

7 February 2014

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

Via ASX Online

(Page 1 of 20)

ANNOUNCEMENT

HALF YEAR REPORT

In accordance with ASX Listing Rule 4.2A, attached are the following reports for the half year ended 31 December 2013:

- Appendix 4D
- Financial Report (includes Directors' Report and Independent Review Report to Members)

This information should be read in conjunction with the Academies Australasia Group Limited Annual Report for the year ended 30 June 2013.

Stephanie Noble
Company Secretary

For further information call Christopher Campbell on +61 412 087 088 or +61 2 9224 5555. Academies Australasia has been operating for 105 years and listed on the Australian Securities Exchange for 36 years. The group's education business now comprises 13 separately licensed colleges operating in New South Wales, Queensland and Victoria in Australia, and in Singapore. Over the years, Academies Australasia colleges have taught tens of thousands of students from 118 countries.

Appendix 4D

Half Year Report

Half year information given to ASX under listing rule 4.2A

Introduced 1/1/2003.

ACADEMIES AUSTRALASIA GROUP ABN: 93 000 003 725

1.	Half-year ended ('reporting period')	31-Dec-13
	Half-year ended ('previous corresponding period')	31-Dec-12

2. Results for announcement to the market

		\$A'000	
Movements from previous corresponding period			
2.1	Revenues from ordinary activities	up 11%	to 21,426
2.2	Profit from ordinary activities after tax	up 56%	to 3,115
2.3	Net profit for the period attributable to owners of the parent entity	up 72%	to 2,717

3. Explanation of items 2.1 to 2.3 above:

- 3.1 Revenue from ordinary activities increased by 11% to \$21,426,000 and operating profit before tax increased by 28% to \$3,445,000
- 3.2 The fasteners business was sold on 1 December 2013. The contribution to profitability by the fasteners operations for the 5 months compared to the previous 6 months increased by 51% from \$238,000 to \$359,000.
- 3.3 The contribution to profitability by the education operations was \$3,700,000 compared to the \$3,465,000 contributed in the previous year, an increase of 7%.
- 3.4 The after tax figures at 2.2 and 2.3 include \$1,086,000 arising from a revaluation of investments to market value.

This half year report is to be read in conjunction with the most recent annual financial report.

Net tangible Assets

4.

Net tangible asset backing per ordinary share

a. Based on 56,157,234 shares at 31 December 2013

b. Based on 48,198,422 shares at 31 December 2012

Reporting period	Previous corresponding period
15.5 cents ^a	11.5 cents ^b

5. Gain or loss of control over entities

5.1 On 1 December 2013 the group acquired:

a) 100% of the issued share capital of DFL Education (Qld) Pty Limited, a college in Brisbane and the Gold Coast, for a purchase consideration of \$4,858,094. The purchase was satisfied by the issue of 3,409,091 fully paid ordinary shares in Academies Australasia Group Limited and the payment of \$1,108,094 in cash. The group has obtained control of the company.

b) a further 11% in the issued share capital of International College of Capoeira Pty Limited trading as College of Sports and Fitness (CSF) for \$70,000. The Group now owns 51%.

On 1 December 2013, the group also gained 100% control of Vostro Institute of Training Australia Pty Limited, a college in Melbourne. The purchase consideration was \$2,000,000 in cash. The acquisition was completed on 30 January 2014.

The acquisitions are part of the Group's overall strategy to expand its education operations.

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

	Vostro Institute of Training Australia	College of Sports and Fitness	DFL Education (Qld)
	Fair Value \$000s	Fair Value \$000s	Fair Value \$000s
Purchase Consideration			
-Ordinary shares	-	-	3,750
-Cash	1,000	70	1,108
-Cash payable to vendor	1,000	-	-
-Ordinary shares - (25 October 2012)	-	114	-
-Cash - (25 October 2012)	-	300	-
-Group share accumulated loss as associate	-	-15	-
	<hr/>	<hr/>	<hr/>
	2,000	469	4,858
Less:			
Cash	952	203	86
Receivables	427	298	351
Inventories	-	-	66
Property, Plant and Equipment	137	371	653
Intangibles	14	-	13
Payables	-813	-751	-577
	<hr/>	<hr/>	<hr/>

Identifiable assets acquired and liabilities assumed	717	121	592
Group share	717	62	592
Goodwill	1,283	407	4,266
Purchase consideration settled in cash	2,000	70	1,108
Cash inflow on acquisition	952	203	86

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

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

	Fair Value \$000s
Sale Proceeds	
-Cash	939
-Deferred consideration	6,750
	<u>7,689</u>
Less:	
Cash	112
Receivables	1,704
Inventories	3,769
Property, Plant and Equipment	1,142
Intangibles	1,892
Payables	-930
	<u>7,689</u>
Identifiable assets and liabilities sold	<u>7,689</u>
Gain/(Loss) on disposal	<u>0</u>

6. Dividends

6.1 On 26 September 2013 the Company paid a fully franked dividend of two and a half cents per share. The payment amount was \$1,318,704.

6.2 The directors have today declared a fully franked dividend of two and a half cents per share. Based on the present issued capital of 56,157,234 shares, the payment amount is \$1,403,938.

Dividend Dates

Ex Dividend	7-Mar-14
Record	13-Mar-14
Payment	15-Apr-14

7. **Dividend reinvestment plans**

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

8. **Associates and joint venture entities**

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

9. **Foreign entities**

The Group owns 100% of ACA Investment Holdings Pte. Limited in Singapore and 100% of the issued capital of Academies Australasia College Pte. Limited in Singapore.

In January 2014, the Company announced that it had entered into an agreement to acquire a 49% stake in Astin College in Malaysia for MR 2,122,680. The transaction is subject to due diligence and other conditions. The exercise is expected to be completed by 15 March 2014.

Signed:

Stephanie Noble
(Group Finance Manager)

Date: 7 February 2014

ACADEMIES AUSTRALASIA GROUP LIMITED
ABN 93 000 003 725
AND CONTROLLED ENTITIES

HALF YEAR CONSOLIDATED FINANCIAL REPORT
31 DECEMBER 2013

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**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
DIRECTORS' REPORT
For the half year ended 31 December 2013**

Your directors submit the financial report of the economic entity for the half year ended 31 December 2013.

Directors

The names of directors who held office during or since the end of the half year are:

Neville Thomas Cleary (Retired 31 December 2013)
John Lewis Schlederer
Christopher Elmore Campbell
Chiang Meng Heng
Gabriela Del Carmen Rodriguez Naranjo (Alternate To Neville Thomas Cleary until 31 December 2013)(Executive Director from 21 October 2013)

Review of Operations

A summary of the Statement of Financial Performance for the half year ended 31 December 2013 is set out below:

	31.12.2013 \$000s	31.12.2012 \$000s
Total Revenue	<u>21,426</u>	<u>19,273</u>
Operating Profit Before Income Tax	<u>3,445</u>	<u>2,687</u>
Operating Profit After Income Tax	<u>2,771</u>	<u>1,995</u>

Revenue from ordinary activities increased by 11% to \$21,426,000, operating profit before tax increased by 28% to \$3,445,000, and operating profit after tax increased by 39% to \$2,771,000.

Education

The contribution to profitability by the education operations was \$3,700,000 compared to the \$3,465,000 contributed in the previous year, an increase of 7%. (See Note 2).

Fasteners

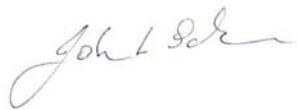
The Fasteners business was sold on 1 December 2013. (See note 9).
The contribution to profitability by the fasteners operations for the 5 months compared to the previous 6 months increased by 51% from \$238,000 to \$359,000. (See Note 2).

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
DIRECTORS' REPORT
For the half year ended 31 December 2013**

Auditor's Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half year ended 31 December 2013 is set out on page 3.

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



John Schlederer
Director



Christopher Campbell
Director

Sydney
7 February 2014



PILOT PARTNERS
Chartered Accountants
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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ACADEMIES AUSTRALASIA GROUP LIMITED**

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2013 there have been:

- (a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

PILOT PARTNERS
Chartered Accountants

D GILL
Partner

Level 10, Waterfront Place
1 Eagle Street
BRISBANE QLD 4000

7 February 2014

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
CONSOLIDATED INCOME STATEMENT
For the half year ended 31 December 2013**

	Note	Economic Entity	
		31.12.2013 \$000s	31.12.2012 \$000s
Revenue		21,426	19,273
Finance costs		(122)	(94)
Depreciation and amortisation expense		(339)	(366)
Cost of sales		(1,464)	(2,097)
Cost of services		(6,626)	(5,749)
Employee benefits expense		(4,617)	(4,296)
Insurance		(283)	(217)
Legal fees		(38)	(49)
Lease rental expense – operating leases		(2,214)	(2,000)
Other expenses		(1,934)	(1,718)
Profit on ordinary activities before income tax		3,789	2,687
Expenditure on non-recurring items	6	(344)	-
Profit before tax		3,445	2,687
Income tax attributable		(674)	(692)
Profit for the period		2,771	1,995
Other comprehensive income			
Exchange differences on translating foreign controlled entities		38	4
Net Loss on revaluation of assets		(719)	-
Other comprehensive income for the year, net of tax		(681)	4
Total comprehensive income for the year		2,090	1,999
Profit attributable to non-controlling interest		54	417
Profit attributable to members of the parent entity		2,717	1,578
		2,771	1,995
Total comprehensive income attributable to			
Owners of the parent entity		2,036	1,582
Non-controlling interest		54	417
Earnings per share:			
Basic earnings per share (cents per share)		5.20	3.30

The accompanying notes form part of these financial statements.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
CONSOLIDATED BALANCE SHEET
For the half year ended 31 December 2013**

	Economic Entity	
	31.12.2013	30.06.2013
	\$000s	\$000s
ASSETS		
Current Assets		
Cash and cash equivalents	6,173	4,992
Trade and other receivables	6,507	2,417
Inventories	66	3,815
Other current assets	1,192	956
Total Current Assets	<u>13,938</u>	<u>12,180</u>
Non-Current Assets		
Trade and other receivables	2,813	-
Investments	2,060	903
Plant and equipment	2,790	3,759
Deferred tax assets	169	436
Intangible assets	14,498	10,408
Total Non-Current Assets	<u>22,330</u>	<u>15,506</u>
Total Assets	<u>36,268</u>	<u>27,686</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	7,306	6,327
Current tax liabilities	341	456
Borrowings	1,160	969
Provisions	492	752
Total Current Liabilities	<u>9,299</u>	<u>8,504</u>
Non-Current Liabilities		
Borrowings	2,993	2,402
Provisions	759	1,488
Total Non-Current Liabilities	<u>3,752</u>	<u>3,890</u>
Total Liabilities	<u>13,051</u>	<u>12,394</u>
NET ASSETS	<u>23,217</u>	<u>15,292</u>
EQUITY		
Issued capital	25,446	18,372
Retained earnings	(2,463)	(4,226)
Asset Revaluation Reserve	-	1,063
Foreign Currency Translation Reserve	121	83
Non-Controlling Interest	113	-
TOTAL EQUITY	<u>23,217</u>	<u>15,292</u>

The accompanying notes form part of these financial statements.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half year ended 31 December 2013**

		\$000s	\$000s	\$000s	\$000s	\$000s
	Note	Ordinary Shares	Retained Profits	Reserves	Non - Controlling Interest	Total
Balance at 1.7.2012		17,738	(4,415)	429	743	14,495
Profit for the period		-	1,578	-	417	1,995
Exchange differences on translating foreign operations		-	-	4	-	4
Total comprehensive income for the period		-	1,578	4	417	1,999
Exchange differences on the non- controlling interest		-	-	-	1	1
Share issue (Performance Incentive Plan-PIP)		484	-	-	-	484
Share issue investment in associate	8	114	-	-	-	114
Dividend paid	4	-	(1,180)	-	-	(1,180)
Balance at 31.12.2012		18,336	(4,017)	433	1,161	15,913
Balance at 1.7.2013		18,372	(4,226)	1,146	-	15,292
Profit for the period		-	2,717	-	54	2,771
Asset Revaluation Reserve		-	344	(1,063)	-	(719)
Exchange differences on translating foreign operations		-	-	38	-	38
Total comprehensive income for the period		-	3,061	(1,025)	54	2,090
Share issue (New issue)	7	3,808	-	-	-	3,808
Share issue (Performance incentive plan-PIP)		(484)	-	-	-	(484)
Acquisition of subsidiary	8	3,750	-	-	59	3,809
Dividend paid	4	-	(1,298)	-	-	(1,298)
Balance at 31.12.2013		25,446	(2,463)	121	113	23,217

The accompanying notes form part of these financial statements.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725
AND CONTROLLED ENTITIES
CONSOLIDATED CASHFLOW STATEMENT
For the half year ended 31 December 2013**

	Economic Entity	
	31.12.2013	31.12.2012
	\$000s	\$000s
Cash Flows From Operating Activities		
Receipts from customers	19,301	20,381
Payments to suppliers and employees	(19,448)	(16,506)
Interest received	75	17
Finance costs	(122)	(94)
Income taxes paid	(533)	(125)
	<hr/>	<hr/>
Net cash provided by operating activities	(727)	3,673
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Proceeds from sale of plant & equipment	39	-
Purchase of non-current assets	(99)	(164)
Net cash on acquisition/disposal of subsidiary	(111)	395
Investment in other intangibles	-	(33)
Investment in other financial assets	-	(329)
	<hr/>	<hr/>
Net cash used in investing activities	(1,71)	(131)
	<hr/>	<hr/>
Cash Flows From Financing Activities		
Proceeds from borrowings	1,099	295
Proceeds from share issue	3,808	-
Non recurring payment on PIP	(1,007)	-
Dividends Paid	(1,298)	(1,180)
Repayment of borrowings	(523)	(329)
	<hr/>	<hr/>
Net cash used in financing activities	2,079	(1,214)
	<hr/>	<hr/>
Net increase/(decrease) in cash held	1,181	2,328
Cash at the beginning of period	4,992	2,568
	<hr/>	<hr/>
Cash at the end of the period	6,173	4,896
	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

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

NOTE 1: BASIS OF PREPARATION

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

The half year financial report does not include full disclosures of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Academies Australasia Group Limited and its controlled entities during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

(a) Significant Accounting Policies

The accounting policies applied by the consolidated entity in this consolidated half year financial report are the same as those applied by the consolidated entity in its consolidated financial report for the year ended 30 June 2013.

In the current period, the consolidated entity has adopted all new and revised Standards and Interpretations issued by the Australia Accounting Standards Board that are relevant to its operations and effective for reporting periods beginning on or after 1 July 2013. The adoption of these new and revised Standards and Interpretations has not resulted in any changes to the consolidated entity's accounting policies. Investments are held at fair value based on publicly available market prices at the reporting date.

(b) Comparative Figures

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

NOTE 2: SEGMENT REPORTING

	Fasteners		Education		Economic Entity	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Revenue	3,215	3,981	15,451	14,335	18,666	18,316
Other revenue	-	-	2,650	957	2,650	957
Total segment revenue	3,215	3,981	18,101	15,292	21,316	19,273
Unallocated revenue					110	-
Total revenue from ordinary activities					21,426	19,273
Segment profit	359	238	3,700	3,465	4,059	3,703
Unallocated expenses net of unallocated revenue					(614)	(1,016)
Profit before income tax					3,445	2,687
Income tax attributable					(674)	(692)
Profit after income tax					2,771	1,995
Segment assets	-	7,788	26,787	17,361	26,787	25,149
Unallocated					9,481	1,536
					36,268	26,685

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

NOTE 3: CONTINGENT LIABILITIES

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

NOTE 4: DIVIDEND PAID

On 26 September 2013, the Company paid a fully franked dividend of two and a half cents per share. The payment amount was \$1,319,000 (2012: \$1,180,000). Mr Campbell repaid the Company for the dividends that he had received on the shares that were cancelled on 20 September 2013 (\$21,000).

NOTE 5: POST BALANCE DATE EVENTS

In January 2014, the Company announced that it had entered into an agreement to acquire a 49% stake in Astin College in Malaysia for MR 2,122,680. The transaction is subject to due diligence and other conditions. The exercise is expected to be completed by 15 March 2014.

The acquisition of Vostro Institute of Training Australia Pty Limited with effect from 1 December 2013 was completed on 30 January 2014.

Apart from the above, there are no other matters or circumstances that have arisen since 31 December 2013 which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

NOTE 6: EXPENDITURE ON NON-RECURRING ITEMS

On 22 October 2013, the group brought forward the end date of the PIP scheme.

NOTE 7: ISSUE OF NEW SHARES

On 2 August 2013, Academies Australasia Group Limited issued 5,340,000 new fully paid ordinary shares raising \$3,808,241. (\$4,005,000 less issue costs).

NOTE 8: BUSINESS COMBINATIONS

8.1 On 1 December 2013, the group acquired:

- a) 100% of the issued share capital of DFL Education (Qld) Pty Limited, a college in Brisbane and the Gold Coast, for a purchase consideration of \$4,858,094. The purchase was satisfied by the issue of 3,409,091 fully paid ordinary shares in Academies Australasia Group Limited and the payment of \$1,108,094 in cash. The group has gained control of the company.
- b) A further 11% of the issued share capital of International College of Capoeira Pty Limited trading as College of Sports and Fitness (CSF), for \$70,000 in cash. The group now owns 51%.

On 1 December 2013, the group also gained 100% control of Vostro Institute of Training Australia Pty Limited, a college in Melbourne. The purchase consideration was \$2,000,000 in cash. The acquisition was completed on 30 January 2014.

The acquisitions are part of the group's overall strategy to expand its education operations.

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

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

	Vostro Institute of Training Australia	College of Sports and Fitness	DFL Education (Qld) Pty Limited
	Fair Value	Fair Value	Fair Value
	\$000s	\$000s	\$000s
	100%	51%	100%
Purchase consideration			
-Ordinary shares	-	-	3,750
-Ordinary shares – 25 October 2012	-	114	-
-Cash – 25 October 2012	-	300	-
-Cash	1,000	70	1,108
-Cash payable to vendor	1,000	-	-
-Group share accumulated loss as associate	-	(15)	-
	<u>2,000</u>	<u>469</u>	<u>4,858</u>
Less:			
Cash	952	203	86
Receivables	427	298	351
Inventories	-	-	66
Property, plant and equipment	137	371	653
Intangibles	14	-	13
Payables	(813)	(751)	(577)
Identifiable assets acquired and liabilities assumed	<u>717</u>	<u>121</u>	<u>592</u>
Group share	<u>717</u>	<u>62</u>	<u>592</u>
Goodwill	<u>1,283</u>	<u>407</u>	<u>4,266</u>
Purchase consideration settled in cash	<u>2,000</u>	<u>70</u>	<u>1,108</u>
Cash inflow on acquisition	<u>952</u>	<u>203</u>	<u>86</u>

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

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

NOTE 9: SALE OF PREMIER FASTENERS

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

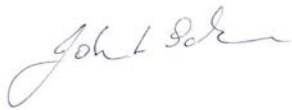
	Fair Value
	\$000s
Sale Proceeds	
-Cash	939
-Deferred consideration	6,750
	<hr/> 7,689
Less:	
Cash	112
Receivables	1,704
Inventories	3,769
Property, plant and equipment	1,142
Intangibles	1,892
Payables	(930)
	<hr/> 7,689
Identifiable assets and liabilities sold	<hr/> 7,689
Gain/(Loss) on disposal	<hr/> -

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

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

1. The financial statements and notes, as set out on pages 4 to 11, are in accordance with the *Corporations Act 2001*, including
 - a. Complying with accounting standard AASB 134: *Interim Financial Reporting*, and
 - b. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half year ended on that date.
2. 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.

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



John Schlederer
Director



Christopher Campbell
Director

Sydney
7 February 2014



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Chartered Accountants
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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ACADEMIES AUSTRALASIA GROUP LIMITED**

Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report of Academies Australasia Group Limited, which comprises the consolidated condensed balance sheet as at 31 December 2013 and the consolidated condensed income statement, consolidated condensed statement of changes in equity and consolidated condensed cash flow statement for the half year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration as set out on pages 4 to 12.

Directors' responsibility for the Half Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Academies Australasia Group Limited financial position as at 31 December 2013 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Academies Australasia Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Academies Australasia Group Limited on 7 February 2014 would be in the same terms if provided to the directors as at the date of this auditor's review report



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ACADEMIES AUSTRALASIA GROUP LIMITED**

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PILOT PARTNERS
Chartered Accountants

D GILL
Partner

Level 10, Waterfront Place
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7 February 2014