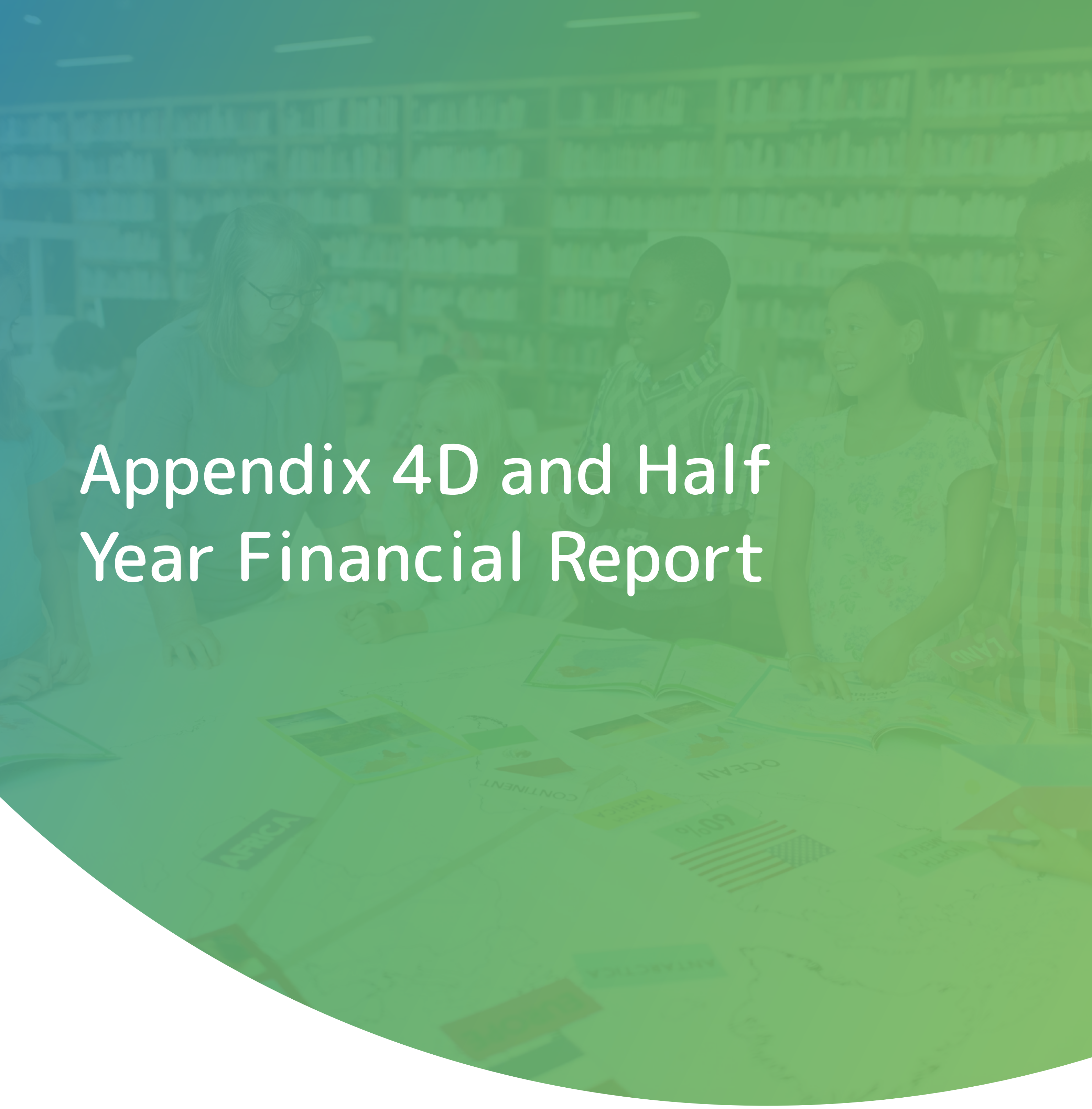

Appendix 4D and Half Year Financial Report

For the period ended 31 December 2018

3P Learning

Lodged with the ASX under Listing Rule 4.2A
3P Learning Limited ABN 50 103 827 836

3P Learning Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	3P Learning Limited
ABN:	50 103 827 836
Reporting period:	The half-year ended 31 December 2018
Previous period:	The half-year ended 31 December 2017

2. Results for announcement to the market

		$'000
Revenues from ordinary activities	down 15.3% to	23,974
Profit from ordinary activities after tax attributable to the owners of 3P Learning Limited	down 58.5% to	2,007
Profit for the half-year attributable to the owners of 3P Learning Limited	down 58.5% to	2,007

The Group has adopted Accounting Standards AASB 9 'Financial Instruments' and AASB 15 'Revenue from Contracts with Customers' for the half-year ended 31 December 2018. The Accounting Standards were adopted using the modified retrospective approach. Refer note 2 for further details.

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The profit for the Group after providing for income tax and non-controlling interest amounted to $2,007,000 (31 December 2017: $4,834,000).

Refer to 'Review of operations' in the Directors' Report for detailed commentary.

3. Net tangible assets

	31 Dec 2018 Cents	31 Dec 2017 Cents
Net tangible assets per ordinary security	1.60	15.28

4. Details of associates and joint venture entities

	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
Name of associate / joint venture	Reporting period %	Previous period %	Reporting period $'000	Previous period $'000
Learnosity Holdings Limited	-	40.00%	-	264
Group's aggregate share of associates and joint venture entities' profit/(loss) (where material):				
Profit/(loss) from ordinary activities before income tax			-	264

On 25 May 2018, the Group disposed of its 40% interest in Learnosity Holdings Limited.

5. Audit qualification or review

Details of audit/review dispute or qualification (if any):
The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Financial Report.

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6. Attachments

Details of attachments (if any):
The Half Year Financial Report of 3P Learning Limited for the half-year ended 31 December 2018 is attached.

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7. Signed

Signed ____________________________ Date: 21 February 2019

Samuel Weiss
Chairman
Sydney

3P Learning Limited

ABN 50 103 827 836

Half Year Financial Report - 31 December 2018

3P Learning Limited
Contents
31 December 2018

Directors' report	2
Auditor's independence declaration	4
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	18
Independent auditor's review report to the members of 3P Learning Limited	19

3P Learning Limited
Directors' report
31 December 2018

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of 3P Learning Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

Directors

The following persons were directors of 3P Learning Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Samuel Weiss (Chairman)
Rebekah O'Flaherty (Chief Executive Officer)
Roger Amos
Claire Hatton
Mark Lamont

Principal activities

During the financial half-year, the principal continuing activities of the Group consisted of the development, sales and marketing of online educational programs to schools and to parents of school-aged students.

Review of operations

The profit for the Group after providing for income tax and non-controlling interest amounted to $2,007,000 (31 December 2017: $4,834,000).

Total revenue for the half year ended 31 December 2018 was $23,836,000 (31 December 2017: $28,304,000). APAC revenue decreased from the prior corresponding half-year due to the re-phasing of APAC annual renewals from the first half to the second half of the current year, in line with the start of the school year in Australia and New Zealand. EMEA revenue declined as a result of uncertain market conditions due to political instability from the expected withdrawal of the United Kingdom from the European Union and government school funding cuts. Revenue in the Americas segment was up 1% on the prior year.

Licence numbers for the Group remained flat at 5,073,000 from 5,076,000 at 30 June 2018.

Operating profit was $2,433,000 (31 December 2017: $6,213,000). The reduction is due to the decrease in revenue, partially offset by a reduction of $1,329,000 in operating expenses excluding depreciation and amortisation. Operating expenses have reduced due to continued cost management and the benefits of a global operating model being realised.

The profit for the Group after providing for income tax was $2,007,000 (31 December 2017: $4,764,000).

Management have concluded that this is not a "highly seasonal" business as considered by AASB 134 'Interim Financial Reporting'.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding of amounts

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

Auditor's independence declaration

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

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

On behalf of the directors.

____

Samuel Weiss
Chairman

21 February 2019

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of 3P Learning Limited

As lead auditor for the review of 3P Learning Limited for the half-year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of 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.

This declaration is in respect of 3P Learning Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

RRobinson

Renay C Robinson
Partner
21 February 2019

3P Learning Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2018

	Note	Consolidated 31 Dec 2018 $'000	Consolidated 31 Dec 2017 $'000
Revenue	4	**23,836**	28,304
Share of profits of associates accounted for using the equity method		**-**	264
Other income		**168**	70
Interest revenue calculated using the effective interest method		**138**	5
Expenses			
Employee benefits expense		**(12,511)**	(12,617)
Depreciation and amortisation expense		**(4,639)**	(4,031)
Professional fees		**(376)**	(526)
Technology costs		**(1,641)**	(1,631)
Marketing expenses		**(655)**	(1,057)
Occupancy expenses		**(1,269)**	(1,176)
Administrative expenses		**(618)**	(1,392)
Operating profit		**2,433**	6,213
Finance costs		**(88)**	(323)
Profit before income tax expense		**2,345**	5,890
Income tax expense		**(338)**	(1,126)
Profit after income tax expense for the half-year		**2,007**	4,764
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		**(93)**	(629)
Other comprehensive income for the half-year, net of tax		**(93)**	(629)
Total comprehensive income for the half-year		**1,914**	4,135
Profit for the half-year is attributable to:			
Non-controlling interest		**-**	(70)
Owners of 3P Learning Limited		**2,007**	4,834
Profit for the half-year		**2,007**	4,764
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		**-**	(70)
Owners of 3P Learning Limited		**1,914**	4,205
Total comprehensive income for the half-year		**1,914**	4,135
		Cents	Cents
Basic earnings per share	12	**1.44**	3.47
Diluted earnings per share	12	**1.44**	3.47

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

3P Learning Limited
Statement of financial position
As at 31 December 2018

	Note	Consolidated 31 Dec 2018 $'000	30 Jun 2018 $'000
Assets			
Current assets			
Cash and cash equivalents		**10,070**	23,014
Trade and other receivables	5	**11,170**	4,649
Income tax receivable		**316**	183
Other		**1,879**	1,929
Total current assets		**23,435**	29,775
Non-current assets			
Royalty receivable		**32**	43
Plant and equipment		**1,140**	926
Intangibles	6	**18,831**	18,386
Deferred tax		**6,310**	5,960
Total non-current assets		**26,313**	25,315
Total assets		**49,748**	55,090
Liabilities			
Current liabilities			
Trade and other payables	7	**4,292**	5,671
Contract liabilities		**20,642**	25,958
Finance lease payable		**13**	12
Income tax payable		**296**	766
Provisions		**1,011**	1,324
Total current liabilities		**26,254**	33,731
Non-current liabilities			
Contract liabilities		**1,570**	1,556
Borrowings	8	**11**	18
Provisions		**850**	777
Total non-current liabilities		**2,431**	2,351
Total liabilities		**28,685**	36,082
Net assets		**21,063**	19,008
Equity			
Issued capital	9	**34,374**	34,233
Reserves		**8,392**	8,485
Accumulated losses		**(21,703)**	(23,710)
Total equity		**21,063**	19,008

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

3P Learning Limited
Statement of changes in equity
For the half-year ended 31 December 2018

	Issued capital $'000	Reserves $'000	Retained profits/ (accumulated losses $'000	Non-controlling interest $'000	Total equity $'000
Consolidated 2018					
Balance at 1 July 2018	**34,233**	**8,485**	**(23,710)**	**-**	**19,008**
Profit after income tax expense for the half-year	-	-	2,007	-	2,007
Other comprehensive income for the half-year, net of tax	-	(93)	-	-	(93)
Total comprehensive income/(loss) for the half-year	-	(93)	2,007	-	1,914
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 9)	141	(141)	-	-	-
Share-based payments	-	141	-	-	141
Balance at 31 December 2018	**34,374**	**8,392**	**(21,703)**	**-**	**21,063**
Consolidated 2017					
Balance at 1 July 2017	34,092	5,360	(4,946)	(99)	34,407
Profit/(loss) after income tax expense for the half-year	-	-	4,834	(70)	4,764
Other comprehensive income for the half-year, net of tax	-	(629)	-	-	(629)
Total comprehensive income/(loss) for the half-year	-	(629)	4,834	(70)	4,135
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	141	(141)	-	-	-
Share-based payments	-	346	-	-	346
Balance at 31 December 2017	34,233	4,936	(112)	(169)	38,888

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

3P Learning Limited
Statement of cash flows
For the half-year ended 31 December 2018

	Consolidated	
	31 Dec 2018	31 Dec 2017
	$'000	$'000
Cash flows from operating activities		
Receipts from customers	**15,639**	14,392
Payments to suppliers and employees	**(22,876)**	(19,130)
Interest received	**130**	5
Interest and other finance costs paid	**(88)**	(318)
Income taxes paid	**(1,086)**	(127)
Net cash (outflow)from operating activities	**(8,281)**	(5,178)
Cash flows from investing activities		
Payments for plant and equipment	**(304)**	(182)
Payments for intangibles	**(4,233)**	(4,953)
Net cash (outflow) from investing activities	**(4,537)**	(5,135)
Cash flows from financing activities		
Proceeds from borrowings	**-**	11,000
Repayment of borrowings	**(6)**	(505)
Net cash (outflow) / inflow financing activities	**(6)**	10,495
Net (decrease) / increase in cash and cash equivalents	**(12,824)**	182
Cash and cash equivalents at the beginning of the financial half-year	**23,014**	3,287
Effects of exchange rate changes on cash and cash equivalents	**(120)**	-
Cash and cash equivalents at the end of the financial half-year	**10,070**	3,469

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

Note 1. General information

The financial statements cover 3P Learning Limited as a Group consisting of 3P Learning Limited (the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is 3P Learning Limited's functional and presentation currency.

3P Learning Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 18, 124 Walker Street
North Sydney NSW 2060

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 21 February 2019. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 9 Financial Instruments
The Group has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

Note 2. Significant accounting policies (continued)

For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).

New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers
The Group has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption
The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group and therefore there was no impact on opening retained earnings.

The Group has adopted Accounting Standards AASB 9 and AASB 15 for the half-year ended 31 December 2018. AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been restated. AASB 9 was adopted using the full retrospective approach and no adjustment was required on the comparatives.

Net current asset deficiency

As at 31 December 2018, the Group was in a net current liability position of $2,819,000 (30 June 2018: $3,956,000) of which $20,642,000 (30 June 2018: $25,958,000) are contract liabilities which are expected to be recognised as revenue in the next 12 months with no further cash outflows to the Group. Further, there is $10,000,000 (30 June 2018: $20,000,000) of the working capital debt facility available. Accordingly, the financial statements continue to be prepared on a going concern basis.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Note 2. Significant accounting policies (continued)

Licence revenues from own intellectual property
The Group recognises revenue pursuant to software licence agreements upon the provision of access to its customers of the Group's intellectual property as it exists at any given time during the period of the licence. Revenue is therefore recognised over the duration of the agreement or for as long as the customer has been provided access, when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectability is probable.

Third party licence revenue
The Group recognises commission revenue pursuant to a distribution agreement at the point of time when it sells a third party's online products to customers which provide these customers with access to the third party's intellectual property as it exists at any given time. Revenue from the sale of third party products is recorded on a net basis when the performance obligations in relation to the online product are completed, consistent with an agency relationship.

Sale of workbooks
Revenue is recognised in relation to workbook materials sold to schools and students at the point of time, when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectability is probable.

Copyright licence fee
Revenue is recognised in relation to copyright agency fees upon becoming entitled to compensation being at a time when the Group's materials and resources are reproduced by third parties.

Sponsorship revenue
Revenue is recognised in relation to sponsorship amounts provided by various external parties when the Group becomes entitled to the benefit and all of its obligations have been fulfilled.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Costs to obtain a contract

The Group has elected to apply the optional practical expedient for sales commissions paid to employees for contracts obtained from external customers. This allows the Group to immediately expense sales commissions (included under employee benefits expenses) because the amortisation period of the asset that the Group otherwise would have used is one year or less.

Note 2. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 December 2018. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. The Group expects to adopt this standard from 1 July 2019. The Group will continue to assess the potential effect of AASB 16 on its consolidated financial statements.

Note 3. Operating segments

Identification of reportable operating segments
The Group is organised into geographic operating segments: Asia-Pacific ('APAC'), the United States of America, Canada and South America ('Americas') and Europe, Middle-East and Africa ('EMEA'). These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews adjusted EBITDA (earnings before interest, tax, depreciation and amortisation, excluding restructuring costs, impairment expense, non-cash loss on sale and share of profits of associates). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis. The CODM does not regularly review segment assets and segment liabilities. Refer to statement of financial position for assets and liabilities.

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

Operating segment information

Consolidated 2018	APAC $'000	Americas $'000	EMEA $'000	Total $'000
Revenue				
Sales to external customers	13,740	4,069	6,027	23,836
Interest revenue	138	-	-	138
Total revenue	13,878	4,069	6,027	23,974
Adjusted EBITDA*	**6,460**	**(993)**	**1,467**	**6,934**
Depreciation and amortisation				(4,639)
Interest revenue				138
Finance costs				(88)
Profit before income tax expense				2,345
Income tax expense				(338)
Profit after income tax expense				**2,007**

* Adjusted EBITDA is after inter-segment royalty expense incurred by the Americas segment of $1,371,000 and the EMEA segment of $2,185,000.

Note 3. Operating segments (continued)

Consolidated 2017	APAC $'000	Americas $'000	EMEA $'000	Total $'000
Revenue				
Sales to external customers	17,842	4,027	6,435	28,304
Interest revenue	5	-	-	5
Total revenue	17,847	4,027	6,435	28,309
Adjusted EBITDA*	9,602	(1,019)	1,392	9,975
Share of profit - associates				264
Depreciation and amortisation				(4,031)
Interest revenue				5
Finance costs				(323)
Profit before income tax expense				5,890
Income tax expense				(1,126)
Profit after income tax expense				4,764

* Adjusted EBITDA is after inter-segment royalty expense incurred by the Americas segment of $1,492,000 and the EMEA segment of $2,368,000.

Note 4. Revenue

Disaggregation of revenue

Revenue from contracts with customers is disaggregated into the following categories:

	Consolidated 31 Dec 2018 $'000	Consolidated 31 Dec 2017 $'000
Licence fees	**20,777**	21,948
Net commission revenue	**2,695**	5,899
Sale of workbooks	**1**	13
Copyright licence fees	**4**	9
Other revenue	**359**	269
Sponsorship income	**-**	166
Total Revenue	**23,836**	28,304

Revenue from external customers by geographic regions is set out in note 3 operating segments. The relationship between the disaggregated revenue information set out above and the segment information set out in note 3 operating segments is explained below:

The Group's main revenue-generating activity is the worldwide sale of online educational programs via licence fees and net commission revenue. The Group generates revenue from both these categories in all operating segments (geographic regions). Sales of workbooks, copyright licence fees, and sponsorship income are ancillary revenue streams and are generated only in the APAC operating segment.

The revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was $18,607,000. Contract liabilities are generally paid for at the beginning of the contract period.

Note 5. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2018	30 Jun 2018
	$'000	$'000
Trade receivables	**11,094**	4,567
Less: Allowance for expected credit losses	**(164)**	(67)
	10,930	4,500
Other receivables	**240**	149
Total Trade and other receivables	**11,170**	4,649

Note 6. Non-current assets – intangibles

	31 Dec 2018 $'000	30 Jun 2018 $'000
Goodwill - at cost	**4,535**	4,535
Product development - at cost	**45,730**	41,893
Less: Accumulated amortisation	**(33,271)**	(29,775)
	12,459	12,118
Patents and trademarks - at cost	**3,161**	3,145
Less: Accumulated amortisation	**(3,089)**	(3,083)
	72	62
Customer contracts - at cost	**1,193**	913
Less: Accumulated amortisation	**(784)**	(769)
	409	144
Software - at cost	**3,964**	3,584
Less: Accumulated amortisation	**(2,608)**	(2,057)
	1,356	1,527
Total Intangibles	**18,831**	18,386

Note 6. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill $'000	Product development $'000	Patents and trademarks $'000	Customer contracts $'000	Software $'000	Total $'000
Balance at 1 July 2018	4,535	12,118	62	144	1,527	18,386
Additions	-	3,837	16	634	380	4,867
Exchange differences	-	-	-	(4)	-	(4)
Amortisation expense	-	(3,496)	(6)	(365)	(551)	(4,418)
Balance at 31 December 2018	**4,535**	**12,459**	**72**	**409**	**1,356**	**18,831**

Note 7. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2018 $'000	30 Jun 2018 $'000
Trade payables	**712**	1,879
Accrued expenses	**3,343**	3,571
Other payables	**237**	221
Total Trade and other payables	**4,292**	5,671

Note 8. Non-current liabilities - borrowings

Lease liability	**11**	18
Total borrowings	**11**	18

Bank loan facilities

The bank loan facilities were renegotiated during the period. The bank loan facilities are subject to variable interest rates, which are based on the bank bill swap rate ('BBSY'), plus a margin. The banking facilities consist of a $10,000,000 bank loan and a $2,000,000 bank guarantee that each mature on 30 June 2020. The banking facilities are secured by fixed and floating charges over the Group's assets.

Note 8. Non-current liabilities - borrowings (continued)

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	31 Dec 2018	30 Jun 2018
	$'000	$'000
Total facilities:		
Bank loans	**10,000**	20,000
Bank guarantee and ancillary facility	**2,000**	2,000
Lease liability	**30**	30
	12,030	22,030
Used at the reporting date:		
Bank loans	**-**	-
Bank guarantee and ancillary facility	**1,767**	1,777
Lease liability	**30**	30
	1,797	1,807
Unused at the reporting date:		
Bank loans	**10,000**	20,000
Bank guarantee and ancillary facility	**233**	223
Lease liability	**-**	-
	10,233	20,223

Note 9. Equity - issued capital

	Consolidated			
	31 Dec 2018	30 Jun 2018	**31 Dec 2018**	30 Jun 2018
	Shares	Shares	**$'000**	$'000
Ordinary shares - fully paid	**139,334,170**	139,234,170	**34,374**	34,233

Movements in ordinary share capital

Details	**Date**	**Shares**	**$'000**
Balance	1 July 2018	139,234,170	34,233
Issue of shares	17 September 2018	100,000	141
Balance	**31 December 2018**	**139,334,170**	**34,374**

Note 10. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 11. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 12. Earnings per share

	Consolidated	
	31 Dec 2018	31 Dec 2017
	$'000	$'000
Profit after income tax	**2,007**	4,764
Non-controlling interest	**-**	70
Profit after income tax attributable to the owners of 3P Learning Limited	**2,007**	4,834
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	**139,291,779**	139,192,866
Adjustments for calculation of diluted earnings per share:		
Options/rights over ordinary shares	**134,638**	133,953
Weighted average number of ordinary shares used in calculating diluted earnings per share	**139,426,417**	139,326,819
	Cents	Cents
Basic earnings per share	**1.44**	3.47
Diluted earnings per share	**1.44**	3.47

Note 13. Events after the reporting period

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

3P Learning Limited
Directors' declaration
31 December 2018

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

____

Samuel Weiss
Chairman

21 February 2019

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Independent Auditor's Review Report to the Members of 3P Learning Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of 3P Learning Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial 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*.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to 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 Group's consolidated financial position as at 31 December 2018 and its consolidated financial 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 the Group, 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*.

Ernst & Young

Ernst & Young

R Robinson

Renay C Robinson
Partner
Sydney
21 February 2019

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