



# 2024

AIAE

## June Finance Report



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# Management Report

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Australian International Academy of Education Inc  
June 2024

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# Executive Summary

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## Overview

The Academy recorded Net Income of  $-\$1,345,611$  for June 2024.

This result was driven by expenses of  $\$4,795,385$  which increased by  $\$1,617,752$  during the month of June. The increase was largely due to the  $\$1,214,861$  rise in employment costs which was in line with the budgeted June increase, given the additional pay run for the month. The remainder of the increase primarily arose from adjustments made to Long Service Leave and WorkCover expenses of  $\$332,286$  which resulted in an increase in Other Employment Costs for the month.

Revenue decreased by 4.41% for the month which was caused by an increase in Tuition Fee Remissions of  $\$225,606$ .

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation) for the month was  $-\$1,194,047$  compared to budget of  $-\$707,126$ .

YTD Revenue is  $\$21,660,481$  which is 1.83% above budget. This is driven by higher than expected Tuition Revenue and Other Income amounts. YTD Expenses are 1.96% below budget at  $\$20,181,201$  with Employment costs below budget by 1.1%.

YTD EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation) is  $\$2,999,815$  compared to budget of  $\$2,577,896$ .

The Academy currently has  $\$2,122,502$  in cash and cash equivalents, a decrease of  $\$1,502,637$  from May. The decrease was a result of normal monthly outgoings, with the Academy not receiving further funding until July and approximately  $\$550k$  of tuition receipts for the month.

The Academy has seen a substantial decline in its current ratio, a critical metric for assessing financial health by comparing current assets to current liabilities. This ratio decreased from 0.80:1 in May 2024 to 0.56:1 in June 2024. A current ratio below 1 is typically cause for concern, as it shows the Academy has more short term liabilities than short term assets.

The group will need to monitor the current ratio and cash flow over the coming months as cash reserves have been impacted by recent capital improvements and acquisition's. Management should take a conservative approach to any further project financing to minimise the expected further declines.

See below for a breakdown of amounts outstanding for each campus @30/06/24:

Canteen ( $\$5,735$ )

Cur-Fam. CSSC - CSPC ( $\$262,295$ )

Cur-Fam. MSC – KKCC ( $\$63,853$ )

Debt Collector  $\$310,621$

Direct Debit Staff  $\$58,924$

Non-Current Families  $\$106,670$

International Students  $\$19,625$

Payment Arrangement  $\$397,811$

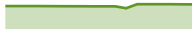
## Actions

- 2023 Audit Completed
- MPH – Construction has commenced.
- Academy has settled on Ross St and Bakers Rd Property Acquisitions
- 2024 Budget has been completed and is included below.

TOTAL ENROLMENTS

2,137

▼ 0% from last month



LIQUIDITY RATIO

0.56:1

▼ -30.1% from last month



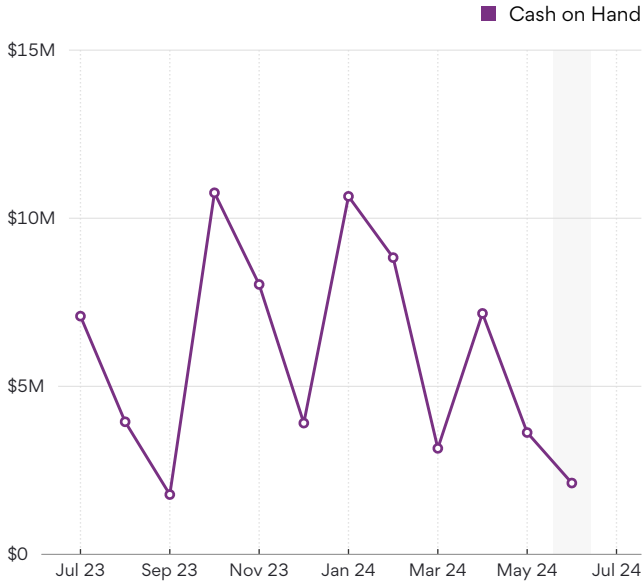
DEBT TO EQUITY

33.13%

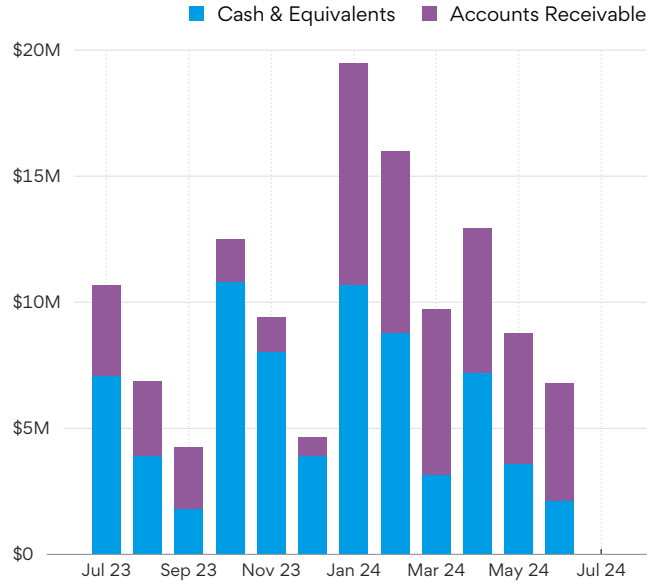
▲ 4.11% from Jun 2023



Cash Position



Cash & Receivables



REVENUE PER STUDENT

\$1,594.22

▼ -4.1% from last month



COST PER STUDENT

\$2,157.37

▲ 54.8% from last month



ACCOUNTS RECEIVABLE DAYS

41 days

▼ -4 days from last month

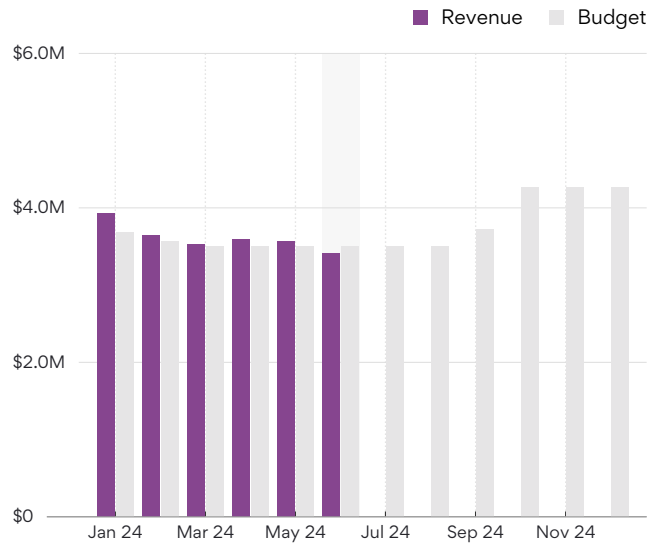


# Revenue & Expenses

## Monthly Revenue breakdown

Federal Funding	\$2,132,099
Gross Tuition Fees	\$925,177
State Funding	\$545,715
Other Income	\$116,664
Other Student Levies & Charges	\$9,618
Tuition Fee Remissions	-\$322,427

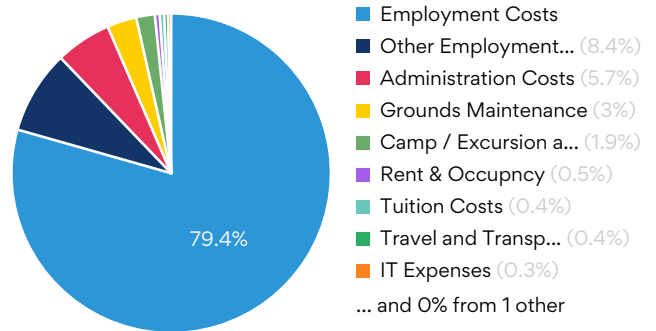
## Revenue vs Budget



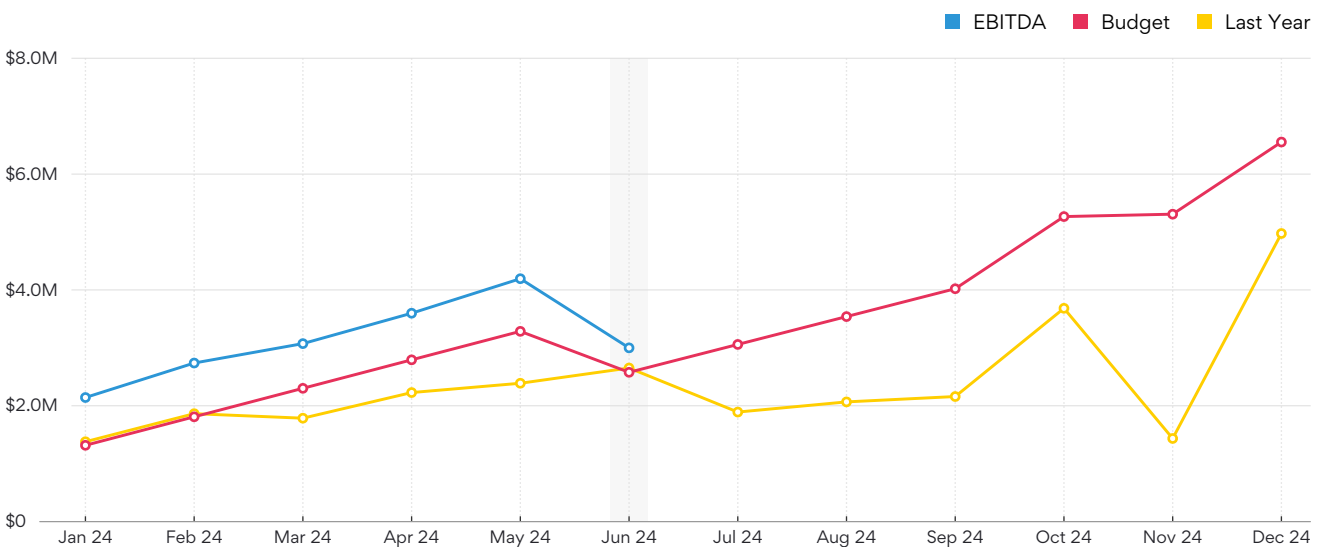
## Top 10 Expenses

Employment Costs	\$3,660,384
Other Employment Costs	\$389,155
Administration Costs	\$260,555
Depreciation	\$185,084
Grounds Maintenance	\$137,766
Camp / Excursion and other Direct Costs	\$86,602
Rent & Occupancy	\$22,544
Tuition Costs	\$20,678
Travel and Transport Expenses	\$17,701
IT Expenses	\$14,916

## Expenditure Mix



## EBITDA vs Last Year vs Budget



# Profit & Loss

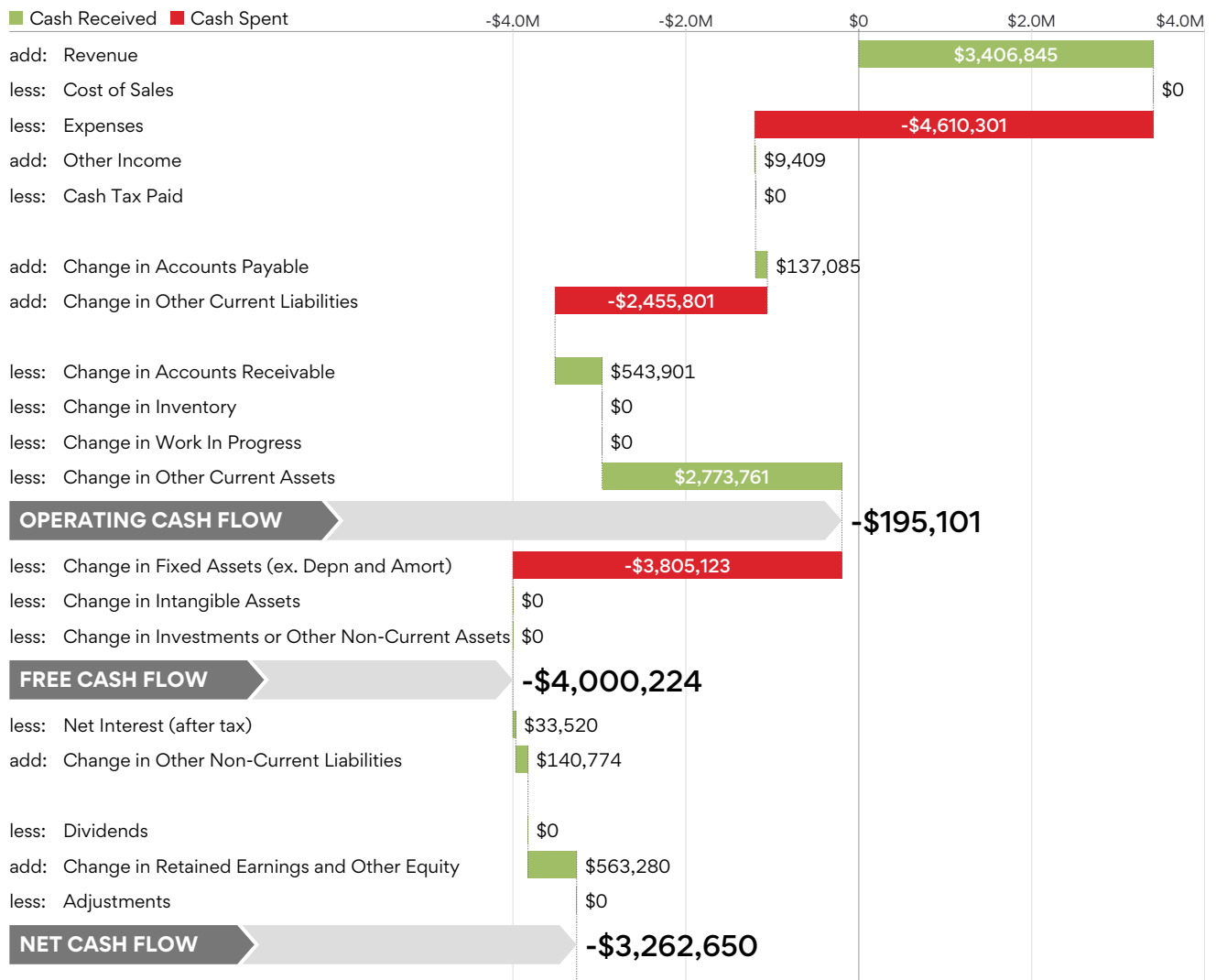
PROFIT & LOSS	Jun 2024	Budget (Jun 2024)	YTD	Budget (YTD)
<b>Revenue</b>				
Gross Tuition Fees	\$925,177	\$935,984	\$5,828,960	\$5,615,907
Tuition Fee Remissions	-\$322,427	-\$142,860	-\$998,244	-\$857,162
State Funding	\$545,715	\$566,325	\$3,397,690	\$3,397,952
Federal Funding	\$2,132,099	\$2,132,099	\$12,792,593	\$12,792,594
Other Student Levies & Charges	\$9,618	\$3,624	\$366,188	\$251,561
Other Income	\$116,664	\$11,646	\$273,294	\$69,875
<b>Total Revenue</b>	<b>\$3,406,845</b>	<b>\$3,506,818</b>	<b>\$21,660,481</b>	<b>\$21,270,727</b>
<b>Expenses</b>				
Employment Costs	\$3,660,384	\$3,596,841	\$15,414,327	\$15,586,313
IB Expenses	\$0	\$9,695	\$93,990	\$58,170
Tuition Costs	\$20,678	\$24,087	\$130,269	\$144,522
Camp / Excursion and other Direct Costs	\$86,602	\$98,896	\$608,510	\$647,675
Administration Costs	\$260,555	\$227,681	\$1,397,205	\$1,366,086
IT Expenses	\$14,916	\$16,708	\$133,130	\$100,250
Grounds Maintenance	\$137,766	\$118,088	\$778,989	\$708,525
Other Employment Costs	\$389,155	\$88,054	\$602,727	\$528,325
Travel and Transport Expenses	\$17,701	\$5,741	\$53,795	\$34,447
Rent & Occupncy	\$22,544	\$35,528	\$184,931	\$213,168
<b>Total Expenses</b>	<b>\$4,610,301</b>	<b>\$4,221,319</b>	<b>\$19,397,873</b>	<b>\$19,387,481</b>
<b>Operating Profit Before Depn &amp; Amort.</b>	<b>-\$1,203,456</b>	<b>-\$714,501</b>	<b>\$2,262,608</b>	<b>\$1,883,246</b>
<b>Other Income</b>				
Donations	\$0	\$1,542	\$15,550	\$9,250
Registration Income	\$9,409	\$5,833	\$66,407	\$35,000
Building & Library Fund	\$0	\$0	\$655,250	\$650,400
<b>EBITDA</b>	<b>-\$1,194,047</b>	<b>-\$707,126</b>	<b>\$2,999,815</b>	<b>\$2,577,896</b>
Depreciation & Amortisation	\$185,084	\$197,831	\$783,328	\$1,197,655
<b>Earnings Before Interest &amp; Tax</b>	<b>-\$1,379,131</b>	<b>-\$904,957</b>	<b>\$2,216,487</b>	<b>\$1,380,242</b>
<b>Interest Expenses</b>				
Interest Expenses	-\$33,520	\$111,195	\$403,838	\$538,587
<b>Earnings Before Tax</b>	<b>-\$1,345,611</b>	<b>-\$1,016,153</b>	<b>\$1,812,649</b>	<b>\$841,654</b>
<b>Net Income</b>	<b>-\$1,345,611</b>	<b>-\$1,016,153</b>	<b>\$1,812,649</b>	<b>\$841,654</b>

# Balance Sheet

BALANCE SHEET	Jun 2024	May 2024	Variance (\$)	Variance (%)
<b>ASSETS</b>				
<b>Cash &amp; Equivalents</b>				
Cash & Cash Equivalents	\$2,122,502	\$3,625,139	-\$1,502,637	-41.45%
<b>Accounts Receivable</b>				
Accounts Receivable	\$5,472,369	\$6,016,270	-\$543,901	-9.04%
Provision for Doubtful Debts	-\$854,840	-\$854,840	\$0	0.00%
<b>Total Accounts Receivable</b>	<b>\$4,617,529</b>	<b>\$5,161,430</b>	<b>-\$543,901</b>	<b>-10.54%</b>
<b>Inventory</b>				
Inventories	\$44,366	\$44,366	\$0	0.00%
<b>Other Current Assets</b>				
Other Current Assets	\$118,354	\$2,892,115	-\$2,773,761	-95.91%
<b>Total Current Assets</b>	<b>\$6,902,751</b>	<b>\$11,723,050</b>	<b>-\$4,820,299</b>	<b>-41.12%</b>
<b>Fixed Assets</b>				
Property, Plant & Equipment	\$68,447,216	\$64,827,177	\$3,620,039	5.58%
<b>Total Non-Current Assets</b>	<b>\$68,447,216</b>	<b>\$64,827,177</b>	<b>\$3,620,039</b>	<b>5.58%</b>
<b>Total Assets</b>	<b>\$75,349,967</b>	<b>\$76,550,226</b>	<b>-\$1,200,260</b>	<b>-1.57%</b>
<b>LIABILITIES</b>				
<b>Short Term Debt</b>				
Short Term Borrowings	\$675,499	\$650,084	\$25,415	3.91%
<b>Accounts Payable</b>				
Accounts Payable	\$245,088	\$108,003	\$137,085	126.93%
<b>Other Current Liabilities</b>				
Tuition Fees in Advance	\$5,254,353	\$5,975,159	-\$720,807	-12.06%
Government Grants in Advance	-\$1,636,921	\$1,042,944	-\$2,679,864	-256.95%
Enrolment Guarantee	\$2,360,780	\$2,275,780	\$85,000	3.73%
Employee Entitlements	\$3,457,309	\$4,001,759	-\$544,450	-13.61%
Other Current Liabilities	\$1,931,692	\$527,372	\$1,404,320	266.29%
<b>Total Other Current Liabilities</b>	<b>\$11,367,213</b>	<b>\$13,823,014</b>	<b>-\$2,455,801</b>	<b>-17.77%</b>
<b>Total Current Liabilities</b>	<b>\$12,287,800</b>	<b>\$14,581,102</b>	<b>-\$2,293,301</b>	<b>-15.73%</b>
<b>Long Term Debt</b>				
Borrowings	\$15,067,099	\$13,332,501	\$1,734,598	13.01%
<b>Other Non-Current Liabilities</b>				
Employee Entitlements (NC)	\$471,933	\$331,159	\$140,774	42.51%
<b>Total Non-Current Liabilities</b>	<b>\$15,539,032</b>	<b>\$13,663,660</b>	<b>\$1,875,372</b>	<b>13.73%</b>
<b>Total Liabilities</b>	<b>\$27,826,832</b>	<b>\$28,244,761</b>	<b>-\$417,929</b>	<b>-1.48%</b>
<b>Net Assets</b>	<b>\$47,523,135</b>	<b>\$48,305,465</b>	<b>-\$782,331</b>	<b>-1.62%</b>
<b>EQUITY</b>				
<b>Retained Earnings</b>				
Accumulated Funds	\$47,523,135	\$48,305,465	-\$782,331	-1.62%
<b>Total Equity</b>	<b>\$47,523,135</b>	<b>\$48,305,465</b>	<b>-\$782,331</b>	<b>-1.62%</b>



# Cash Flow



Net Cash Flow can also be calculated as:

**Change in Cash on Hand** -\$1,502,637

(Open: \$3,625,139, Close: \$2,122,502)

– **Change in Debt** \$1,760,013

(Open: \$13,982,585, Close: \$15,742,598)

## CASH & EQUIVALENTS

**\$2,122,502**

▼ -\$1,502,637 from last month



## TOTAL DEBT

**\$15,742,598**

▲ \$1,760,013 from last month



## DEBT PER STUDENT

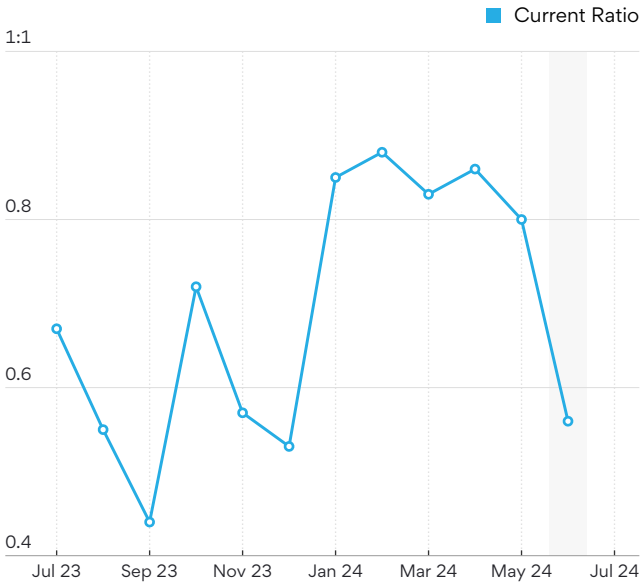
**\$7,366.68**

▲ \$1,141.64 vs rolling 12 months average

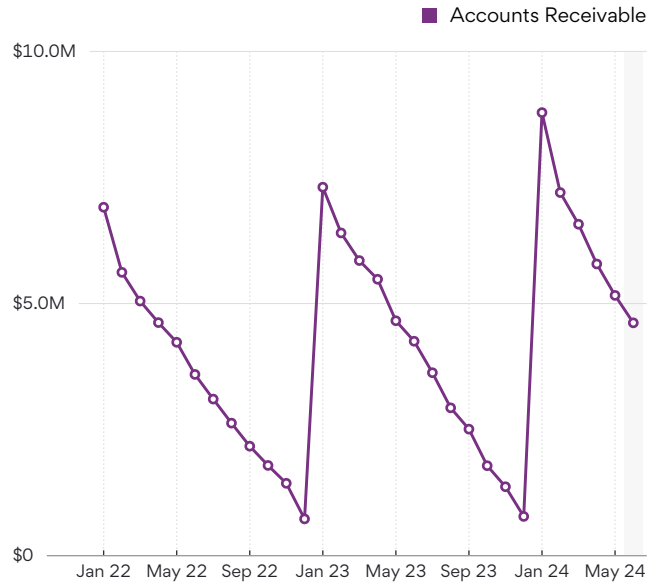


# Key Performance Indicators

Current Ratio



Accounts Receivable Balance



GOVERNMENT FUND AS % OF RE...

**78.6%**

▲ 8.21% vs rolling 12 months average



GOVERNMENT FUNDING PER STU...

**\$1,253.07**

▼ -10.1% vs rolling 12 months average



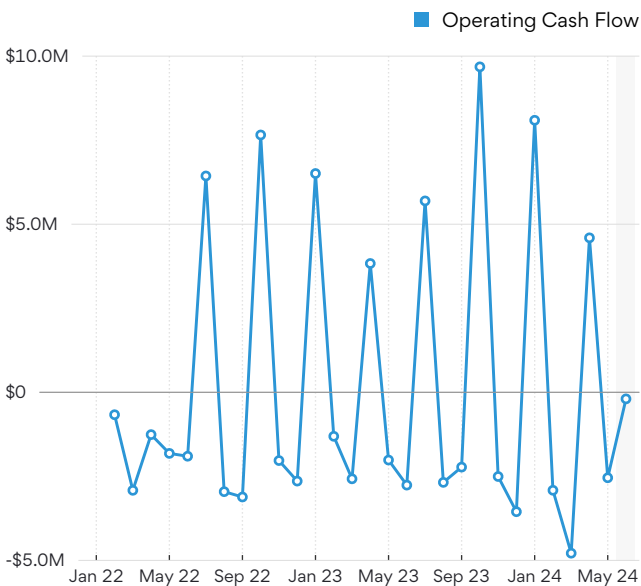
TUITION FEE PER STUDENT

**\$282.05**

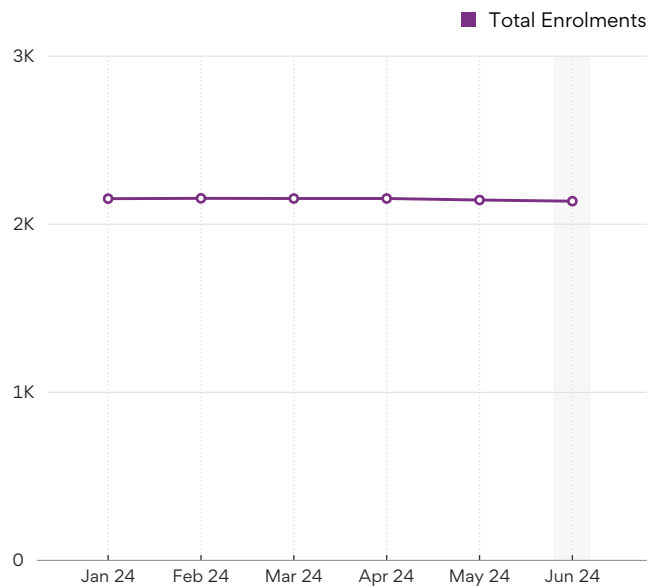
▼ -24.7% vs rolling 12 months average



Operating Cash Flow



Student Numbers



WAGES AS A % OF REVENUE

**1.07%**

▲ 0.39% from last month



WAGES AS A % OF REVENUE

**1.07%**

▲ 0.39% from last month



WORKING CAPITAL

**\$4,416,807**

▼ -13.4% from last month



# KPI Results

	RESULT		TREND
	JUN 2024	MAY 2024	vs MAY 2024
<b>A PROFITABILITY</b>			
Total Revenue	\$3,406,845	\$3,563,893	▼ -4.4%
Expense-to-Revenue Ratio *	140.76%	89.16%	▲ 51.6%
Breakeven Margin of Safety	-\$1,388,539	\$386,260	▼ -\$1,774,799
Cost per Student *	\$2,157.37	\$1,393.45	▲ 54.8%
Revenue Per Student	\$1,594.22	\$1,662.26	▼ -4.1%
Wages as a % of Revenue *	1.07%	0.69%	▲ 0.39%
Government Funding % of Revenue *	78.6%	75.73%	▲ 2.87%
Government Funding per Student	\$1,253.07	\$1,258.90	▼ -0.5%
Tuition Fee Per Student	\$282.05	\$385.80	▼ -26.9%
Operating Margin	-39.5%	6.34%	▼ -45.84%
Net Operating Margin	-35.05%	16.72%	▼ -51.77%
<b>B ACTIVITY</b>			
Activity Ratio	0.65 times	0.67 times	▼ -0.02 times
Accounts Receivable Days *	41 days	45 days	▼ -4 days
Accounts Payable Days	-	-	-
Working Capital *	\$4,416,807	\$5,097,794	▼ -13.4%
<b>C EFFICIENCY</b>			
Return on Assets	-22.27%	6.24%	▼ -28.51%
Return on Capital Employed	-26.33%	7.63%	▼ -33.96%
Student / Teacher Ratio *	13.36	13.40	▼ -0.04
Student/Non-Teaching Staff Ratio *	23.23	23.30	▼ -0.08
<b>D LIQUIDITY</b>			
Current Ratio	0.56:1	0.80:1	▼ -0.24:1
Cash Ratio	0.17:1	0.25:1	▼ -0.08:1
Operating Cash Flow to Current Liabilities	-0.19:1	-2.05:1	▲ 1.86:1
<b>E COVERAGE</b>			
Interest Cover	-	2.26 times	-
Cash Flow Coverage	-	-14.12 times	-
Debt Payback *	-	5.26 Yrs	-
Debt Service Ratio *	-	-	-

	RESULT		TREND
<b>F GEARING</b>	JUN 2024	MAY 2024	vs MAY 2024
Debt to Total Assets *	20.89%	18.27%	▲ 2.63%
Debt Per Student *	\$7,366.68	\$6,521.73	▲ 13%
Debt-to-Equity Ratio *	58.55%	58.47%	▲ 0.08%
Interest Expenses as a Percentage of Income *	-0.98%	5.05%	▼ -6.03%
<b>G CASH FLOW</b>			
Operating Cash Flow	-\$195,101	-\$2,541,823	▲ 92.3%
Free Cash Flow	-\$4,000,224	-\$4,179,798	▲ 4.3%
Cash on Hand	\$2,122,502	\$3,625,139	▼ -41.5%
<b>H NON-FINANCIAL</b>			
Departed Students *	-	-	-
New Students	-	-	-
Total Enrolments	2,137	2,144	▼ -7

\* For this metric, a result below target is favourable

**ADVANCEMENT  
DETERMINATION  
FAITH**

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