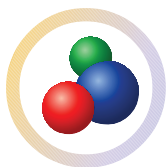


Appendix 4D and Half Year Financial Report

For the period ended 31 December 2017



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:	For the half-year ended 31 December 2017
Previous period:	For the half-year ended 31 December 2016

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	12.9% to	28,304
Profit from ordinary activities after tax attributable to the owners of 3P Learning Limited	up	154.5% to	4,834
Profit for the half-year attributable to the owners of 3P Learning Limited	up	154.5% to	4,834

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 \$4,834,000 (31 December 2016: loss of \$8,868,000).

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

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	15.28	13.19

4. Loss of control over entities

The Group announced the discontinuation of its development operations in Pune, India in the previous corresponding period. Mathletics LLP (India) was the legal entity used for the Pune based development operations. The contribution of Mathletics LLP (India) to the Group's profit/(loss) from ordinary activities during the reporting period was a loss of \$70,000 (31 December 2016: profit of \$82,000).

Documentation effecting the divestment of the Group's 60% interest in Mathletics LLP (India) was signed on 23 November 2017 at which point the Group lost control of Mathletics LLP. These documents have been filed with the applicable regulator in India and the Group expects to receive confirmation of this change in due course.

5. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$'000	Previous period \$'000
Learnosity Holdings Limited	40.00%	40.00%	264	187
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			264	187

6. 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.

7. Attachments

Details of attachments (if any):

The Half Year Financial Report of 3P Learning Limited for the half-year ended 31 December 2017 is attached.

8. Signed

Signed  _____

Samuel Weiss
Chairman
Sydney

Date: 15 February 2018

3P Learning Limited

ABN 50 103 827 836

Half Year Financial Report - 31 December 2017

3P Learning Limited
Directors' report
31 December 2017

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 2017.

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

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 \$4,834,000 (31 December 2016: loss of \$8,868,000).

Total revenue for the half year ended 31 December 2017 grew 13% to \$28,304,000 (31 December 2016: \$25,080,000). Operating profit increased 20% to \$6,213,000 (31 December 2016: \$5,172,000).

Although invoicing in various markets is concentrated to particular periods, licence revenue is recognised evenly over the licence period which is generally twelve months or more. Management have therefore concluded that this is not a 'highly seasonal' business as considered by AASB 134 'Interim Financial Reporting'.

Licence numbers for the Group decreased from 5.7 million to 5.2 million, impacted by unbundling of non-core products and the decision to withdraw from further development and sale of IntoScience products. Retention rates of the Group for core products have remained strong over the period and consistent with previous years.

Licence revenue grew in all segments. Operational performance in all segments improved as the Group continues its strategy to move to a global operating model reducing costs through centralisation and digitisation. Operating expenses have increased at a slower rate than the increase in revenue resulting in improved profit margin.

During the half year ended 31 December 2017, the Group invested \$4,158,000 (31 December 2016: \$4,397,000) into new product development assets, reflecting a more focused and centralised development approach.

The profit for the Group of \$4,834,000, after providing for income tax and the loss on the non-controlling interest in Mathletics LLP, increased significantly from the loss for the group of \$8,868,000 during the half year ended 31 December 2016. 31 December 2016 half year results were impacted by non-cash and non-recurring write downs.

Significant changes in the state of affairs

The Group announced the discontinuation of its development operations in Pune, India in the previous corresponding period. Mathletics LLP (India) was the legal entity used for the Pune based development operations. The contribution of Mathletics LLP (India) to the Group's profit/(loss) from ordinary activities during the reporting period was a loss of \$70,000 (31 December 2016: profit of \$82,000).

Documentation effecting the divestment of the Group's 60% interest in Mathletics LLP (India) was signed on 23 November 2017 at which point the Group lost control of Mathletics LLP. These documents have been filed with the applicable regulator in India and the Group expects to receive confirmation of this change in due course.

There were no other 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 2017 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' report
31 December 2017

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

15 February 2018

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 2017, 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



Lisa Nijssen-Smith
Partner
15 February 2018

3P Learning Limited
Contents
31 December 2017

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	15
Independent auditor's review report to the members of 3P Learning Limited	16

3P Learning Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2017

		Consolidated	
	Note	31 Dec 2017 \$'000	31 Dec 2016 \$'000
Revenue	4	28,304	25,080
Share of profits of associates accounted for using the equity method		264	187
Other income		75	21
Expenses			
Employee benefits expense		(12,617)	(11,739)
Depreciation and amortisation expense		(4,031)	(3,258)
Professional fees		(526)	(696)
Technology costs		(1,631)	(1,306)
Marketing expenses		(1,057)	(812)
Occupancy expenses		(1,176)	(1,340)
Administrative expenses		(1,392)	(965)
Operating profit		6,213	5,172
Finance costs		(323)	(632)
Impairment of assets		-	(15,285)
Restructuring costs		-	(849)
Profit/(loss) before income tax (expense)/benefit		5,890	(11,594)
Income tax (expense)/benefit		(1,126)	2,808
Profit/(loss) after income tax (expense)/benefit for the half-year		4,764	(8,786)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net change in the fair value of cash flow hedges taken to equity, net of tax		-	(85)
Foreign currency translation		(629)	95
Other comprehensive income/(loss) for the half-year, net of tax		(629)	10
Total comprehensive income/(loss) for the half-year		4,135	(8,776)
Profit/(loss) for the half-year is attributable to:			
Non-controlling interest		(70)	82
Owners of 3P Learning Limited		4,834	(8,868)
		4,764	(8,786)
Total comprehensive income/(loss) for the half-year is attributable to:			
Non-controlling interest		(70)	82
Owners of 3P Learning Limited		4,205	(8,858)
		4,135	(8,776)
		Cents	Cents
Basic earnings per share	13	3.47	(6.38)
Diluted earnings per share	13	3.47	(6.38)

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 2017

		Consolidated	
	Note	31 Dec 2017	30 Jun 2017
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents		3,469	3,287
Trade and other receivables	5	26,642	6,056
Income tax receivable		-	1,481
Prepayments and other deposits		1,361	939
Total current assets		31,472	11,763
Non-current assets			
Royalty receivable		45	41
Investments accounted for using the equity method		46,257	46,624
Property, plant and equipment		1,040	1,070
Intangibles	6	17,616	16,058
Deferred tax		8,631	7,785
Total non-current assets		73,589	71,578
Total assets		105,061	83,341
Liabilities			
Current liabilities			
Trade and other payables	7	8,609	5,632
Borrowings		11	10
Income tax payable		259	-
Provisions	8	1,756	2,151
Deferred revenue		31,400	28,928
Total current liabilities		42,035	36,721
Non-current liabilities			
Borrowings	9	20,024	9,530
Provisions		320	268
Deferred revenue		3,794	2,415
Total non-current liabilities		24,138	12,213
Total liabilities		66,173	48,934
Net assets		38,888	34,407
Equity			
Issued capital	10	34,233	34,092
Reserves		4,936	5,360
Accumulated losses		(112)	(4,946)
Equity attributable to the owners of 3P Learning Limited		39,057	34,506
Non-controlling interest		(169)	(99)
Total equity		38,888	34,407

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 2017

Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits/(accu- mulated losses) \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2016	33,951	7,382	2,160	56	43,549
Profit/(loss) after income tax benefit for the half-year	-	-	(8,868)	82	(8,786)
Other comprehensive income for the half-year, net of tax	-	10	-	-	10
Total comprehensive income/(loss) for the half-year	-	10	(8,868)	82	(8,776)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	141	(141)	-	-	-
Share-based payments	-	302	-	-	302
Balance at 31 December 2016	<u>34,092</u>	<u>7,553</u>	<u>(6,708)</u>	<u>138</u>	<u>35,075</u>
Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits/(accu- mulated losses) \$'000	Non- controlling interest \$'000	Total equity \$'000
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
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 10)	141	(141)	-	-	-
Share-based payments	-	346	-	-	346
Balance at 31 December 2017	<u>34,233</u>	<u>4,936</u>	<u>(112)</u>	<u>(169)</u>	<u>38,888</u>

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 2017

	Consolidated	
	31 Dec 2017	31 Dec 2016
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	14,392	15,950
Payments to suppliers and employees (inclusive of GST)	(19,130)	(19,477)
Interest received	5	13
Interest and other finance costs paid	(318)	(480)
Income taxes paid	(127)	(750)
Net cash used in operating activities	(5,178)	(4,744)
Cash flows from investing activities		
Payment for previous year's business combinations	-	(294)
Payments for investments in associates	-	(3,256)
Payments for property, plant and equipment	(182)	(145)
Payments for intangibles	(4,953)	(4,640)
Proceeds from disposal of property, plant and equipment	-	30
Proceeds from release of security deposits	-	1
Net cash used in investing activities	(5,135)	(8,304)
Cash flows from financing activities		
Proceeds from borrowings	11,000	13,000
Repayment of borrowings	(505)	-
Net cash from financing activities	10,495	13,000
Net increase/(decrease) in cash and cash equivalents	182	(48)
Cash and cash equivalents at the beginning of the financial half-year	3,287	4,281
Cash and cash equivalents at the end of the financial half-year	<u>3,469</u>	<u>4,233</u>

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

3P Learning Limited
Notes to the financial statements
31 December 2017

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 15 February 2018. 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 2017 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 2017 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, unless otherwise stated.

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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group during the financial half-year ended 31 December 2017 and are not expected to have any significant impact for the full financial year ending 30 June 2018.

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

Net current asset deficiency

As at 31 December 2017, the Group was in a net current liability position of \$10,563,000 (30 June 2017: \$24,958,000) of which \$31,400,000 (30 June 2017: \$28,928,000) is deferred revenue which is expected to be recognised as income in the next 12 months with no further cash outflows to the Group. Further, there is \$5,234,000 of the working capital debt facility available. Accordingly, the financial statements continue to be prepared on a going concern basis.

Comparatives

Comparatives in the statement of profit or loss and other comprehensive income and the statement of financial position have been realigned to the current period presentation. There has been no effect on the profit for the period.

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.

3P Learning Limited
Notes to the financial statements
31 December 2017

Note 3. Operating segments (continued)

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 - 31 Dec 2017	APAC \$'000	Americas \$'000	EMEA \$'000	Total \$'000
Revenue				
Sales to external customers	17,832	3,770	6,433	28,035
Other revenue	10	257	2	269
Total revenue	17,842	4,027	6,435	28,304
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 Americas segment of \$1,492,000 and EMEA segment of \$2,368,000.

Consolidated - 31 Dec 2016	APAC \$'000	Americas \$'000	EMEA \$'000	Total \$'000
Revenue				
Sales to external customers	15,696	3,336	5,956	24,988
Other revenue	14	71	7	92
Total revenue	15,710	3,407	5,963	25,080
Adjusted EBITDA*	8,612	(1,615)	1,233	8,230
Depreciation and amortisation				(3,258)
Share of profit - associates				187
Interest revenue				13
Finance costs				(632)
Other non-cash expenses - Restructuring and impairment expenses				(16,134)
Loss before income tax benefit				(11,594)
Income tax benefit				2,808
Loss after income tax benefit				(8,786)

* Adjusted EBITDA is after inter-segment royalty expense incurred by Americas segment of \$1,331,000 and EMEA segment of \$2,250,000.

3P Learning Limited
Notes to the financial statements
31 December 2017

Note 4. Revenue

	Consolidated	
	31 Dec 2017	31 Dec 2016
	\$'000	\$'000
License fees	21,948	20,262
Sponsorship income	166	158
Sale of workbooks	13	13
Copyright license fees	9	8
Other	269	89
Net commission revenue	5,899	4,550
	<u>28,304</u>	<u>25,080</u>
Revenue	<u>28,304</u>	<u>25,080</u>

Note 5. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2017	30 Jun 2017
	\$'000	\$'000
Trade receivables	26,819	6,061
Less: Provision for impairment of receivables	(334)	(207)
	<u>26,485</u>	<u>5,854</u>
Other receivables	157	202
	<u>26,642</u>	<u>6,056</u>

Note 6. Non-current assets - intangibles

	Consolidated	
	31 Dec 2017	30 Jun 2017
	\$'000	\$'000
Goodwill - at cost	4,615	4,558
Product development - at cost	37,473	33,314
Less: Accumulated amortisation	(15,248)	(12,079)
Less: Accumulated impairment	(11,288)	(11,288)
	<u>10,937</u>	<u>9,947</u>
Patents and trademarks - at cost	3,143	3,083
Less: Accumulated amortisation	(3,076)	(3,074)
	<u>67</u>	<u>9</u>
Customer contracts - at cost	814	449
Less: Accumulated amortisation	(499)	(337)
	<u>315</u>	<u>112</u>
Software - at cost	3,182	2,446
Less: Accumulated amortisation	(1,500)	(1,014)
	<u>1,682</u>	<u>1,432</u>
	<u>17,616</u>	<u>16,058</u>

3P Learning Limited
Notes to the financial statements
31 December 2017

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 2017	4,558	9,947	9	112	1,432	16,058
Additions	-	4,158	60	365	736	5,319
Exchange differences	57	-	-	-	-	57
Amortisation expense	-	(3,168)	(2)	(162)	(486)	(3,818)
Balance at 31 December 2017	<u>4,615</u>	<u>10,937</u>	<u>67</u>	<u>315</u>	<u>1,682</u>	<u>17,616</u>

Note 7. Current liabilities - trade and other payables

	Consolidated 31 Dec 2017 \$'000	30 Jun 2017 \$'000
Trade payables	948	1,704
Accrued expenses	4,877	3,212
Goods and service tax	2,581	679
Other payables	<u>203</u>	<u>37</u>
	<u>8,609</u>	<u>5,632</u>

Note 8. Current liabilities - provisions

	Consolidated 31 Dec 2017 \$'000	30 Jun 2017 \$'000
Employee benefits	1,164	1,255
Lease make good	397	396
Other	<u>195</u>	<u>500</u>
	<u>1,756</u>	<u>2,151</u>

Note 9. Non-current liabilities - borrowings

	Consolidated 31 Dec 2017 \$'000	30 Jun 2017 \$'000
Bank loans	20,000	9,500
Lease liability	<u>24</u>	<u>30</u>
	<u>20,024</u>	<u>9,530</u>

The facilities are subject to variable interest rates, which are based on the bank bill swap rate ('BBSY'), plus a margin. The total limit of the facilities are split into three portions of a \$20,000,000 bank loan, a \$5,000,000 bank loan and a \$2,000,000 bank guarantee that mature respectively on 24 August 2019, 28 February 2018 and 24 August 2019. The banking facilities are secured by fixed and floating charge over the Group's assets.

3P Learning Limited
Notes to the financial statements
31 December 2017

Note 9. Non-current liabilities - borrowings (continued)

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	31 Dec 2017	30 Jun 2017
	\$'000	\$'000
Bank loans	20,000	9,500
Lease liability	35	40
	<u>20,035</u>	<u>9,540</u>

Assets pledged as security

The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default.

Financing arrangements

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

	Consolidated	
	31 Dec 2017	30 Jun 2017
	\$'000	\$'000
Total facilities		
Bank loans	25,000	30,000
Bank guarantee and ancillary facility	2,000	2,000
Lease liability	35	40
	<u>27,035</u>	<u>32,040</u>
Used at the reporting date		
Bank loans	20,000	9,500
Bank guarantee and ancillary facility	1,766	1,766
Lease liability	35	40
	<u>21,801</u>	<u>11,306</u>
Unused at the reporting date		
Bank loans	5,000	20,500
Bank guarantee and ancillary facility	234	234
Lease liability	-	-
	<u>5,234</u>	<u>20,734</u>

Note 10. Equity - issued capital

	Consolidated			
	31 Dec 2017	30 Jun 2017	31 Dec 2017	30 Jun 2017
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	<u>139,234,170</u>	<u>139,134,170</u>	<u>34,233</u>	<u>34,092</u>

Movements in ordinary share capital

Details	Date	Shares	\$'000
Balance	1 July 2017	139,134,170	34,092
Issue of shares	15 September 2017	<u>100,000</u>	<u>141</u>
Balance	31 December 2017	<u>139,234,170</u>	<u>34,233</u>

3P Learning Limited
Notes to the financial statements
31 December 2017

Note 11. Equity - dividends

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

Note 12. 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 carrying value of borrowings also approximates fair value since they are subject to variable interest rate and credit risk of the Group. 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 13. Earnings per share

	Consolidated	
	31 Dec 2017	31 Dec 2016
	\$'000	\$'000
Profit/(loss) after income tax	4,764	(8,786)
Non-controlling interest	70	(82)
Profit/(loss) after income tax attributable to the owners of 3P Learning Limited	<u>4,834</u>	<u>(8,868)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	139,192,866	139,092,865
Adjustments for calculation of diluted earnings per share:		
Options/rights over ordinary shares	<u>133,953</u>	<u>-</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>139,326,819</u>	<u>139,092,865</u>
	Cents	Cents
Basic earnings per share	3.47	(6.38)
Diluted earnings per share	3.47	(6.38)

Note 14. Events after the reporting period

No matter or circumstance has arisen since 31 December 2017 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 2017

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 2017 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

15 February 2018

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 condensed statement of financial position as at 31 December 2017 the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed 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 2017 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 2017 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



Lisa Nijssen-Smith
Partner
Sydney
15 February 2018



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