	\$000s	Restated \$000s
<b>2. REVENUE</b>		
<b>Operating activities</b>		
Revenue from services	42,624	59,694
<b>Non-operating activities</b>		
Rent received	-	18
Government assistance	5,421	2,456
Landlord assistance	223	347
	<b>5,644</b>	<b>2,821</b>
<b>3. PROFIT FOR THE YEAR</b>		
<b>Student acquisition and teaching costs</b>		
- Teaching costs	11,794	15,571
- Acquisition costs	6,459	9,903
- Teaching materials	1,195	1,934
	<b>19,448</b>	<b>27,408</b>
<b>Personnel expenses</b>		
- Wages and salaries	10,788	11,551
- Jobkeeper top up payments	769	311
- Superannuation	950	1,014
- Payroll tax	643	569
- Other	348	728
	<b>13,498</b>	<b>14,173</b>
<b>Premises expenses</b>		
- Rental	1,152	1,306
- Outgoings	1,129	1,302
- Electricity	254	301
- Cleaning	446	496
- Other	346	379
	<b>3,327</b>	<b>3,784</b>
<b>Other administration expenses</b>		
- Other administration expenses	2,306	3,142
- Bad and doubtful debts	43	-
	<b>2,349</b>	<b>3,142</b>
<b>Restructure and non-recurring costs</b>		
- Costs of personnel now retrenched, including redundancies	488	31
- Premises expenses - outgoings backdated/relocation	52	283
- Provision for impairment of receivables	-	81
	<b>540</b>	<b>395</b>
<b>Depreciation and Amortisation expenses</b>		
- Depreciation plant and equipment	350	349
- Amortisation of intangible assets	702	727
- Depreciation of right of use assets	6,091	5,736
- Depreciation of make good	43	64
	<b>7,186</b>	<b>6,876</b>
<b>Finance costs</b>		
- Interest and bank facility fees	138	131
- Interest recognised on lease liability	1,605	1,566
- Interest recognised on make good	18	21
	<b>1,761</b>	<b>1,718</b>

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<b>4. INCOME TAX EXPENSE</b>	<b>FY21</b>	<b>FY20</b>
	<b>\$000s</b>	<b>Restated \$000s</b>
a. The components of tax expense comprise:		
Current tax	(271)	(440)
Deferred tax	(625)	(791)
	<u>(896)</u>	<u>(1,231)</u>
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 26% (2020:30%)	(43)	1,540
Add/(less):		
Tax effect of:		
Impact of change in the tax rate to 25% on the opening deferred balance	844	-
Permanent differences	171	(42)
Assumption of tax balances of controlled entities	(76)	(267)
Income tax expense attributable to the entity	<u>896</u>	<u>1,231</u>

The effective tax rate is 546 % (2020: 24 %)

Revenue for the year is down to below \$50m, taking the Company to a reduced income tax rate of 26% for FY21 and to 25% for FY22. The impact of the change in tax rate on the deferred tax assets at 25% (2020 30%) is \$844,000.

c. Current tax payable for the year reconciles as follows:

Opening provision	(550)	534
Add: Current year provision	271	440
Add: Prior year	3	-
Less: Tax paid	24	(1,524)
Closing provision	<u>(252)</u>	<u>(550)</u>

**5. DIRECTORS AND SENIOR EXECUTIVES COMPENSATION**

a. Details of Directors and Senior Executives, including remuneration, have been set out on pages 7 to 10.

b. Shareholdings

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

<b>Shareholdings: Executive Directors and Senior Executives</b>	<b>Balance 1 July 2020</b>	<b>Purchased on ASX</b>	<b>Balance 30 June 2021</b>
Christopher Elmore Campbell	18,283,848	716,152	19,000,000
Gabriela Del Carmen Rodriguez Naranjo	93,449	6,551	100,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>



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<b>6. AUDITORS' REMUNERATION</b>	<b>FY21</b> <b>\$000s</b>	<b>FY20</b> <b>\$000s</b>
Remuneration of the auditors of the parent entity for:		
- Auditing and reviewing the financial report	<b>301</b>	307
- Taxation services	<b>73</b>	42
- Other services	<b>16</b>	3
	<b>390</b>	352

Remuneration of other auditors of subsidiaries for:		
- Auditing and reviewing the financial report	<b>38</b>	45
- Taxation services	<b>3</b>	4
- Other services	<b>10</b>	26
	<b>51</b>	75

**7. EARNINGS PER SHARE**

		Restated
Basic (cents per share)	<b>(0.97)</b>	2.82
Diluted (cents per share)	<b>(0.97)</b>	2.82
Weighted average number of ordinary shares used in calculation of basic earnings per share	<b>127,614,467</b>	127,614,467

The earnings amount used was a loss of \$1,241,000 (2020: profit \$3,604,000), being profit on ordinary activities after tax attributable to owners of the parent entity.

<b>8. DIVIDENDS PER SHARE</b>	<b>FY21</b> <b>\$000s</b>	<b>FY20</b> <b>\$000s</b>
Distributions recognised:		
Year ended 30 June 2021: interim ordinary dividend of 0.5 cents per share, fully franked (2020: 1.365 cents per share)	<b>638</b>	1,742
Year ended 30 June 2020: final ordinary dividend of 1.365 cents per share, fully franked, paid in 2021 (2020: 2.37 cent)	<b>1,742</b>	3,024
	<b>2,380</b>	4,766
Dividends proposed or declared but not recognised in the financial statements:		
Proposed fully franked ordinary dividend of 0 cents per share (2020: fully franked 1.365 cents)	-	1,742
Balance of franking account at year end adjusted for franking credits arising from payment of income tax	<b>3,108</b>	4,362

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	<b>FY21</b>	<b>FY20</b>
	<b>\$000s</b>	<b>\$000s</b>
<b>9. CASH AND CASH EQUIVALENTS</b>		
Cash at bank and on hand	<b>12,371</b>	<b>16,904</b>

There is no overdraft balance at 30 June 2021 (2020: NIL). The net cash position is \$12,371,000 (2020: \$16,904,000)

Included in the above amounts are tuition fees held in TPS accounts in Australia.

As at 30 June 2021, the Group held \$10,142,000 (2020: \$13,596,000) 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).*

	<b>FY21</b>	<b>FY20</b>
	<b>\$000s</b>	<b>\$000s</b>
<b>10. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade receivables	<b>1,003</b>	977
Less allowance for expected credit losses	<b>(69)</b>	(41)
	<b>934</b>	936
Contract assets	<b>1,364</b>	1,840
Accrued income - JobKeeper Payment scheme	<b>-</b>	726
Other receivables	<b>75</b>	198
	<b>2,373</b>	3,700

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

0 -30 days	<b>893</b>	798
31- 60 days – not impaired *	<b>5</b>	33
61- 90 days – not impaired *	<b>29</b>	17
Over 90 days – not impaired *	<b>7</b>	88
Past due and impaired	<b>69</b>	41
	<b>1,003</b>	977

\* 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.

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
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**10. TRADE AND OTHER RECEIVABLES (continued)**

- b. The Group has an exposure to credit risk in Singapore and Australia given the Group's operations in those countries. For FY21, an amount of \$70,000 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.

	<b>FY21</b>	<b>FY20</b>
	<b>\$000s</b>	<b>\$000s</b>
c. Allowance for expected credit losses at the start of the year	41	96
Movement in expected credit losses	28	(55)
Allowance for expected credit losses at the end of the year	<u>69</u>	<u>41</u>

- d. The following factors were considered when assessing credit losses, receivables and contract assets:
- i. A review was performed during the year and credit losses were recognised as impairments
  - ii. Government debtors are assessed as low risk
  - iii. Significant amounts of debtors were recovered after the year end
  - iv. Other than SPT, historical levels of bad debts have been low

	<b>FY21</b>	<b>FY20</b>
	<b>\$000s</b>	<b>\$000s</b>
<b>Allowance for expected credit losses</b>		
Trade receivables	1,003	977
Contract assets	1,364	1,840
<b>Sub-total</b>	<u>2,367</u>	<u>2,817</u>
Colleges at which credit losses have already been written off	(307)	(213)
Lower risk government debtors	(1,521)	(2,300)
<b>Sub- total</b>	<u>539</u>	<u>304</u>
<b>Allowance for credit losses</b>	<b>(69)</b>	<b>(41)</b>
<b>Credit Loss %</b>	<b>12.9%</b>	<b>13.5%</b>

**11. OTHER CURRENT ASSETS**

Prepayments	1,308	1,498
Security deposits	440	500
Current tax assets	252	550
	<u>2,000</u>	<u>2,548</u>

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12. CONTROLLED ENTITIES	Country of Incorporation	Percentage Owned/Controlled	
		FY21	FY20
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	67.54
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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<b>13. PLANT AND EQUIPMENT</b>	<b>FY21</b>	<b>FY20</b>
	<b>\$000s</b>	<b>\$000s</b>
Plant and equipment		
At cost	<b>4,658</b>	6,295
Accumulated depreciation	<b>(3,482)</b>	(4,813)
	<b>1,176</b>	1,482
Leasehold improvements		
At cost	<b>8,134</b>	8,787
Accumulated amortisation	<b>(4,973)</b>	(4,812)
	<b>3,161</b>	3,975
Total plant & equipment	<b>4,337</b>	5,457

	Plant and equipment	Leasehold improvements	Total
	\$000s	\$000s	\$000s
<b>Year ended 30 June 2021</b>			
Balance at the beginning of the year	1,482	3,975	5,457
Additions	109	3	112
Disposals	(64)	(300)	(364)
Depreciation expense	(350)	(506)	(856)
Net foreign currency difference arising on translation of financial statements of foreign operations	(1)	(11)	(12)
Carrying amount at the end of the year	1,176	3,161	4,337

**Year ended 30 June 2020**

Balance at the beginning of the year	1,540	4,486	6,026
Additions	300	21	321
Disposals	(10)	-	(10)
Depreciation expense	(349)	(528)	(877)
Net foreign currency difference arising on translation of financial statements of foreign operations	1	(4)	(3)
Carrying amount at the end of the year	1,482	3,975	5,457

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<b>14. RIGHT OF USE ASSETS</b>	<b>FY21</b>	<b>FY20</b>
	<b>\$000s</b>	<b>Restated \$000s</b>
Right of use assets		
At cost	<b>49,345</b>	52,212
Accumulated depreciation	<b>(20,869)</b>	(16,610)
	<b>28,476</b>	35,602
Make good		
At cost	<b>352</b>	416
Accumulated depreciation	<b>(244)</b>	(265)
	<b>108</b>	151
Total	<b>28,584</b>	35,753
Balance at the beginning of the year	<b>35,602</b>	23,015
Additions	<b>719</b>	18,358
Modifications	<b>(1,587)</b>	-
Depreciation expense	<b>(6,091)</b>	(5,736)
Net foreign currency difference arising on translation of financial statements of foreign operations	<b>(167)</b>	(35)
Carrying amount at the end of the year	<b>28,476</b>	35,602
Make good	<b>108</b>	151

**15. DEFERRED TAX ASSETS / LIABILITIES**

Deferred Tax Asset	<b>4,520</b>	5,145
The deferred tax asset is made up of the following estimated tax benefits:		
Temporary differences:		
- deferred tax assets	<b>11,761</b>	16,222
- deferred tax liabilities	<b>(7,389)</b>	(11,142)
- losses	<b>148</b>	65
	<b>4,520</b>	5,145

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**15. DEFERRED TAX ASSETS / LIABILITIES (continued)**

	Opening Balance Restated \$000s	Charged To Income \$000s	Closing Balance \$000s
<b>Deferred Tax Assets</b>			
Provisions	1,003	(76)	927
Unearned income	2,105	(794)	1,311
Lease liabilities and make good	12,456	(3,449)	9,007
Other	658	(142)	516
	<u>16,222</u>	<u>(4,461)</u>	<u>11,761</u>
<b>Deferred Tax Liabilities</b>			
Plant & equipment	(164)	44	(120)
Right of use assets and make good	(10,278)	3,278	(7,000)
Prepayments and other	(700)	431	(269)
	<u>(11,142)</u>	<u>3,753</u>	<u>(7,389)</u>
<b>Losses</b>	<u>65</u>	<u>83</u>	<u>148</u>
<b>Total</b>	<u>5,145</u>	<u>(625)</u>	<u>4,520</u>

**FY21**  
**\$000s**

**FY20**  
**\$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 (operating) losses	<u>337</u>	<u>389</u>
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**16. INTANGIBLE ASSETS**

Goodwill at cost	<b>32,758</b>	32,758
Accumulated impairment losses	<b>(382)</b>	(382)
Net carrying value	<u><b>32,376</b></u>	<u>32,376</u>
Course development costs and capitalised licences	<b>2,582</b>	2,344
Accumulated amortisation	<b>(2,120)</b>	(1,927)
Net carrying value	<u><b>462</b></u>	<u>417</u>
Other at cost	<b>6</b>	20
	<u><b>32,844</b></u>	<u>32,813</u>

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**16. INTANGIBLE ASSETS (continued)**

	Goodwill	Course Development Costs and capitalised licences	Other	Total
	\$000s	\$000s	\$000s	\$000s
<b>Year ended 30 June 2021</b>				
Balance at the beginning of the year	32,376	417	20	32,813
Rebranding costs amortisation	-	-	(9)	(9)
Course development costs and capitalised licences additions	-	239	-	239
Course development costs and capitalised licences amortisation	-	(194)	(5)	(199)
Balance at the end of the year	<b>32,376</b>	<b>462</b>	<b>6</b>	<b>32,844</b>
<b>Year ended 30 June 2020</b>				
Balance at the beginning of the year	32,376	439	35	32,850
Rebranding costs amortisation	-	-	(7)	(7)
Course development costs and capitalised licences additions	-	169	-	169
Course development costs and capitalised licences amortisation	-	(191)	(8)	(199)
Balance at the end of the year	<b>32,376</b>	<b>417</b>	<b>20</b>	<b>32,813</b>

Goodwill is assessed by management at the cash generating unit level. The recoverable amount of the cash-generating unit is determined based on a value in use calculation using cash flow projections covering five years. Cash flows beyond the five-year period are estimated using a terminal value calculated under standard valuation principles incorporating a long term growth rate.

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

Revenue Growth	Revenue Growth	Pre-tax Free Cash Flow – Revenue from Services	Pre-tax Free Cash Flow – Revenue from Services per annum	Pre-tax Discount Rate	Long Term Growth Rate
FY22 -3.4%	FY23-FY26 7.5%	FY22 13.9%	FY23-FY26 15.4%	9.7%	1.0%

An impairment would be triggered if any one of the key assumptions (with all other assumptions held constant) set out below applies over a 5-year period:

- Revenue growth rate is 5.5% or lower.
- Pre-tax discount rate exceeds 12.2%.
- Pre-tax free cash flow – revenue from services per annum FY23-FY26 is 11.9% or lower.
- Long term growth rate is 0.03% or lower.



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<b>17. TRADE AND OTHER PAYABLES</b>	<b>FY21</b>	<b>FY20</b>
	<b>\$000s</b>	<b>\$000s</b>
<b>CURRENT</b>		
<u>Unsecured Liabilities</u>		
Tuition fees in advance (Deferred income)	<b>12,919</b>	17,431
Trade payables	<b>1,154</b>	1,137
Payable to the Australian Taxation Office*	<b>337</b>	1,297
Sundry payables and accrued expenses	<b>2,480</b>	2,578
	<b>16,890</b>	22,443

\* Fully paid

**18. LEASE LIABILITIES**

		<b>Restated</b>
Balance at beginning of year	<b>42,678</b>	29,675
Additions – new leases	<b>719</b>	18,358
Lease modifications	<b>(1,587)</b>	-
Lease payments	<b>(5,331)</b>	(5,351)
Net foreign currency difference arising on translation of financial statements of foreign operations	<b>(198)</b>	(4)
Balance at end of year	<b>36,281</b>	42,678
Make good	<b>452</b>	517
<b>Total</b>	<b>36,733</b>	43,195
Current	<b>5,584</b>	5,484
Non-current	<b>31,149</b>	37,711
<b>Total</b>	<b>36,733</b>	43,195
Lease liability – undiscounted		
Less than one year	<b>6,667</b>	6,896
One to five years	<b>21,281</b>	24,119
More than five years	<b>13,940</b>	18,898
<b>Total undiscounted lease liabilities at end of year</b>	<b>41,888</b>	49,913

a. Short-term lease payments expensed to the profit and loss account in the year \$1,152,000 (2020: \$1,306,000) (Note 3)

b. The numbers above do not include the lease signed on 14 July 2021 for the Benchmark Resources premises in Penrith.

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	<b>FY21</b>	<b>FY20</b>
	<b>\$000s</b>	<b>\$000s</b>
<b>19. PROVISIONS</b>		
<b>CURRENT</b>		
Employee entitlements	<u>3,317</u>	<u>2,865</u>
<b>NON-CURRENT</b>		
Employee entitlements	<u>371</u>	<u>474</u>

**20. SHARE CAPITAL**

	FY21	FY21	FY20	FY20
	Share number	\$000s	Share number	\$000s
<b>Issued Share Capital</b>				
Ordinary shares fully paid	<u>127,614,467</u>	<u>42,066</u>	127,614,467	42,066
<b>Ordinary share capital</b>				
Balance at the beginning of the financial year	<u>127,614,467</u>	<u>42,066</u>	127,614,467	42,066
Balance at the end of the financial year	<u>127,614,467</u>	<u>42,066</u>	127,614,467	42,066

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.

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 ensures 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. 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.

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
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**21. 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

**22. 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 2021 are as follows:

	\$000s	\$000s
<b>Geographic Location</b>	Australia	Singapore
Revenues from External Customers	39,778	2,846
Non-current assets	66,544	3,741

**Accounting Policies**

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

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<b>23. CASH FLOW INFORMATION</b>	<b>FY21</b>	<b>FY20</b>
	<b>\$000s</b>	<b>Restated \$000s</b>
<b>a. Reconciliation of cash flow from operations with profit after income tax</b>		
(Loss) / profit after income tax	<b>(1,060)</b>	3,901
Non-cash flows in profit		
Amortisation	<b>702</b>	727
Depreciation	<b>6,484</b>	6,149
Net loss on disposal of plant and equipment	<b>364</b>	12
Write-downs to recoverable amounts	<b>43</b>	81
Unrealised foreign exchange movement	<b>(17)</b>	(13)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	<b>557</b>	1,231
(Increase)/decrease in other current assets	<b>977</b>	720
(Increase)/decrease in intangibles	<b>10</b>	12
(Increase)/decrease in deferred tax assets	<b>621</b>	791
Increase/(decrease) in trade and other payables	<b>(5,551)</b>	(43)
Increase/(decrease) in tax payables	<b>298</b>	(1,085)
Increase/(decrease) in provisions	<b>367</b>	188
Cash flow from operations	<b>3,795</b>	12,671

**b. Borrowing arrangements with banks**

**Total Facilities**

Overdraft facility available	<b>750</b>	1,000
Amount utilised	<b>-</b>	-
	<b>750</b>	1,000

The major facility is the bank overdraft.

*Bank overdraft*

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

*The bank overdraft and commercial card facilities are due for review on 21 September 2021. There was nothing outstanding in respect to these facilities at 30 June 2021.*

**24. EVENTS AFTER THE BALANCE SHEET DATE**

Other than the COVID-19 pandemic, there were no 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.

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

## **25. RELATED PARTY TRANSACTIONS**

### **Directors' transactions with the Company and the Group**

Details of Directors' remuneration are set out in the Remuneration Report on pages 9 and 10. Directors are reimbursed for expenses incurred by them on behalf of the Group.

### **Directors' and specified executives' relevant interests in shares**

See Directors' Report on pages 7,8 and 31.

### **Other related party transactions**

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

## **26. 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 meet 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 2021. Senior management continues to evaluate this risk on an ongoing basis.

##### **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.

##### **Interest rate risk**

The interest rate risk has been managed by the Group by reducing and in most cases eliminating interest bearing debt. 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:

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**26. FINANCIAL INSTRUMENTS (continued)**

	Note	Weighted average interest rate	Floating interest rate	Fixed interest maturing in: 1 year or less	Fixed interest maturing in: 1 to 5 years	Non- Interest bearing	Total
			\$000s	\$000s	\$000s	\$000s	\$000s
<b>Year ended 30 June 2021</b>							
<i>Financial assets</i>							
Cash and cash equivalents	9	0.27%	12,371	-	-	-	12,371
Trade and other receivables	10		-	-	-	1,009	1,009
Contract assets	11		-	-	-	1,364	1,364
			<u>12,371</u>	<u>-</u>	<u>-</u>	<u>2,373</u>	<u>14,744</u>
<i>Financial liabilities</i>							
Trade and other payables	17		-	-	-	3,971	3,971
Lease liabilities	18		-	5,584	31,149	-	36,733
			<u>-</u>	<u>5,584</u>	<u>31,149</u>	<u>3,971</u>	<u>40,704</u>
<b>Year ended 30 June 2020</b>							
<i>Financial assets</i>							
Cash and cash equivalents	9	2.71%	16,904	-	-	-	16,904
Trade and other receivables	10		-	-	-	1,134	1,134
Contract assets	11		-	-	-	1,840	1,840
			<u>16,904</u>	<u>-</u>	<u>-</u>	<u>2,974</u>	<u>19,878</u>
<i>Financial liabilities</i>							
Trade and other payables	17		-	-	-	5,012	5,012
Lease liabilities	18		-	5,484	37,711	-	43,195
			<u>-</u>	<u>5,484</u>	<u>37,711</u>	<u>5,012</u>	<u>48,207</u>

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 \$'000	Equity \$'000
<b>FY21</b>		
+/- 2% in interest rates	303	303

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**27. PARENT INFORMATION**

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

	<b>FY21</b>	<b>FY20</b>
	<b>\$000s</b>	<b>\$000s</b>
<b>STATEMENT OF FINANCIAL POSITION</b>		
<b>Assets</b>		
Current assets	<b>50,895</b>	39,361
Non-current assets	<b>3,561</b>	4,004
<b>Total Assets</b>	<b>54,456</b>	43,365
<b>Liabilities</b>		
Current Liabilities	<b>2,046</b>	1,716
Non-current liabilities	-	-
<b>Total Liabilities</b>	<b>2,046</b>	1,716
<b>Equity</b>		
Share capital	<b>42,066</b>	42,066
Retained earnings	<b>10,344</b>	(417)
<b>Total Equity</b>	<b>52,410</b>	41,649
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Total profit	<b>(1,859)</b>	6,500
Total comprehensive income	<b>(1,859)</b>	6,500

**28. 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

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

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**  
Level 6, 505 George Street  
Sydney, NSW 2000  
(Temporary address)

**College of Sports & Fitness**  
Level 6, 505 George Street  
Sydney, NSW 2000

**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 14, 459 Little Collins Street  
Melbourne, VIC 3000

**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**

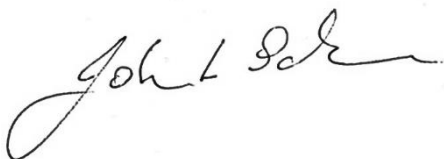
The Directors of the Company declare that:

1. the financial statements and notes, set out on pages 13 to 47, 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 2021 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. (See Note 1w).

The Company and wholly-owned subsidiaries identified in Note 12, but excluding those in Note 21, 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

17 September 2021

## 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 2021, 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 2021 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.

## MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 1(w) in the financial report, which indicates that the Group incurred a net loss of \$1.060m during the year ended 30 June 2021, and as of that date, the Group's current liabilities exceed its current assets by \$9.047m. As stated in Note 1(w), these events or conditions, along with other matters as set forth in Note 1(w), indicate that a material uncertainty exists because of the impact of COVID-19 that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## 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.

Reason for significance	How our audit addressed the matter
<b><i>Risk of impairment of goodwill and intangible assets</i></b>	
<p>Goodwill and intangible assets comprise a significant portion of the Group's total assets.</p> <p>The impairment assessment made by the Group for its goodwill and intangible assets relies upon significant judgements in respect of factors such as forecast cash flows, growth rates and economic and operational assumptions.</p>	<p>Our audit considered whether the methodology and principles applied by the Group in their discounted cash flow model met the requirements of AASB 136 <i>Impairment of Assets</i> ("AASB 136").</p> <p>Using our understanding of the nature of the Group's business and the environment in which it operates, we assessed and tested the assumptions and methodologies used in the Group's discounted cash flow model. In doing so:</p> <p>(a) We reviewed the Group's impairment test, including an assessment of its arithmetical accuracy and conceptual soundness;</p>

	<ul style="list-style-type: none"> <li>(b) We assessed the basis for the Group's expected future performance, including consideration of historical performance;</li> <li>(c) We compared the discount rate to available external data;</li> <li>(d) We assessed growth rates against recent historical rates performance;</li> <li>(e) We assessed the basis for terminal values and long-term growth rates against generally-accepted techniques and relevant external data;</li> <li>(f) 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; and</li> <li>(g) We also considered the adequacy of the relevant disclosures in the financial report.</li> </ul>
<p><b>Impact of COVID-19</b></p>	
<p>The global COVID-19 pandemic has caused significant disruptions to many businesses, including those in the education sector. The virus has had a significant impact on the Group in the year ended 30 June 2021 due to the Australian Government's border closures and other restrictions since March 2020.</p>	<p>Our audit work included assessing the impact of COVID-19 on the Group's financial report for the current year, including the various concessions obtained, and reviewing the Group's expectations and plans in relation to the future impact on the Group in subsequent years. In doing so:</p> <ul style="list-style-type: none"> <li>(a) We made enquiries of management to understand the impact of COVID-19, actual and expected, on the Group's performance and the concessions obtained;</li> <li>(b) We performed analytical procedures to confirm our understanding of the impact on the financial report;</li> <li>(c) We reviewed budgets and impairment assessments and performed sensitivity analysis to evaluate the reasonableness</li> </ul>

	<p>of management assumptions and judgements; and</p> <p>(d) We reviewed the adequacy of the disclosures in the financial report in relation to COVID-19.</p>
<p><b>Going Concern</b></p>	
<p>The Group incurred a net loss of \$1.060m during the year ended 30 June 2021, and as of that date, the Group's current liabilities exceed its current assets by \$9.047m.</p> <p>These events or conditions, along with other matters as set forth in Note 1(w), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.</p>	<p>Using our understanding of the nature of the Group's business and the environment in which it operates, we reviewed detailed information from management on the assumptions made in their assessment of the Group's ability to continue as a going concern. In doing so:</p> <p>(a) We reviewed the Group's cash flow forecast for the next 12 months, including an assessment of its arithmetical accuracy and conceptual soundness;</p> <p>(b) We assessed the reasonableness of the Group's assumptions underlying the forecast against available information;</p> <p>(c) We performed analysis on the forecast to assess whether a reasonable change in assumptions could cast doubt on the Group's ability to continue as a going concern; and</p> <p>(d) We reviewed the adequacy of the disclosures in the financial report in relation to going concern.</p> <p>We have concluded that the future uncertainties are material. Therefore, we have included an emphasis of matter in this report to draw attention to the corresponding disclosure in the Group's financial report in relation to going concern.</p>

**Make Good Provisions**

The Group has included a make good provision in the financial report as at 30 June 2021. Additionally, the Group has restated the comparatives as at 1 July 2019 and 30 June 2020.

Our audit work included reviewing the Group’s assessment of the make good provision.

In doing so:

- (a) We reviewed the Group’s make good calculations;
- (b) We assessed the reasonableness of the Group’s basis for the estimate of the make good provision; and
- (c) We reviewed the adequacy of the disclosures in the financial report, including the restatement of prior periods.

**OTHER INFORMATION [OR ANOTHER TITLE IF APPROPRIATE SUCH AS “INFORMATION OTHER THAN THE FINANCIAL REPORT AND AUDITOR’S REPORT THEREON”]**

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 2021, 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 have 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 9 to 10 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Academies Australasia Group Limited, for the year ended 30 June 2021 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

**DANIEL GILL**  
Partner

Signed on 17 SEPTEMBER 2021

Level 10  
1 Eagle Street  
Brisbane Qld 4000



**ACADEMIES AUSTRALASIA GROUP LIMITED  
AND CONTROLLED ENTITIES  
ADDITIONAL INFORMATION FOR A COMPANY LISTED ON THE ASX**

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 16 September 2021 were:

<u>Shareholder</u>	<u>No. of Shares Held</u>	<u>%</u>
Mr Chiang Meng Heng <sup>a</sup>	51,185,961	40.11
Mr Christopher Elmore Campbell <sup>b</sup>	19,000,000	14.89
Jilcy Pty Ltd <Jilcy Super Fund A/C>	17,400,000	13.63
Andrew Low <sup>c</sup>	14,267,535	11.18
Dr John Lewis Schlederer <sup>d</sup>	12,100,000	9.48
Eng Kim Low	7,648,232	5.99

<sup>a</sup> Includes 7,648,232 shares held by Eng Kim Low

<sup>b</sup> 17,400,000 shares held by Jilcy Pty Ltd <Jilcy Super Fund A/C> and 1,600,000 shares held by Bankura Pty Ltd <Campbell Family Trust A/C>

<sup>c</sup> Includes 2,940,554 shares held by Paris Pushkin Pty Ltd<Paris A/C> and 1,009,091 shares held by Mutual Trust Pty Limited.

<sup>d</sup> 6,500,000 shares held by J&B Schlederer Pty Ltd <J&B Schlederer Super A/C> and 5,600,000 shares held by Schlederer Nominees Pty Ltd <JLS Family A/C>

**VOTING RIGHTS**

**Ordinary Shares**

At 16 September 2021 there were 588 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 A COMPANY LISTED ON THE ASX**

**20 LARGEST SHAREHOLDERS AS AT 16 SEPTEMBER 2021**

	<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>	17,400,000	13.63
3	Andrew Low	10,317,890	8.09
4	Eng Kim Low	7,648,232	5.99
5	J&B Schlederer Pty Ltd <J&B Schlederer Super A/C>	6,500,000	5.09
6	Schlederer Nominees Pty Ltd <JLS Family A/C>	5,600,000	4.39
7	National Nominees Limited	3,002,228	2.35
8	Paris Pushkin Pty Ltd <Paris A/C>	2,940,554	2.30
9	Netwealth Investments Limited <Wrap services A/C>	2,931,719	2.30
10	Kin Group Pty Limited	2,595,514	2.03
11	Bankura Pty Ltd <Campbell Family Trust A/C>	1,600,000	1.25
12	Citicorp Nominees Pty Limited	1,315,618	1.03
13	Salvage Pty Ltd	1,178,351	0.92
14	BNP Paribas Nominees Pty Ltd <IB Au Nous Retail client DRP >	1,144,091	0.90
15	Mutual Trust Pty Limited	1,009,091	0.79
16	Jamash Pty Ltd <Low Family Foundation A/C>	1,000,000	0.78
17	JP Morgan Nominees Australia Pty Ltd	787,907	0.62
18	Mr Sartaj Hans	700,595	0.55
19	MK & MP Investments Pty Ltd <M&M Super Fund A/C>	677,135	0.53
20	Mr Daniel Hing Yuen Wong <Jehovah Jireh Family A/C>	547,645	0.43
		<hr/>	
		112,434,299	88.10

**HOLDING RANGE (SHAREHOLDERS) AS AT 16 SEPTEMBER 2021**

<u>Range</u>	<u>No. Holders</u>	<u>Total No. Shares</u>	<u>%</u>
1 - 1,000	64	34,010	0.03
1,001 - 5,000	196	539,694	0.42
5,001 - 10,000	73	588,845	0.46
10,001 - 100,000	195	6,839,668	5.36
100,001 +	60	119,612,250	93.73
	<hr/>		
	588	127,614,467	100.00

**UNMARKETABLE PARCELS AS 16 SEPTEMBER 2021**

	<u>Minimum Parcel Size</u>	<u>No. Holders</u>	<u>Units</u>
Minimum \$500 parcel at \$0.23 per unit	2,174	150	183,217

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

**CORPORATE INFORMATION**

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**DIRECTORS**

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

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**COMPANY  
SECRETARIES**

Stephanie Noble  
Gabriela Del Carmen Rodriguez Naranjo

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**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](mailto:companysecretary@academies.edu.au)  
  
Web Site: [www.academies.edu.au](http://www.academies.edu.au)

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**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

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**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
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
College	Subsidiary company of AKG that is licensed to operate as an education institution
Company	Academies Australasia Group Limited (ACN 000 003 725) - the parent company
Corporations Act	Corporations Act 2001 (Cth)
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
EPS	Earnings per share
FVTPL	Fair value through profit and loss
FVOCI	Fair value through other comprehensive income
FY20 to FY27	Financial Year to 30 June 2020 to Financial Year to 30 June 2027 respectively

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

Group	AKG and all its subsidiaries
GST	Goods and Services Tax
IHEA	Independent Higher Education Australia (Previous name: Council of Private Higher Education – COPHE)
LLI	Language Links International Pty Limited
OCI	Other Comprehensive Income
RBT	Kreate Pty Limited – trading as RuralBiz Training
ROUA	Right of Use Assets
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