

# Administrators' report

Section 439A of the  
Corporations Act 2001

22 June 2017

Administrators:  
Martin Ford and David McEvoy

Careers Australia Group Limited and specific subsidiaries

# Table of contents

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|           |   |           |
|-----------|---|-----------|
| <b>1.</b> | <b>Disclaimer</b>   | <b>1</b>  |
| <b>2.</b> | <b>Executive summary</b>  | <b>2</b>  |
| 2.1       | Appointment background  | 2         |
| 2.2       | Report's purpose  | 2         |
| 2.3       | Administrators' recommendation                                      | 2         |
| 2.4       | Second meetings of creditors  | 2         |
| 2.5       | Deed of Company Arrangement   | 3         |
| 2.6       | Estimated return to creditors                                       | 3         |
| 2.7       | Offences and liquidation recoveries                                 | 4         |
| 2.8       | Administrators' overview  | 4         |
| 2.9       | Remuneration  | 5         |
| <b>3.</b> | <b>Introduction</b>   | <b>6</b>  |
| 3.1       | Appointment information   | 6         |
| 3.2       | Declaration of Independence, Relevant Relationships and Indemnities | 6         |
| 3.3       | Purpose of administration and report                                | 6         |
| 3.4       | Purpose of second meeting   | 6         |
| 3.5       | Second meeting convening period                                     | 7         |
| 3.6       | Second meetings details   | 7         |
| 3.7       | Meeting registration  | 8         |
| 3.8       | Committee of Inspection (COI)                                       | 8         |
| 3.9       | Further information   | 9         |
| <b>4.</b> | <b>Group background</b>   | <b>10</b> |
| 4.1       | Group overview  | 10        |
| 4.2       | Summary by company  | 11        |
| 4.3       | Group structure   | 14        |
| 4.4       | Vocational Education Training (VET)                                 | 15        |
| 4.5       | Higher Education Services   | 17        |
| 4.6       | Recent events   | 18        |
| 4.7       | Statutory information   | 21        |
| 4.8       | Creditors' claims   | 21        |
| 4.9       | Unsecured Creditors   | 23        |
| 4.10      | Related entities  | 23        |
| <b>5.</b> | <b>Conduct of administration</b>                                    | <b>24</b> |
| 5.1       | First meeting of creditors  | 24        |
| 5.2       | Immediate actions   | 25        |
| 5.3       | Asset Realisations  | 25        |
| <b>6.</b> | <b>Financial background</b>   | <b>28</b> |
| 6.1       | Limited reliance on YTD 2017 accounts                               | 28        |
| 6.2       | Group financial performance / Profit and Loss                       | 29        |
| 6.3       | Group's financial position  | 31        |
| 6.4       | Directors' Report as to Affairs (RATA)                              | 33        |
| <b>7.</b> | <b>Investigations</b>   | <b>34</b> |
| 7.1       | Director's explanation for the Group's difficulties                 | 34        |
| 7.2       | Administrator's opinion of the reasons for the Group's difficulties | 35        |
| 7.3       | Insolvency  | 35        |

## Table of contents

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|            |   |           |
|------------|---|-----------|
| 7.4        | Legal/class actions                                   | 39        |
| 7.5        | Outstanding or previous winding up applications       | 39        |
| 7.6        | Books and records                                     | 39        |
| <b>8.</b>  | <b>Offences and liquidation recoveries</b>            | <b>40</b> |
| 8.1        | Voidable transactions                                 | 40        |
| 8.2        | Insolvent trading                                     | 40        |
| 8.3        | Offences  | 41        |
| 8.4        | Directors and officers insurance policy               | 42        |
| 8.5        | Potential claim against auditor                       | 42        |
| 8.6        | Public examinations                                   | 42        |
| 8.7        | Reporting of offences to ASIC                         | 43        |
| 8.8        | Costs of investigations and pursuing recovery actions | 43        |
| 8.9        | Funding investigations and recoveries                 | 43        |
| <b>9.</b>  | <b>Deed of Company Arrangement (Deed)</b>             | <b>44</b> |
| <b>10.</b> | <b>Estimated return to creditors</b>                  | <b>45</b> |
| 10.1       | Expected asset realisations                           | 45        |
| <b>11.</b> | <b>Administrators' recommendation</b>                 | <b>47</b> |
| 11.1       | Liquidation   | 47        |
| 11.2       | Deed  | 47        |
| 11.3       | Administration to end                                 | 47        |
| <b>12.</b> | <b>Enquiries</b>                                      | <b>48</b> |

## Appendix

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- A. Appointments of Proxy, Proofs of Debt or Claim Form – Form 532
- B. Remuneration reports dated 23 June 2017
- C. Declaration of Independence, Relevant Relationships and Indemnities
- D. Notice of meeting of creditors
- E. ASIC Publication: Insolvency information for directors, employees, creditors and shareholders
- F. Statutory information for Group companies
- G. Details of secured creditors per PPSR searches
- H. Statement of financial performance by company – YTD 2017

# Glossary

| Abbreviations         | Definitions   |
|-----------------------|---|
| <b>Act</b>            | Corporations Act 2001 (Cth)   |
| <b>Administrators</b> | Martin Ford and David McEvoy of PPB Advisory as joint and several Administrators  |
| <b>ACCC</b>           | Australian Competition and Consumer Commission  |
| <b>AEST</b>           | Australian Eastern Standard Time  |
| <b>APAAP</b>          | All present and after-acquired property, a term associated with security interests under the PPSA   |
| <b>ACAE</b>           | Australian College of Applied Education Pty Ltd ACN 009 369 797 (In Administration)   |
| <b>ARITA</b>          | Australian Restructuring Insolvency and Turnaround Association. ARITA was formerly the Insolvency Practitioners Association of Australia.                                     |
| <b>ASM</b>            | Australian School of Management Pty Ltd ACN 138 545 605 (Administrators Appointed)  |
| <b>ASIC</b>           | Australian Securities and Investments Commission  |
| <b>ASQA</b>           | Australian Skills Quality Authority   |
| <b>ATO</b>            | Australian Taxation Office  |
| <b>CACH</b>           | Careers Australia College of Healthcare Pty Ltd ACN 007 963 340 (Administrators Appointed)  |
| <b>CAEI</b>           | Careers Australia Education Institute Pty Ltd ACN 120 675 505 (Administrators Appointed)  |
| <b>CAG</b>            | Careers Australia Group Limited ACN 122 171 840 (Administrators Appointed)  |
| <b>CAIE</b>           | Careers Australia Institute of English Pty Ltd ACN 010 994 582 (Administrators Appointed)   |
| <b>CAIT</b>           | Careers Australia Institute of Training Pty Ltd ACN 122 082 204 (Administrators Appointed)  |
| <b>CI</b>             | Cumulonimbus Investments Pty Ltd ACN 169 444 213 (Administrators Appointed)   |
| <b>COC</b>            | Committee of Creditors  |
| <b>Code</b>           | ARITA Code of Professional Practice   |
| <b>COI</b>            | Committee of Inspection   |
| <b>D&amp;O Policy</b> | Directors and Officers Insurance Policy   |
| <b>Deed</b>           | Deed of Company Arrangement   |
| <b>DE</b>             | Department of Employment  |
| <b>DET</b>            | Department of Education and Training  |
| <b>DIRRI</b>          | Declaration of Independence, Relevant Relationships and Indemnities, pursuant to s436DA of the Act and Code.  |
| <b>FEG</b>            | Fair Entitlements Guarantee, a scheme administered by the DE to provide assistance to employees owed employee entitlements following the insolvency/bankruptcy of an employer |
| <b>FY</b>             | Financial Year (e.g. the financial year 1 July 2015 to 30 June 2016 would be expressed as FY16)   |
| <b>GLS</b>            | Global Learning Support Group Pty Ltd ACN 169 155 480 (Administrators Appointed)  |

| Abbreviations          | Definitions  |
|------------------------|--|
| <b>Group</b>           | Careers Australia Group Limited and its specific subsidiary companies in Administration, as detailed in Section 4 of the Report  |
| <b>k</b>               | Thousand   |
| <b>M</b>               | Million  |
| <b>PMSI</b>            | Personal Money Security Interest as defined in the PPSA  |
| <b>PPSA</b>            | Personal Property Security Act 2009 (Cth)  |
| <b>PPSR</b>            | Personal Property Securities Register – a register set up under the PPSA for the registration of security interests  |
| <b>RATA</b>            | Report As To Affairs   |
| <b>Report</b>          | This report, prepared pursuant to s439A of the Act about the business, property, affairs and financial circumstances of the Company  |
| <b>s</b>               | Section of the Act   |
| <b>SC</b>              | Stratocumulus Pty Ltd ACN 611 961 196 (Administrators Appointed)   |
| <b>Second Meetings</b> | Meetings held pursuant to s439A of the Act where creditors determine the future of the Company, scheduled for 30 June 2017   |
| <b>TC</b>              | Today Corp Pty Ltd ACN 101 631 485 (Administrators Appointed)  |
| <b>TEQSA</b>           | Tertiary Education and Quality Standards Agency  |
| <b>VET</b>             | Vocational Education Training  |
| <b>VFH</b>             | VET-FEE HELP   |
| <b>VSL</b>             | VET Student Loan   |
| <b>Workstar</b>        | Workstar Pty Ltd ACN 122 082 204 (Administrators Appointed)  |
| <b>YTD</b>             | Year to date, a period starting from the beginning of the current financial year and continuing up to a defined date (e.g. monthly management accounts from 1 July 2016 to 31 January 2017 would be expressed as 'YTD January 2017') |

# 1. Disclaimer

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In reviewing this Report, creditors should note:

- This Report is based upon our preliminary investigations to date. Any additional material issues that are identified subsequent to issuing this Report may be the subject of a further written report and/or tabled at the Second Meetings.
- The contents of this Report are based on information obtained from the Group's books and records, financial systems, representations from the directors, key management, and our own enquiries and investigations.
- The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. Except where otherwise stated, we reserve the right to alter any conclusions reached on the basis of any amended or additional information which may be provided to us between the date of this Report and the date of the Second Meetings.
- In considering the options available to creditors and formulating our recommendation, the Administrators have necessarily made forecasts of asset realisations and total creditor claims. These forecasts and estimates may change as asset realisations progress and claims are received from creditors. While the forecasts and estimates are based on the Administrators' best assessment in the circumstances, creditors should note that the eventual outcome for creditors may differ from that estimated in this Report.
- Neither the Administrators, PPB Advisory nor any member or employee of the firm is responsible in any way whatsoever to any person in respect of any errors in this Report arising from incorrect information provided to us.
- The Administrators do not assume or accept any responsibility for any liability or loss sustained by any creditor or any other party as a result of the circulation, publication, reproduction or any use of the information presented in this Report.
- This Report is not for general circulation, publication, reproduction or any use other than to assist creditors in evaluating their position as creditors of the relevant Group company and must not be disclosed without the prior approval of the Administrators.
- Creditors should consider seeking their own independent legal advice as to their rights and the options available to them at the Second Meetings.

## 2. Executive summary

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### 2.1 Appointment background

Martin Ford and David McEvoy were appointed joint and several Administrators (**Administrators**) of Careers Australia Group Limited and 10 of its subsidiaries on 25 May 2017 pursuant to s436A of the Act. Martin Ford and David McEvoy were subsequently appointed joint and several Administrators of Stratocumulus Pty Ltd on 26 May 2017 pursuant to s436A of the Act.

The twelve companies in Administrations are collectively referred to as **the Group**.

### 2.2 Report's purpose

The purpose of this Report is to table the findings of our investigations into the Group's businesses, property, affairs and financial circumstances, as well as provide a recommendation in respect of the future of each Group company based on the three statutory options available to creditors.

This report has been prepared on a consolidated basis, except where we have made disclosures specific to individual companies within the Group. We have chosen to report on a consolidated basis due to:

- the interdependent relationship of the companies within the Group
- how Management and the Directors present and review financial information (i.e. on a consolidated basis)
- to enable stakeholders to appreciate and understand the businesses, operations, financial affairs and our investigations of the Group as a whole.

### 2.3 Administrators' recommendation

Pursuant to section 439A(4)(b) of the Act, it is our opinion that it would be in the best interests of creditors of each Group company that each Group company be wound up (i.e. placed into liquidation).

We therefore recommend that the creditors vote to wind up each company within the Group at the forthcoming Second Meetings.

### 2.4 Second meetings of creditors

To ensure the meetings are directly relevant to the attendees we have grouped the Second Meetings of creditors in accordance with the business activities of each company as follows:

#### **Meeting One – Concurrent meetings of the creditors of:**

- Careers Australia Group Limited
- Careers Australia Education Institute Pty Ltd
- Australian School of Management Pty Ltd
- Careers Australia Institute of Training Pty Ltd
- Australian College of Applied Education Pty Ltd

Date: Friday, 30 June 2017  
Registration: 9am EST  
Meeting time: 10am AEST  
Location: Brisbane Convention & Exhibition Centre  
Cnr Merivale & Glenelg Streets  
South Bank Brisbane QLD 4101

As far as we are aware, Meeting One is the appropriate meeting for all employees (other than Workstar employees) and all students.



## Meeting Two – Concurrent meetings of creditors of:

- Careers Australia Institute of English Pty Ltd
- Careers Australia College of Healthcare Pty Ltd
- Today Corp Limited
- Workstar Pty Limited
- Global Learning Support Group Pty Ltd
- Cumulonimbus Investments Pty Ltd
- Stratocumulus Pty Ltd

Date: Friday, 30 June 2017  
Registration: 1pm AEST  
Meeting time: 2pm AEST  
Location: Brisbane Convention & Exhibition Centre  
Cnr Merivale & Glenelg Streets  
South Bank Brisbane QLD 4101

Where there are Second Meetings at the same time, each of those meetings will be held concurrently. However, separate resolutions for each Group company will be proposed as required.

To register attendance and be entitled to vote at the Second Meeting, creditors must complete and submit the following forms attached at **Appendix A**:

- Form 532 – Appointment of Proxy
- Proof of Debt form.

Forms must be submitted by no later than noon AEST on Thursday, 29 June 2017 by email to [careersaustralia@linkmarketservices.com.au](mailto:careersaustralia@linkmarketservices.com.au).

## 2.5 Deed of Company Arrangement

We have not received any Deed of Company Arrangement (**Deed**) proposals for any of the Group companies and therefore the option for creditors to vote in favour of a Deed proposal is currently unavailable.

## 2.6 Estimated return to creditors

The Administrators estimate returns to creditors (priority and unsecured) as follows:

| Company         | Return to priority creditors (Note 1) | Return to unsecured creditors |
|-----------------|---------------------------------------|-------------------------------|
| <b>CAG</b>      | Nil                                   | Nil                           |
| <b>ASM</b>      | 100c                                  | Nil                           |
| <b>CAEI</b>     | Not Applicable                        | Nil                           |
| <b>CAIT</b>     | Not Applicable                        | Nil                           |
| <b>Workstar</b> | 25-35c                                | Nil                           |
| <b>CACH</b>     | Not Applicable                        | Nil                           |
| <b>ACAE</b>     | Not Applicable                        | Nil                           |
| <b>CAEI</b>     | Not Applicable                        | Nil                           |
| <b>GLS</b>      | Not Applicable                        | Nil                           |

Note 1 – The estimated return for priority creditors is before considering the fact that eligible priority creditors will be entitled to participate in the Fair Entitlements Guarantee scheme (**FEG**) in respect of any shortfall on their entitlements, if the relevant companies are placed into liquidation. In addition, the estimated return does not reflect potential recoveries that may be achieved from various causes of action if the companies are placed into liquidation. At this stage in our investigations it is premature to opine on the potential for such actions to generate a material recovery for creditors.

The Group's books and records indicate that the companies in administration that are not listed in the above table have no external creditors.

A number of creditors hold extensive security interests over the assets of the Group. We estimate that these secured creditors will not be paid out in full from realisations of secured property.

## **2.7 Offences and liquidation recoveries**

Our preliminary view is that the Company may have traded while insolvent from at least February 2017.

We have identified a number of potential offences and liquidation recoveries which require further investigation. As our investigations into the insolvency date are ongoing we cannot comment in detail on potential offences or estimated liquidation recoveries.

## **2.8 Administrators' overview**

### **2.8.1 *Conduct of administration***

Since our appointment we have:

- urgently pursued the potential sale of business units to realise funds, preserve jobs, minimise outstanding employee entitlement liabilities and transition students to alternative course providers
- completed three business and asset sales across the Group
- taken steps to maximise the prospects of recovering outstanding debtors and WIP from the Commonwealth and relevant State Government departments
- endeavoured to manage student and staff dislocation to alleviate welfare issues.

### **2.8.2 *Group financial background***

- The Group has reported a YTD 31 March 2017 loss of \$15.2m per the management accounts presented to the Board
- The Administrators consider that revenue could be overstated by \$43m and expenses could be understated for this period, so the actual losses could be significantly higher than reported
- The Administrators consider that the Group's asset position may be overstated by a material sum
- Contributed equity of \$50m and additional debt funding in excess of \$15m were required in YTD 2017 to fund losses and declining cash flow

### **2.8.3 *Reasons for Group's difficulties***

Our preliminary view is that the Group's failure is primarily the result of:

- deteriorating enrolment numbers as a result of increased regulation of VET offerings and brand damage suffered during 2016 following the ACCC decision
- changes to the VET funding model from VFH (paid in advance) to VSL (paid in arrears)
- inability to obtain a VSL licence, resulting in the loss of the Group's major revenue source
- the significant costs in pursuing an aggressive growth strategy for the ASM business, which did not result in a proportionate increase in cash revenues
- deteriorating cashflow due to the requirement to repay up to \$40m of student tuition claimed in advance during CY2016, \$19m of which was repaid in the period October to December 2016

## 2.9 Remuneration

We refer to the attached Remuneration Reports (**Appendix B1-B12**) which set out for each Group company:

- the nature of work performed in respect of the administration
- remuneration schedules and detailed descriptions of work completed/to be completed
- the review process undertaken
- disbursements (including professional services, travel costs and internal disbursements)
- statement of remuneration claim and resolutions to be considered by creditors

We are seeking approval for our remuneration at the Second Meetings as outlined in the Remuneration Reports contained in **Appendix B1-B12**

## 2.10 Enquiries

Should you have wish to submit questions to be addressed at the meeting, contact details for each stakeholder group are provided on the website: <https://www.ppbadvisory.com/creditor-information/v/485/careers-australia-group-limited>

We ask creditors to submit questions they would like addressed at the Second Meetings by no later than **4:00pm on 28 June 2017**. Whilst we will make every effort to address questions submitted, we reserve the right to exclude questions to avoid compromising creditors' interests or due to time constraints.

We will address all material matters that come to our attention after the date of this Report at the Second Meetings. Should any significant information affecting the creditors' decision regarding the future of the Group companies come to light, we will endeavour to advise creditors prior to the Second Meetings by posting such information on our website at [www.ppbadvisory.com](http://www.ppbadvisory.com).

**The Executive Summary is designed to give creditors basic information pertaining to the administration of the Group. We encourage creditors to read this Report in full.**

## 3. Introduction

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### 3.1 Appointment information

On 25 May 2017, Martin Ford and David McEvoy were appointed joint and several Administrators (**Administrators**) of CAG and 11 of its subsidiaries under s436A of the Act.

Martin Ford and David McEvoy were subsequently appointed joint and several Administrators of Stratocumulus Pty Ltd on 26 May 2017 pursuant to s436A of the Act.

The twelve companies in Administrations are collectively referred to as **the Group**.

There are a further two wholly owned subsidiaries of CAG which are not subject to external administration.

We provide a group structure, as well as a full schedule of the Group companies in administration, including ACNs, in **Section 4.3**.

### 3.2 Declaration of Independence, Relevant Relationships and Indemnities

Our Declaration of Independence, Relevant Relationships and Indemnities (**DIRRI**) is provided at **Appendix C**. The DIRRI discloses information regarding any prior personal or professional relationships the Administrators and PPB Advisory had with the Group or related parties, our independence and any indemnities received relating to this appointment.

### 3.3 Purpose of administration and report

The primary objective of an administration is to administer the business, property and affairs of a company in a way that:

- maximises the chances of the company, or as much as possible of its business, continuing in existence; or
- if it is not possible for the company or its business to continue in existence, results in a better return for the company's creditors and members than would result from an immediate winding up of the company.

The Act places various reporting requirements upon an administrator. These requirements include:

- preparing a report to creditors, which provides creditors with information regarding the company's business, property, affairs and financial circumstances to assist them in their decision as to the future of the company (pursuant to section 439A of the Act)
- providing a statement within the report, setting out the administrator's opinion and reasoning as to which course of action available is in the best interests of creditors
- specifying whether there are any voidable transactions that may be recoverable by a liquidator.

This Report is based upon our investigations to date. Any additional issues we identify subsequent to this Report may be the subject of a further written report and/or tabled at the Second Meetings.

### 3.4 Purpose of second meeting

The primary purpose of the Second Meetings is to enable creditors to decide the future of each Group company, by choosing one of the following three options:

1. the company execute a Deed of Company Arrangement (we have not received any Deed proposals for the Group, so this option is unavailable for consideration by creditors); or
2. the company be wound up; or
3. the administration comes to an end (and control of the company reverts to its director(s)).

The Second Meetings will address:

- the contents of this Report
- questions from creditors
- options available to creditors under the Act
- approval of:
  - the Administrators' remuneration
  - future remuneration of the Liquidators
  - should creditors desire, the formation of Committees of Inspection (**COI**)
- creditors' decision on the future of each Group company
- appointment of liquidators (as applicable). The current Administrators automatically become the liquidators unless creditors resolve to replace them
- whether creditors want to adjourn the Second Meetings to enable further investigations to be conducted and/or to consider their position. If adjourned, the meetings must reconvene within 45 business days.

The options available to creditors and the Administrators' opinion on each option are set out in detail in **Section 11**. In summary, our opinion is that all Group companies are insolvent and our recommendation is that they all should be wound up at the Second Meetings.

### 3.5 Second meeting convening period

The Act stipulates the timing of the Second Meeting. Generally, the Second Meeting must be convened between 15-25 business days (or 20-30 business days at Christmas and Easter) from the date the administration begins. The Court may extend the convening period if circumstances require.

### 3.6 Second meetings details

Formal notification Form 529 – Notice of Meetings of Creditors are attached at **Appendix D**.

**Pursuant to section 439A of the Act, the concurrent Second Meetings of the Group companies will be held as follows:**

**Meeting 1 – 10am AEST on 30 June 2017 at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank Brisbane QLD 4101**

- CAREERS AUSTRALIA GROUP LIMITED ACN 122 171 840
- CAREERS AUSTRALIA EDUCATION INSTITUTE PTY LTD ACN 120 675 505
- AUSTRALIAN SCHOOL OF MANAGEMENT PTY LTD ACN 138 545 605
- CAREERS AUSTRALIA INSTITUTE OF TRAINING PTY LTD ACN 122 082 204
- AUSTRALIAN COLLEGE OF APPLIED EDUCATION PTY LTD ACN 009 369 797

**Meeting 2 – 2pm AEST on 30 June 2017 at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank Brisbane QLD 4101**

- CAREERS AUSTRALIA INSTITUTE OF ENGLISH PTY LTD ACN 010 994 582
- CAREERS AUSTRALIA COLLEGE OF HEALTHCARE PTY LTD ACN 007 963 340
- TODAY CORP LIMITED ACN 101 631 485
- WORKSTAR PTY LIMITED ACN 097 871 933
- GLOBAL LEARNING SUPPORT GROUP PTY LTD ACN 169 155 480
- CUMULONIMBUS INVESTMENTS PTY LTD ACN 169 444 213
- STRATOCUMULUS PTY LTD ACN 611 961 196

### 3.7 Meeting registration

To register attendance and be entitled to vote at the Second Meetings, creditors must complete and submit the following forms attached at **Appendix A**:

| Registration forms                     | Information   |
|--|---|
| <b>Form 532 – Appointment of Proxy</b> | A new proxy form is required to be completed for each creditors' meeting (ie previous meeting proxy forms are invalid for the Second Meetings).<br>If a corporate creditor wants to be represented at the Second Meeting, it must appoint an individual to act on its behalf by providing an executed proxy form. Individuals may choose to appoint a representative to vote on their behalf by executing a proxy form. If an individual is attending in person a proxy form is not required.                 |
| <b>Proof of Debt or Claim Form</b>     | This form is required to be completed to entitle a creditor to vote at the Second Meetings. Documents to support the amount claimed (e.g. unpaid invoices) must also be provided.<br>There is no requirement to resubmit a proof of debt form if previously provided unless the amount claimed has changed.<br>Please take care when completing the form to ensure the correct party is named as the creditor. As an example, this may include XYZ Pty Ltd as trustee for the ABC Family Superannuation Fund. |

Forms must be submitted no later than noon on Thursday, 29 June 2017 to Link Market Systems by email to [careersaustralia@linkmarketservices.com.au](mailto:careersaustralia@linkmarketservices.com.au).

Only creditors of the relevant Group companies are entitled to vote at the Second Meetings, and only in relation to the Company of which they are a creditor.

Creditors are encouraged to arrive as early as possible after the registration time to enable the orderly registration of attendees so that the meetings can commence on time.

### 3.8 Committee of Inspection (COI)

Creditors may wish to establish COIs at the Second Meetings, typically to assist and guide the liquidator or deed administrator (as applicable). A minimum of two members is required to form a COI.

Creditors should consider whether they are in a position to be a COI member, as membership of a COI requires attendance at meetings (telephone facilities will be made available so members do not have to attend in person). Members of the COI must have regard for the creditor group's interests, not their own interests.

Importantly, for a creditor to be eligible for appointment as a member of a COI, they must either:

- attend the Second Meetings
- appoint a general power of attorney to attend the Second Meetings on their behalf
- authorise a person in writing to be a member of the COI on their behalf.

### 3.9 Further information

To assist creditors, employees, and shareholders to understand the voluntary administration process, the Australian Securities and Investments Commission (**ASIC**) has released a package of insolvency information sheets endorsed by ARITA.

Enclosed at **Appendix E** is ASIC's publication Insolvency information for directors, employees, creditors and shareholders, which provides an index of all the information sheets that are available. You can download these information sheets from:

- [www.asic.gov.au](http://www.asic.gov.au)
- [www.arita.com.au](http://www.arita.com.au)

## 4. Group background

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### 4.1 Group overview

The Group is a private provider of vocationally focused tertiary education. The business delivers vocational education and training (**VET**), as well as higher education via the Australia School of Management (**ASM**). Careers Australia Group Limited (**CAG**), the Group's Australian parent, was incorporated in 2007.

The Group's operations consisted of three principal divisions:

- VET
- Higher (Tertiary) Education
- Support Capabilities

Further details are provided at **Sections 4.4 and 4.5** below.

The Group employed approximately 1,100 people, operated from 18 leasehold premises at various locations around Australia, and had approximately 19,000 students enrolled at the date of our appointment. A map indicating campus and office locations for the Group is included at **Section 4.3** below.

Information regarding the Company's financial background is discussed in **Section 6**.



## 4.2 Summary by company

A summary of the operations of each entity in the Group is detailed in the table below

| Entity   | Student numbers* | Employees** | Comments  |
|--|------------------|-------------|---|
| <b>Careers Australia Group Limited (CAG)</b><br><b>ACN 122 171 840</b><br>Incorporated 2007                  | Nil              | 887         | <p>CAG is the Group's Australian parent company, and owns 100% of each of the eleven companies in administration.</p> <p>CAG employed management and head office staff for the Group, except for ASM and Workstar's employees. It is the contracting party for major creditors and the primary borrower of the Group's secured debt.</p>  |
| <b>Australian School of Management Pty Ltd (ASM)</b><br><b>ACN 138 545 605</b><br>Incorporated 2009          | 633              | 46          | <p>ASM was a higher education provider offering diploma, associate diploma and bachelor courses in Business and Hotel Management to FEE-HELP, domestic full fee paying and international students.</p> <p>ASM was acquired from Vocation in March 2015. At acquisition, the business operated from premises in Perth, however its operations were expanded to include a campus in Melbourne and online tuition. At the time Administrators were appointed, ASM had not been fully integrated into the Group, and retained its own staff and management team.</p> <p>As an approved higher education provider, ASM's students were able to access the FEE-HELP Loan Scheme. Further information on this scheme is provided in <b>Section 4.5</b> below. Accordingly, the Company's revenues were largely dependent on Federal government funding and approval.</p> |
| <b>Australian College of Applied Education Pty Ltd (ACAE)</b><br><b>ACN 009 369 797</b><br>Incorporated 2012 | Nil              | Nil         | <p>ACAE was a well-established RTO operating in Perth. It provided accredited courses in Culinary Arts, Hotel Management and Tourism &amp; Travel. Its courses ranged from 12 to 15 months in duration. The company was acquired by the Group in March 2015 (at the same time as ASM was acquired).</p> <p>ACAE's student base is international. As a result, the company's revenue was not dependent on government funding.</p> <p>ACAE had commenced setting up a Melbourne campus including leasing premises, however courses had not commenced at the date Administrators were appointed.</p>   |
| <b>Careers Australia Education Institute Pty Ltd (CAEI)</b><br><b>ACN 120 675 505</b>                        | 16,022           | Nil         | <p>CAEI was a vocational education business offering certificate and diploma level courses. It included a substantial domestic and international student nursing business. CAEI operated from several locations around Australia, mostly sharing premises with other entities in the Group. It was the</p>  |

|  |       |     |  |
|--|-------|-----|--|
| Incorporated 2006  |       |     | <p>largest individual contributor to the Group's revenue, with YTD 2017 management accounts indicating it accounts for 85% of reported revenue.</p> <p>As an approved course provider by the Federal Government Department of Education and Training (<b>DET</b>), CAEI students could previously access the VET FEE Help Scheme, now replaced by the VET Student Loans Program. Consequently, revenue for CAEI largely depended on government approval of funding. Further commentary on this funding model is included at <b>Section 4.4</b></p> |
| <b>Careers Australia Institute of Training Pty Ltd (CAIT)</b><br><b>ACN 122 082 204</b><br>Incorporated 2006 | 2,669 | Nil | <p>CAIT was an RTO that provided training (apprenticeships) from three locations in Queensland.</p> <p>CAIT held funding agreements with the Queensland Government, with an annual renewal date of 30 June each year. CAIT was not reliant on Federal government funding.</p> <p>The agreements were cancelled by the Queensland Government shortly after the Administrators' appointment.</p>   |
| <b>Workstar Pty Ltd (Workstar)</b><br><b>ACN 097 871 933</b><br>Incorporated 2001                            | Nil   | 28  | <p>Workstar was an e-learning company which provided training and online learning systems to corporate clients. Workstar operated from leased premises in Sydney. The company was acquired by the Group in October 2014.</p> <p>Workstar is not required to hold any licences or accreditations and its revenue was not dependent on State or Federal government funding.</p>  |
| <b>Careers Australia College of Healthcare Pty Ltd (CACH)</b><br><b>ACN 007 963 340</b><br>Incorporated 1981 | Nil   | Nil | <p>CACH previously delivered nursing and health related certificates, such as aged care and home and community care, for both domestic and international students. We understand that CACH ceased operations in 2013.</p>  |
| <b>Careers Australia Institute of English Pty Ltd (CAIE)</b><br><b>ACN 010 994 582</b><br>Incorporated 1989  | Nil   | Nil | <p>CAIE previously delivered courses such as IELTS and English language short courses, mainly on a fee for service basis. We understand that CAIE ceased operations 2012.</p>  |
| <b>Global Learning Support Group Pty Ltd (GLS)</b><br><b>ACN 169 155 480</b><br>Incorporated 2014            | Nil   | Nil | <p>GLS offered student support services across the Group, as well as for a small number of 3<sup>rd</sup> parties. GLS staff are based in the Philippines.</p> <p>GLS operated as a cost centre funded by other entities within the Group.</p> <p>GLS also holds shares in two international subsidiaries, which are not subject to the Administrators' appointment.</p>   |

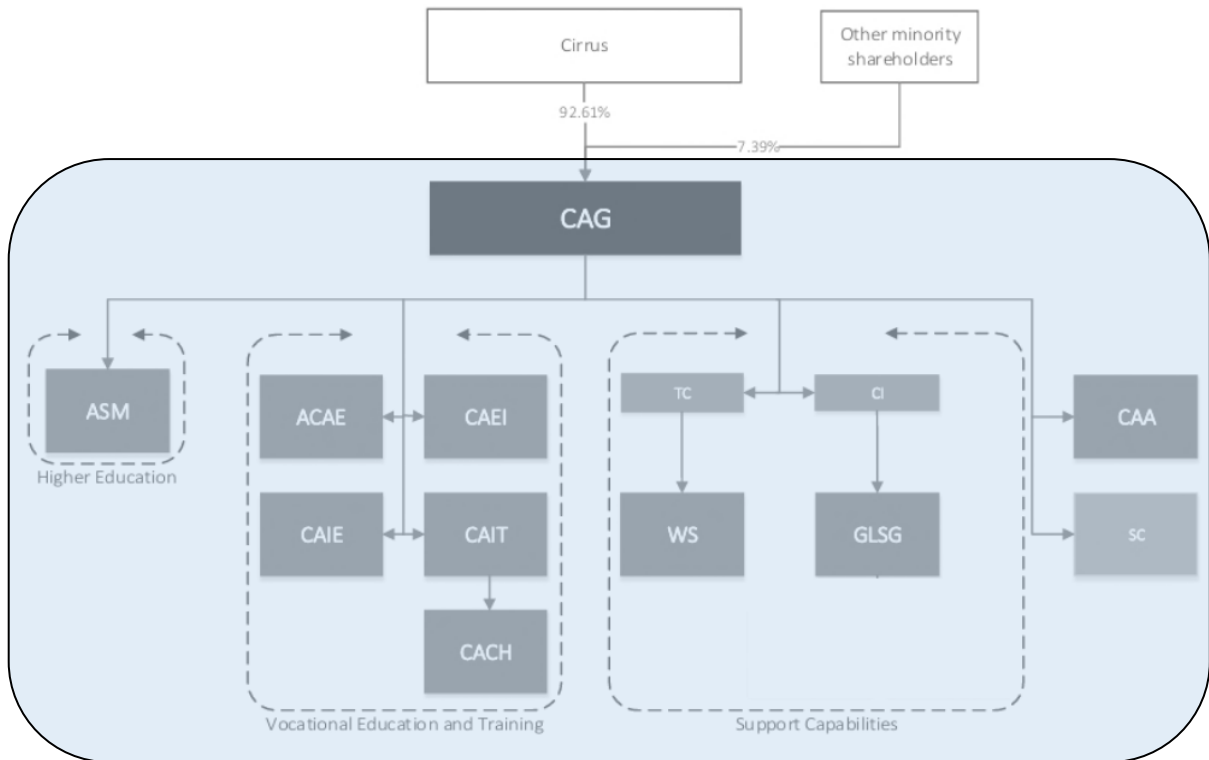
|  |     |     |   |
|--|-----|-----|---|
| <b>Cumulonimbus Investments Pty Ltd (CI)</b><br>ACN 169 444 213<br>Incorporated 2014 | Nil | Nil | CI is a holding company that is the sole shareholder of GLS.  |
| <b>Today Corp Ltd (TC)</b><br>ACN 101 631 485<br>Incorporated 2002                   | Nil | Nil | TC is a holding company that is the sole shareholder of Workstar.   |
| <b>Stratocumulus Pty Ltd (SC)</b><br>ACN 611 961 196<br>Incorporated 2016            | Nil | Nil | Stratocumulus is trustee for the Careers Australia Employee Share Trust, and holds a minority interest in CAG |

\*Student numbers are reported by the Group as those enrolled at the date of appointment of the Administrators

\*\*Employee numbers are those employed at the date of the appointment of the Administrators.

### 4.3 Group structure

A diagram of the Group structure at appointment date is provided below. The shaded area denotes the companies in Administration.



Source: Careers Australia.

A diagram of the Company's operating campuses at appointment date is provided below.



Source: Careers Australia.

## 4.4 Vocational Education Training (VET)

Across the Group's vocational education services business, Careers Australia offered over 200 qualifications including apprenticeship, traineeship, certificate and diploma courses. Its product offerings included courses in the following industries:

- Building & construction
- Business & management
- Creative industries
- Electric & automotive
- Health & community
- Hospitality & retail
- Transport & logistics

The domestic vocational education segment included enrolled students with access to State and Federal government funding, as well as students on fee-for-service (up-front payment). Courses were delivered on-campus, on-line or via a blended approach. The Group also provided VET services to international students who paid on a fee-for-service basis.

Based on management accounts at YTD 2017, the Group generated approximately 90% of its revenue from VET offerings.

### 4.4.1 *Accreditation*

The Australian Skills Quality Authority (ASQA) is the national regulator for vocational education course providers. It is focussed on the regulation of:

- Vocational education training providers
- Accredited vocational education and training courses
- The Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) providers, including those delivering English language courses for overseas students

The following three Group companies held ASQA registrations, which were due to expire on 30 June 2022:

- CAEI
- CAIT
- ACAE

As a result of a compliance audit that commenced in August 2016, the Administrators were advised following their appointment that were CAEI to continue trading, its registration would be cancelled. Further information is included in **Section 4.6**.

### 4.4.2 *Funding*

#### **VET Fee-Help (VFH) Scheme**

Until 1 January 2017, VFH was the Commonwealth loan program for vocational education students administered by DET. Under the VFH Scheme, funds were lent to students and paid directly by the Federal government to approved VFH providers. Most of the Group's domestic VET students utilised the VFH Scheme.

Advances under the VFH Scheme were based on the Group's estimates of VFH assistance to be accessed by students, and paid by DET on a monthly basis. The Group was able to submit four variations to its estimates each calendar year, which would result in adjustments to the monthly advances.

In March of each subsequent calendar year, a reconciliation of the previous calendar year's advances would occur, based on the actual amount of VFH assistance accessed by students, with a final adjustment made in May.

### **VET Student Loans Scheme**

On 9 October 2016 the Australian Federal Government announced the ending of the VFH Scheme and launch of the VET Student Loans (**VSL**) Scheme. The VSL Scheme replaced the VFH Scheme from 1 January 2017.

- Existing VFH Providers were granted provisional approval as a VSL Provider for a 6 month transition period from 1 January 2017 to 30 June 2017
- During the transition period, private VFH providers were required to apply for formal approval under new eligibility requirements. The application process considered a range of criteria including:
  - Financial performance
  - Management and governance
  - Student outcomes
  - Track record

A further discussion of recent events in relation to the VET business is included in **Section 4.6**.

## 4.5 Higher Education Services

ASM was the only company within the Group that provided Higher Education. ASM was purchased by CAG in March 2015.

### 4.5.1 *Regulation*

The Tertiary Education and Quality Standards Agency (TEQSA) is the national regulator for higher education course providers. TEQSA registers and evaluates the performance of higher education providers against the Higher Education Standards Framework, specifically the Threshold Standards. The Threshold Standards are what all providers must meet in order to enter and remain within Australia's Higher Education system.

ASM's TEQSA registration was renewed in July 2016 for a period of seven years (to 20 July 2023). Subsequent to our appointment, we were advised by TEQSA that ASM's registration would be cancelled effective 7 July 2017, subject to any appeal made by the Administrators. Having reviewed available information, the Administrators elected not to appeal the cancellation.

### 4.5.2 *Funding*

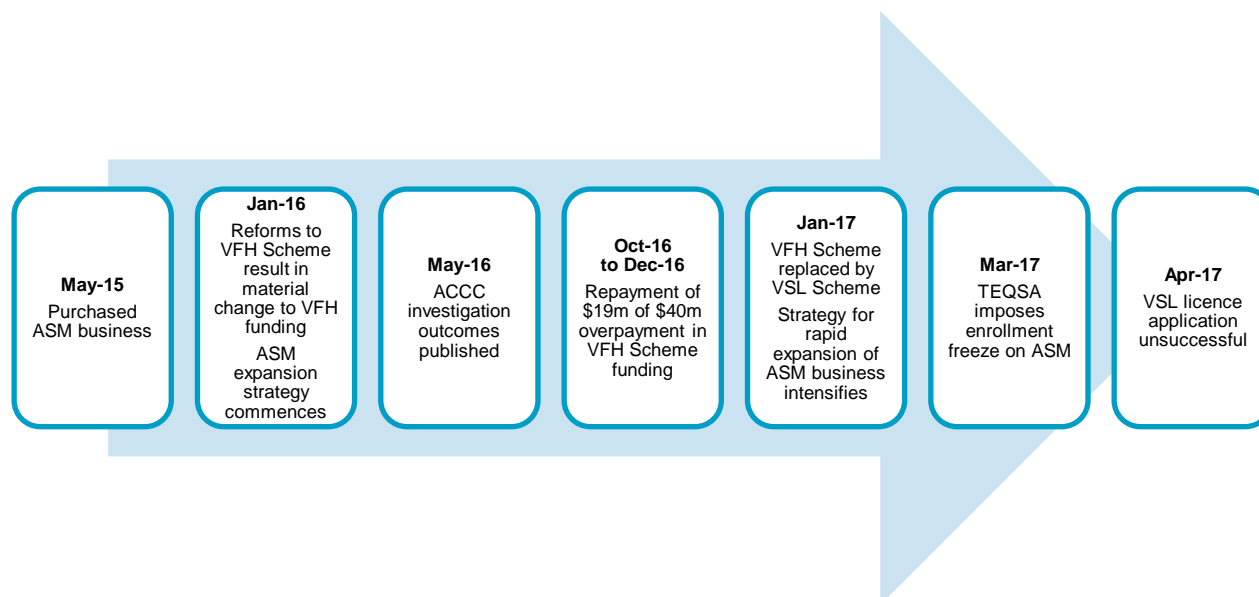
Eligible ASM students can access funding under the FEE-HELP Loan Scheme. The FEE-HELP Loan Scheme is available to students of private education providers, and attracts a higher interest rate than the HECS-HELP Scheme available to students of public universities.

Under the FEE-HELP Loan Scheme, providers submit an estimate of student numbers to DET for the following calendar year.

A further discussion of recent events in relation to the Higher Education business is included in **Section 4.6**.

## 4.6 Recent events

Outlined below is a brief timeline of key recent events in the Group's history.



### 4.6.1 January 2016 – reforms to VFH Scheme

Effective 1 January 2016, DET initiated reforms to the VFH Scheme in response to the rapid growth of the Scheme, and with the aim of eliminating sub-standard VET providers. These initiatives included:

- establishing minimum student standards for literacy and numeracy
- implementing a two day cooling off period between enrolling and applying for VET FEE-HELP
- spreading course fees across three fee periods, rather than having all course fees paid up front. If students withdraw prior to completion of their studies, fees will only be paid for the periods where students are enrolled at the census date
- strengthening of rules for marketing and recruitment of students.

The effect of this reform was that providers had to demonstrate a student's progression through a course to receive further VFH funding. The impact on the Group was that from CY2016 onwards, revenues from VET offerings were significantly impacted.

### 4.6.1 March 2016 onwards – investment in ASM

CAG purchased ASM in May 2015.

The Group invested heavily in the ASM business in an effort to reduce reliance on VET FEE-HELP and increase revenues from FEE-HELP Loan student enrolments. The scale of this investment is summarised in an affidavit sworn in April 2017 by David Ensor, CEO of ASM. Per the affidavit, in the period from March 2016 to April 2017, ASM:

- invested \$21.3m in academic programs, infrastructure, systems and marketing
- committed to invest another \$12.9m over CY2017
- sourced its funding to date from student fee trading income (c.\$4m) and CAG (c.\$17.3m)

The Administrators' preliminary view, based on Management accounts, is that YTD 2017, despite the significant capital contribution made by the Group, ASM had only received \$5.5m in student fee income.

The Administrators also note that despite obtaining \$17.3m of funding from CAG, at 31 March 2017, the Group's records only recognise a loan payable to CAG of \$0.8m.



We note that for the majority of the period that CAG advanced funds to ASM, ASM fell outside the Group's collateralised security package. We have not yet identified information supporting the decision of CAG's board to advance funds to ASM on what appears to have been an unsecured basis, or to clarify the treatment of advances between the two entities.

#### 4.6.2 *May 2016 – ACCC investigation and findings*

Following an investigation into its marketing practices and enrolments in VET FEE-HELP courses, the Group provided an undertaking to the ACCC:

- admitting that during the period 1 August 2013 to 31 March 2015, its marketing agents engaging in door-to-door marketing and telemarketing made false or misleading representations, and engaged in unconscionable conduct, in breach of Australian Consumer Law. The conduct included:
  - misrepresenting that courses were free
  - misrepresenting that courses would allow consumers to find employment or would increase their chances of finding employment, and
  - offering inducements such as iPads and laptops and claiming they were provided for free if the student signed up to the courses.
- to automatically cancel the enrolments of students who had not completed a unit of study, and repay the Commonwealth amounts received in respect of those enrolments. Careers Australia cancelled at least 12,130 of these student enrolments and either repaid or partially repaid to the Commonwealth amounts totalling c\$44.3 million. The Administrators understand that repayment of this amount occurred progressively over the period that CAG was under investigation by the ACCC (i.e. prior to May 2016).

The Administrators consider that publication of the ACCC findings negatively impacted student enrolments in VET courses from May 2016 onwards. As above, the Administrators have not been able to obtain from the Group's records reliable information in relation to student enrolments, which makes it difficult to quantify the effect of the ACCC findings.

#### 4.6.3 *October to December 2016 – VFH Scheme overpayment*

On 22 August 2016, ASQA commenced a compliance audit of CAEI (the Group's largest VET provider). The Administrators understand that the compliance audit was prompted by significant discrepancies between forecast and actual student enrolments in CAEI courses, and the apparent low level of completion rates for significant numbers of students funded through the VFH Scheme.

The shortfall in actual enrolments compared to forecast had resulted in estimated overpayments to CAEI of circa \$40m under the VFH Scheme. During the period October to December 2016, approximately \$19m of new VSL Scheme funding was withheld in order to offset the previous overpayment. The Administrators understand that DET claims over \$30m may have been overpaid in CY2016 and been still outstanding at the date of our appointment, however, this position has not been verified or agreed.

In relation to the compliance audit, at the date CAEI entered administration ASQA was undertaking a legal review of the evidence gathered. The Administrators have been liaising with ASQA since their appointment and understand that subject to this review, ASQA intended to issue a notice of cancellation of CAEI's registration. As the company has entered administration, ASQA has temporarily suspended further action, but has noted that were the operations of CAEI to recommence, the mooted cancellation action would be revisited.

#### 4.6.4 *1 January 2017 – VSL Scheme commences*

Effective 1 January 2017, the VFH Scheme was replaced by the VSL Scheme. Relevant VET providers within the Group were provided with interim accreditation under the VSL scheme pending the outcome of its VSL licence application.

Under the VSL Scheme, VET providers are paid in arrears (rather than in advance). This, combined with the ongoing repayment of overclaimed VFH amounts, exerted significant pressure on the working capital of the Group.

#### 4.6.5 *March 2017 – ASM enrolment freeze*

Since 1 January 2016 and the introduction of the changes to the VET funding models, the Group had prioritised growth of the ASM business. As a Higher Education provider registered with TEQSA, ASM had access to the FEE-HELP Loan Scheme.

ASM was required to submit estimated enrolments for the upcoming calendar year to DET to access FEE-HELP Loan Scheme funding. The following key dates/events summarise ASM's interactions with DET and TEQSA in late 2016 and early 2017:

- On 21 November 2016, ASM submitted an estimate of FEE-HELP payments to be received in 2017 of \$22.6m (representing forecast student enrolments of 1,377 for CY2017)
- On 21 December 2016, the claim was rejected, and an amount of \$65k was approved
- On 9 March 2017, ASM submitted a revised estimate of FEE-HELP payments to be received in 2017 of \$87.1m (representing forecast student enrolments of 8,753 for CY2017)
- On 10 March 2017, TEQSA commenced a compliance assessment of ASM's higher education operations, to determine whether ASM continued to meet the Threshold Standards
- On 20 March 2017, after ongoing correspondence with ASM, TEQSA imposed an enrolment freeze until 1 July 2017 while it conducted its compliance assessment. Enrolments were frozen at a cap of 1,500.
- On 12 April 2017, ASM submit another revised estimate of FEE-HELP payments to be received in 2017 of \$29.8m (representing forecast student enrolments of 2,622 for CY2017)
- On 25 May 2017, ASM received c.\$2.6m of FEE-HELP payments.

Since their appointment the Administrators have been in discussions with TEQSA about the enrolment freeze, and ASM's ongoing registration as a Higher Education provider.

On 16 June 2017, TEQSA advised us that ASM's registration would be cancelled effective 7 July 2017. As a result of the cancellation of the registration, ASM must not offer education to or enrol any new students in its higher education courses.

#### 4.6.1 *April 2017 – VSL licence application rejected*

On 10 April 2017, the Group was informed that it had been unsuccessful in its application to become an accredited VSL provider, and that it would not be able to access the VSL Scheme after 30 June 2017. This meant that the Group would no longer be able to access Federal government funding for VET offerings.

The Group lodged a formal request for a review of this decision immediately after it was received. The Directors have advised the Administrators that they were advised by telephone after hours on 24 May 2017 that the appeal had been rejected, and Administrators were appointed on 25 May 2017.

## 4.7 Statutory information

The Administrators have conducted a search of ASIC's database for each company within the Group. A detailed listing of each company's directors, other officers and shareholders is included as Appendix F.

## 4.8 Creditors' claims

The Administrators are still undertaking a review of the books and records in order to establish the level of creditors in each Group entity. Pending completion of that work, the following table summarises the estimated claims by each known class of creditor:

| Creditor class                                       | Number of creditors | Amount (\$'000)            |
|--|---------------------|----------------------------|
| <b>Secured creditors</b>                             |                     |                            |
| Circulating and non-circulating*                     | 40                  | Greater than \$118m        |
| <b>Employee entitlements</b>                         |                     |                            |
| Priority creditors                                   | 960                 | 16,431                     |
| Excluded employee entitlements (unsecured creditors) | 2                   | 417                        |
| <b>Unsecured creditors</b>                           |                     |                            |
| Trade creditors                                      | Unknown             | 17,718                     |
| Related entities                                     | Unknown             | Unknown                    |
| <b>Total creditor claims</b>                         | <b>Unknown</b>      | <b>Greater than \$150m</b> |

*These claims may be subject to change.*

*\*Includes secured creditors with non-circulating registrations only*

These amounts have been derived from the:

- Group's books and records
- formal proof of debt or claim forms submitted by creditors.

### 4.8.1 Secured creditors

A 'secured creditor' is a creditor that holds a security interest over some or all of a company's assets. To be valid, generally the security interest must be registered on the Personal Property Securities Register (**PPSR**) or, in the case of land and buildings, at the relevant Land Titles Office. Security interests can be over:

- circulating assets (formerly known as 'floating' assets) eg debtors, stock and cash
- non-circulating assets (formerly known as 'fixed' assets) eg property, plant and equipment, land, goodwill, IP and rights to dividends.

PPSR searches conducted at the date of our appointment show that 226 security interests were registered by a total of 40 secured creditors across the Group. These security interests comprise:

- general security interests over all, or substantially all, of the assets of a Group company (called **ALLPAP** registrations); and
- specific security interests (including claims of other secured parties over specific assets or classes of assets such as leased vehicles or goods supplied).

A complete listing of PPSR claims as at the date of our appointment is included at **Appendix G**.

Based on the Group's records, the two largest secured creditors of the Group are Westpac Banking Corporation Limited (**Westpac**) and National Australia Bank Limited (**NAB**).

The Administrators have not yet completed an assessment of the validity of each of the PPSR registrations, and the above information is provided for illustrative purposes only at this point.

#### 4.8.2 *Employees*

Outstanding employee entitlements have a statutory priority for payment over other creditors (except from the proceeds of non-circulating asset realisations).

The Administrators' are still completing their assessment of entitlement amounts owing to employees. Based on the Group's books and records, we provide an estimate of the amounts owed to employees as priority creditors in the below table. The table excludes entitlements owing to employees who have been transferred as the result of a sale of business (see **Section 5.3** below). Additional amounts for payment in lieu of notice and severance pay may also arise if further employees are made redundant:

| <b>Entitlements</b>                         | <b>CAG<br/>(\$'000s)</b> | <b>ASM<br/>(\$'000s)</b> | <b>WS<br/>(\$'000s)</b> | <b>Total<br/>(\$'000s)</b> |
|---|--------------------------|--------------------------|-------------------------|----------------------------|
| Wages                                       | 2,601                    | 173                      | 102                     | <b>2,875</b>               |
| Annual leave                                | 2,801                    | 233                      | 157                     | <b>3,191</b>               |
| Long service leave                          | 281                      | -                        | 89                      | <b>370</b>                 |
| Payment in lieu of notice                   | 4,675                    | 401                      | 174                     | <b>5,250</b>               |
| Redundancy                                  | 4,710                    | 187                      | 265                     | <b>5,162</b>               |
| <b>Total Priority Creditors</b>             | <b>15,068</b>            | <b>994</b>               | <b>786</b>              | <b>16,847</b>              |
| Excluded Employee Entitlements              | 417                      | -                        | -                       | 417                        |
| <b>Total Priority Employee Entitlements</b> | <b>14,651</b>            | <b>994</b>               | <b>786</b>              | <b>16,431</b>              |

#### 4.8.3 *Excluded employees*

Excluded employees are defined in the Act as directors and their spouses or relatives (s556(2)).

Outstanding priority employee entitlements for excluded employees are limited to \$2,000 for wages (including superannuation) and \$1,500 for unpaid annual leave and long service leave. The balance of their entitlements rank as an unsecured claim (s556(1A) and (1B)) of the Act.

#### 4.8.4 *Fair Entitlements Guarantee (FEG)*

It is unlikely that sufficient assets will be available to pay outstanding employee entitlements in full.

In the event that Group companies are placed into liquidation, employees may be eligible for payment of any shortfall in their employee entitlements (excluding superannuation) under FEG which is administered by the Department of Employment (**DE**).

Former employees must meet eligibility requirements outlined in the *Fair Entitlements Guarantee Act 2012*.

FEG advances are repaid to the Government if and when funds become available, in the same priority as employees' claims.

Further information can be found on FEG's website at <http://employment.gov.au/fair-entitlements-guarantee-feg>.

## 4.9 Unsecured Creditors

At the date of our appointment, based on our review of the Group's books and records, we estimate that the Group's unsecured creditors totalled at least \$17.7m

The Group's top 10 unsecured creditors in value are:

| No.                                | Creditor  | Company records amount<br>(\$'000) |
|------------------------------------|---|------------------------------------|
| 1.                                 | Australian Taxation Office                        | 4,113                              |
| 2.                                 | CareerOne Pty Ltd                                 | 880                                |
| 3.                                 | Salesforce.com Singapore                          | 440                                |
| 4.                                 | Aussie Rules Tek Pty Ltd                          | 394                                |
| 5.                                 | League Tek Academy Pty Ltd                        | 374                                |
| 6.                                 | American Express                                  | 343                                |
| 7.                                 | Lead Proof Pty Ltd                                | 310                                |
| 8.                                 | Ernst & Young                                     | 228                                |
| 9.                                 | Crosby Textor Research Strategies Results Pty Ltd | 167                                |
| 10.                                | New Voice Media Pty Ltd                           | 166                                |
| <b>Total of top 10</b>             |   | <b>7,415</b>                       |
| <b>Total unsecured creditors</b>   |   | <b>17,718</b>                      |
| <b>% of total unsecured claims</b> |   | <b>42%</b>                         |

## 4.10 Related entities

A related entity can include Directors and their spouses or relatives, as well as subsidiary and associated entities. At the date of this Report, we have not been able to form a view on the amounts owed to related entities.

Should liquidators be appointed to wind up the Group, they will complete a detailed review of related entity creditor balances. A liquidator will also form a view on whether any of the transactions with related entities are voidable transactions that can be set aside.

## 5. Conduct of administration

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### 5.1 First meeting of creditors

The first meeting of creditors of the Group companies was held on 6 June 2017 (**First Meeting**), pursuant to s436E of the Act.

Creditors at the meeting resolved that Committees of Creditors (COC) be formed for the following entities:

#### CAG

| Representative names | Representing                     |
|----------------------|----------------------------------|
| Rodney Owen          | Westpac Banking Corporation      |
| Jon Munnings         | National Australia Bank          |
| Carolyn Mather       | The Construction Training Centre |
| Tara Hastings        | TAFE Queensland                  |
| Julie Higgins        | Individual                       |
| Kevin Schefe         | Individual                       |
| Steele Briskey       | Individual                       |
| Abi Harrison         | Individual                       |
| Tina Bonnici         | Individual                       |
| Sheree Willis        | Independent Education Union      |

#### CAEI

| Representative names | Representing                   |
|----------------------|--------------------------------|
| Rodney Owen          | Westpac Banking Corporation    |
| Jon Munnings         | National Australia Bank        |
| Tara Hastings        | TAFE Queensland                |
| Sharon Barnett       | Commonwealth Bank of Australia |

#### ASM

| Representative names | Representing                |
|----------------------|-----------------------------|
| Rodney Owen          | Westpac Banking Corporation |
| Jon Munnings         | National Australia Bank     |
| Tara Hastings        | TAFE Queensland             |
| Shweta Singh         | Individual                  |
| Krish Thhaker        | Individual                  |

We have not convened any COC meetings to date.

A copy of the first meeting minutes may be obtained from ASIC's website.

## 5.2 Immediate actions

As the entities within the Group (with the exception of ASM) are without funds, our immediate objectives have been to:

- urgently pursue the potential sale of business units to realise funds, preserve jobs, minimise outstanding employee entitlement liabilities and transition students to alternative course providers
- interrogate the Group's data systems in order to maximise the prospects of recovering outstanding debtors and WIP from the Commonwealth and relevant State Government departments
- endeavour to manage student and staff dislocation, to alleviate welfare issues.

### 5.2.1 Initial actions on our appointment

On our appointment, we immediately acted to:

- maintain student management systems, which were key to pursuing the objectives detailed at **Section 5.2**.
- maintain the employment of approximately 20 personnel (the minimum deemed necessary) to assist us for one to two weeks whilst we pursued those objectives
- notify over 1,100 staff and 15,000 students of our appointment by email and text message
- contact shareholders, interested parties and financiers to determine whether there was potential short-term funding available. We confirmed that no funding was available and therefore we had no option other than to stand down all non-critical employees and suspend all student classes.
- make available employee and student FAQ sheets (linked to both the Group and PPB Advisory websites) and establish dedicated employee and student email and telephone information lines.
- prepare a short-term cash flow forecast to determine the costs of maintaining the minimum employees required to maintain the Student Management systems, as well as associated overheads

## 5.3 Asset Realisations

### 5.3.1 Sale of business campaign

We received numerous enquiries from parties interested in acquiring certain aspects of the Group's businesses.

A truncated sale process was conducted and included:

- Identifying the assets/business units that interested parties were considering purchasing
- Obtaining non-disclosure agreements from interested parties
- Creating a data room of information for interested parties to review
- Responding to various information requests
- Analysing offers received
- Negotiating commercial terms with purchasers
- Liaising with TEQSA, ASQA and other regulators
- Preparing assets for sale
- Preparing and executing contracts
- Attending to employee, supplier and customer issues associated with the sales
- Negotiating with landlords

To date we have completed sales in relation to:

- the nursing business operated by CAEI
- certain assets of CAIT relating to the Carpentry and Painting & Decorating courses (including P&E, course materials and the 'Trades and Futures' platform)
- certain assets of Workstar, being an e-learning business (including P&E, intellectual property, customer contracts and WIP)

We received a significant amount of interest in ASM. However, we have been unable to meaningfully engage with interested parties at this stage, as:

- TEQSA issued a notice of cancellation of ASM's registration
- we had to cease the ASM operations on appointment, with all staff members being made redundant and all classes ceasing
- we are precluded from transitioning student data and associated information to interested parties due to privacy obligations and TEQSA requirements

We will work with TEQSA to transition students to existing, accredited, higher education providers in the event suitable institutions are identified.

In due course we will consider whether it is feasible to conduct a sale process for ASM IP assets, including course materials. All ASM interested parties will have an opportunity to participate in that process if it is pursued.

### 5.3.2 *Sale of nursing business owned by CAEI*

We were successful in completing a sale of CAEI's nursing business within 14 days of our appointment. Key benefits from the sale are :

- over 110 staff members were transferred, with continuity of service maintained
- the purchaser assumed liability for c\$1.3M in employee liabilities
- enables c2,000 students to continue their courses
- three leases were assigned to the purchaser, with bank guarantees or cash returned to the secured creditor

The net proceeds of the sale are subject to the secured creditors' security interest. Terms of the sale, including the purchase price, are confidential.

### 5.3.3 *Sale of trade courses owned by CAIT*

We were successful in completing a sale of two CAIT courses (Trades) within 14 days of our appointment. Key benefits from the sale are:

- courses transitioned are CPC30211 Certificate III in Carpentry and CPC30611 Certificate III in Painting and Decorating
- enables up to 494 students to continue their courses
- transfer of three employees to the purchaser

The net proceeds of the sale are subject to the secured creditors' security interest. Terms of the sale, including the purchase price, are confidential.



### 5.3.1 *Sale of the Workstar business*

We were successful in completing a sale of the Workstar business within 21 days of our appointment. Key benefits of the sale are:

- transfer of one employee
- provides continuity of service to customers
- plant and equipment realised at a premium to auction realisable value, while minimising costs associated with auctions

The net proceeds of the sale are subject to the secured creditors' security interest, except for a minimal amount of work in progress. Terms of the sale, including the purchase price, are confidential.

### 5.3.2 *Other Asset Realisations*

The other major Group asset category available for realisation/recovery is outstanding debtors (students, corporates and government). Creditors should note that there is a substantial body of data and records associated with assessing the recoverability of debtors. Accordingly, while we have commenced this process it will be some time before we are in a position to definitively establish the realisable value of this asset category.

The main sub-categories of debtors we are reviewing comprise:

- VFH/VSL Debtors (CAEI)
- FEE-HELP Debtors (ASM)
- Other Debtors (ASM, CAEI, CAIT, Workstar & ACAE)

In addition, we will shortly be undertaking an auction process to realise all remaining fixed assets. Estimates of asset realisations are included in **Section 10** of this Report. Further potential recoveries related to our investigations are detailed at **Section 8** of this Report.

## 6. Financial background

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The Group prepares annual financial statements for each company, which are audited by Ernst & Young. The last audited financial statements are for the year ended 30 June 2016.

The Group also prepares monthly management accounts. The management accounts are presented on a business unit basis, as well as on a consolidated Group basis. We note that there are significant differences in the overall financial performance and position presented under each approach in the YTD 2017 management accounts.

Management accounts are prepared for the purposes of Board reporting and management monitoring of financial performance and position.

We have completed a preliminary analysis on the following historical results:

- FY15 and FY16 audited financial statements
- year to date unaudited management accounts to March 2017

For illustrative purposes, we have included in **Appendix H** a statement of financial performance and financial position by company for YTD 2017. We have not reconciled these to the consolidated YTD 2017 statement of financial performance and financial position; accordingly, we are unable to comment on the accuracy of the individual company data.

### 6.1 Limited reliance on YTD 2017 accounts

The most recent financial information available for the Group was a Board pack prepared as at 31 March 2017. While we have attempted to provide meaningful commentary on our analysis of the financial position of the Group, we suggest that creditors should place limited reliance on the financial information as at 31 March 2017 for the following reasons.

- We understand that YTD FY17 revenue for the VET and Higher Education businesses has been recognised based on full year CY2017 estimates of funding provided to the Federal government. This is inconsistent with current government funding models, as we have noted in **Section 4** of this Report. In our view, this revenue recognition policy does not provide a true and fair view of financial performance during the period from 1 July 2016 to 31 March 2017.
- During YTD 2017, actual payments from the Federal government have not been in line with revenue recognised. The Administrators understand that Management does not reconcile funding received to revenue recognised, and we have been unable to do so in the time since our appointment.
- We have not been able to reconcile all movements in balance sheet accounts for the period 30 June 2016 to 31 March 2017
- The Group's finance team has provided multiple versions of the YTD 2017 statement of financial position, casting uncertainty/doubt as to the underlying accuracy of the financial reporting for this period

## 6.2 Group financial performance / Profit and Loss

### Key Comments

- The Group has reported a YTD 2017 loss of \$15.2m per the management accounts presented to the Board
- The Administrators consider that revenue could be overstated by \$43m and expenses could be understated for this period, so the actual losses may be significantly higher than reported

The Group's financial performance (Profit and Loss) for the fiscal years ended 2015 and 2016 and the nine months to March 2017 is summarised below:

|  | FY15           | FY16           | YTD<br>31 March 17 |
|--|----------------|----------------|--------------------|
|  | \$'000         | \$'000         | \$'000             |
| <b>Revenue</b>                                   | <b>237,638</b> | <b>273,125</b> | <b>154,224</b>     |
| <b>Expenses</b>                                  |                |                |                    |
| Employee benefits                                | (88,035)       | (99,422)       | (70,590)           |
| Sales and marketing                              | (39,661)       | (75,885)       | (58,299)           |
| Service providers                                | (19,231)       | (21,340)       | (16,497)           |
| Other expenses                                   | (10,004)       | (14,678)       | (5,363)            |
| Rental and outgoings                             | (16,754)       | (13,710)       | (10,115)           |
| Materials and consumables                        | (5,065)        | (1,825)        | (2,420)            |
| Other income                                     | 615            | 134            | -                  |
| <b>EBITDA</b>                                    | <b>59,503</b>  | <b>46,399</b>  | <b>(9,060)</b>     |
| Depreciation and amortisation                    | (7,358)        | (12,786)       | (8,842)            |
| <b>EBIT</b>                                      | <b>52,145</b>  | <b>33,613</b>  | <b>(17,902)</b>    |
| Finance costs                                    | (492)          | (2,797)        | (2,718)            |
| Income tax (expense)/benefit                     | (15,188)       | (7,713)        | 5,417              |
| <b>Net Profit/(Loss) After Tax</b>               | <b>36,465</b>  | <b>23,103</b>  | <b>(15,203)</b>    |
| Loss from discontinued operations                | (1,730)        | (5,255)        | -                  |
| Gain/(loss) from translation of foreign exchange | 22             | (38)           | -                  |
| <b>Total comprehensive income</b>                | <b>34,757</b>  | <b>17,810</b>  | <b>(15,203)</b>    |

### 6.2.1 Revenue

The Group recognises revenue on the basis of expected student enrolments, funding and fees. According to the Group's revenue recognition policy in the 30 June 2016 financial statements, revenue is recognised over the period of tuition on a straight-line basis. If a student does not complete a course, any revenue recognised in advance is adjusted to reflect this.

The Administrators are of the view that recognising revenue in this way was not appropriate from at least 1 July 2016 onwards because:

- during the period October to December 2016, approximately \$19m of new VFH Scheme funding was withheld in order to offset the previous overpayment (see **Section 4.6**). During this time, the Group continued to recognise revenue for student tuition despite having no realistic expectation that this level of tuition fees would be received
- it is inconsistent with government funding models, which from 1 January 2017 (for VET Students) pay tuition to providers in arrears
- at 31 March 2017, the Group did not have a confirmed position in relation to all enrolled students that may be eligible for the FEE-HELP Loan Scheme.

As an example of how this revenue recognition policy could lead to an overstatement of revenue, below is a table showing revenue recognised and actual cash receipts for ASM for two periods:

| Period                           | Revenue recognised<br>(\$'000) | Cash receipts<br>(\$'000) |
|----------------------------------|--------------------------------|---------------------------|
| 1 July 2016 to 31 January 2017   | 3,812                          | 4,506                     |
| 1 February 2017 to 31 March 2017 | 11,795                         | 1,065                     |

The significant differential in February and March 2017 is the result of revenue being recognised for forecast FEE-HELP student enrolments which did not reflect actual student numbers and for which funding had not yet been approved.

The Administrators consider that a material portion of the \$11m revenue recognised in this period may have been recognised prematurely.

#### 6.2.2 *Expenses*

Despite the (pro rata) decrease in revenue in FY17, most expense categories remained broadly constant year-on-year between FY16 and YTD 2017.

Sales and marketing expense actually increased year on year on a pro rata basis. This expense category includes:

- Payments to brokers for students
- Development of an in-house call centre during FY16 following the ACCC investigation and suspension of the Group's previous marketing model
- Training and development for over 450 new call centre agents for the purposes of marketing

The Administrators are concerned about the treatment of c\$50m of capitalised sales and marketing expenses currently recorded as a balance sheet asset. Further investigation of this accounting treatment is required but prima facie there may be some validity to the view that this item should have been expensed rather than capitalised (refer further comment at **Section 6.3** below). Were this amount to be expensed, the Group's loss for the period would increase significantly.

#### 6.2.3 *Not currently included on the P&L*

The Administrators have noted some abnormal items that are not reported in the YTD 2017 management accounts. We are not yet able to form a view on whether further expenses should be recognised in the period.

#### 6.2.1 *Loss from discontinued operations*

The Group had made a decision prior to 1 July 2017 to discontinue VET to school-based students. The costs of discontinuing these operations was recognised in the previous financial year.

### 6.3 Group's financial position

#### Key Comments

- The Administrators consider that the Group's asset position may be overstated by up to \$90m at 31 March 2017
- Contributed equity of \$50m and additional debt funding in excess of \$15m were required in YTD 2017 to fund losses and working capital

The Group's consolidated financial position (Balance Sheet) for the fiscal years ended 30 June 2015 and 2016, and the nine months to March 2017, is summarised below:

|                                      | Notes | FY15<br>\$'000s  | FY16<br>\$'000s  | YTD17<br>\$'000s |
|--------------------------------------|-------|------------------|------------------|------------------|
| <b>Current assets</b>                |       |                  |                  |                  |
| Cash and cash equivalents            | 1     | 37,927           | 16,796           | 1,779            |
| Trade and other receivables          | 2     | 14,341           | 16,225           | 17,520           |
| Other current assets                 | 3     | 32,500           | 54,313           | 50,373           |
| Current tax assets                   |       | -                | 10,359           | -                |
| <b>Total current assets</b>          |       | <b>84,768</b>    | <b>97,693</b>    | <b>69,672</b>    |
| <b>Non-current assets</b>            |       |                  |                  |                  |
| Property, plant and equipment        |       | 13,291           | 13,182           | 11,486           |
| Intangible assets and goodwill       | 4     | 70,589           | 82,577           | 89,386           |
| Other non-current assets             |       | -                | -                | 10,186           |
| <b>Total non-current assets</b>      |       | <b>83,880</b>    | <b>95,759</b>    | <b>111,058</b>   |
| <b>Total assets</b>                  |       | <b>168,648</b>   | <b>193,452</b>   | <b>180,730</b>   |
| <b>Current liabilities</b>           |       |                  |                  |                  |
| Trade and other payables             |       | (22,073)         | (17,010)         | (23,645)         |
| Income received in advance           | 5     | (14,803)         | (16,065)         | 43,221           |
| Current tax liability                |       | (1,915)          | (62)             | (6,139)          |
| Employee benefit liabilities         |       | (5,726)          | (4,543)          | (5,018)          |
| Interest-bearing liabilities         | 6     | (378)            | (55,277)         | (10,000)         |
| Other current liabilities            |       | (1,393)          | (3,987)          | -                |
| <b>Total current liabilities</b>     |       | <b>(46,288)</b>  | <b>(96,944)</b>  | <b>(1,581)</b>   |
| <b>Non-current liabilities</b>       |       |                  |                  |                  |
| Trade and other payables             |       | (3,654)          | (3,133)          | -                |
| Employee benefit liabilities         |       | (677)            | (299)            | (323)            |
| Deferred tax liabilities             |       | (14,132)         | (14,042)         | (10,088)         |
| Interest-bearing liabilities         | 6     | (34,801)         | (44,629)         | (98,291)         |
| Other non-current liabilities        |       | (2,371)          | (2,661)          | (2,309)          |
| <b>Total non-current liabilities</b> |       | <b>(55,635)</b>  | <b>(64,664)</b>  | <b>(111,011)</b> |
| <b>Total liabilities</b>             |       | <b>(101,923)</b> | <b>(161,608)</b> | <b>(112,592)</b> |
| <b>Net assets</b>                    |       | <b>66,725</b>    | <b>31,844</b>    | <b>68,138</b>    |
| Contributed equity                   | 7     | 25,520           | 28,029           | 79,525           |
| Reserves                             |       | 1,456            | (7,368)          | (7,368)          |
| Retained earnings                    |       | 30,939           | 11,183           | (4,020)          |
| <b>Equity</b>                        |       | <b>66,725</b>    | <b>31,844</b>    | <b>68,137</b>    |

## Notes

1. Cash and cash equivalents decreased significantly in YTD 2017. The Administrators have requested from Management a reconciliation of the cash movement between 1 July 2016 and 31 March 2017, but Management have not been able to provide this. Pending further analysis, our preliminary findings are that the significant cash movements during the nine months to 31 March 2017 included:
  - Reduction in VFH payments during October to December 2016 to offset amounts received in excess of actual student enrolments during CY2016
  - Shareholder funding/equity of approximately \$50m contributed in late December 2016 and January 2017
  - Additional debt funding of \$10m provided by external financier
2. While trade and other receivables have remained consistent over the past three periods, the Administrators note that the profile of this asset has changed; work in progress increased from \$4.8m at 30 June 2015 to \$12.2m by 31 March 2017. Our review of this asset is not complete, but it appears to be revenue which has been recognised but not yet billed.
3. Other current assets include prepayments for sales and marketing expenses. The Group's accounting policy notes that prepayments are amortised over the course of a student's enrolment
4. The Administrators do not currently have any information to explain why intangible assets/goodwill increased by \$7m in the current period.
5. Up to 30 June 2016, income received in advance was a liability account which recognised that student tuition received in advance should be released to revenue as it is earned (i.e. over the period of a student's tuition).

In the period 1 July 2016 to 31 March 2017, the Group's receipt of revenue in advance decreased significantly due to:

- the change from the VFH to VSL scheme (paid in advance to paid in arrears)
- the offsetting of funding receipts for the current period as a result of overclaims made prior to 30 June

For the period 1 July 2016 to 31 March 2017, the Group's management accounts indicate that VFH & FEE-HELP revenue of c\$144m was recognised, while cash receipts from VHF funding were only \$68m. This resulted in the Income in Advance account progressively being fully released to revenue, and then continuing into negative (effectively converting to a balance sheet asset of \$43m by 31 March 2017). The Administrators note that we have not reconciled the consolidated YTD 2017 cash flow to the balance sheet and profit and loss, due to a number of reconciling items which have not been explained.

We are of the view that this accounting treatment does not result in a true and fair presentation of revenue or assets/liabilities on the balance sheet, and that the revenue and net asset position may be overstated by at least \$43m.

6. Interest bearing liabilities increased by \$10m YTD 2017, with additional debt funding required in April and May 2017 to fund wages and other payments
7. Equity holders contributed circa \$50m during the FY17 financial year, which has been recorded as equity. In December 2015, \$40m was paid to equity holders as a dividend.

## 6.4 Directors' Report as to Affairs (RATA)

A company director must provide an administrator with a RATA outlining the company's business, property, affairs and financial circumstances at the appointment date (s438B). The RATA should include:

- net asset book values (based on historical financial records)
- estimated asset realisable values
- known liabilities.

The Administrators granted the Directors an extension to 13 June 2017 to lodge the RATA. However, as at the date of this Report, the directors have failed to provide us with a RATA in accordance with their responsibilities under the Act.

## 7. Investigations

### Key Comments

While our investigations are ongoing, we summarise our initial findings below:

- The Group's failure appears to primarily be the result of:
  - deteriorating enrolment numbers as a result of increased regulation of VET offerings and brand damage suffered during 2016 following the ACCC decision
  - changes to the VET funding model from VFH (paid in advance) to VSL (paid in arrears) and the consequent impact on working capital
  - inability to obtain a VSL licence, resulting in the loss of the Group's major revenue source
  - the significant costs of pursuing an aggressive growth strategy for the ASM business, which did not result in a proportionate increase in cash revenues
  - deteriorating cashflow due to requirement to repay up to \$40m of student tuition claimed in advance during CY2016, \$19m of which was repaid in October to December 2016
- Our preliminary view is that the Group may have been insolvent from December 2016, and was most likely insolvent from February 2017 when it had insufficient funds to meet its debts as and when they fell due.

We have conducted investigations into the reasons for the Group's failure to the extent possible in the available time. Further investigations will be conducted should creditors vote to wind up the Group companies at the Second Meetings. A liquidator has greater powers to undertake investigations and pursue recoveries than an administrator or deed administrator.

Our investigations to date have been limited for the following reasons:

- We have had a relatively limited timeframe in which to undertake investigations and report to creditors, given the scale of the Group's operations, the poor quality of the accounting records and the volume of books and records to review.
- We have concerns as to the reliability of the Group's financial information for the current financial year, and we have reservations about the treatment of several items in the Group's management accounts.
- The directors have not yet provided a response to the director's questionnaires or RATA's.

We have based our investigations and opinions on information obtained from:

- books and records, including management reports and board reports
- electronic financial systems
- accounting and database information systems used within the business
- director(s), officers, management and key staff members (where available)
- external professional reports, including audit reports
- publicly available information e.g. ASIC, ASX, ACCC

### 7.1 Director's explanation for the Group's difficulties

The Directors have provided an extremely brief explanation for the Group's difficulties, which essentially reads as follows:

- the Group was placed into administration following the final decision taken by DET not to award CAEI with a VET Student Loan licence with effect from 1 July 2017
- they were notified of DET's decision after hours on 24 May 2017, and resolved to appoint the Administrators on 25 May 2017
- receipt of a licence was a key condition for \$40m of proposed equity funding to be provided by a "white knight".



## 7.2 Administrator's opinion of the reasons for the Group's difficulties

We believe the following factors contributed to the deterioration in the Group's financial position and its ultimate failure:

- declining enrolment numbers due to increased regulation of the VET industry and poor publicity as a result of the ACCC decision
- the significant costs of pursuing an aggressive growth strategy for the ASM business, which did not result in a proportionate increase in revenues
- inability to obtain a VSL licence resulting in the loss of the Group's major revenue source
- changes to the funding structure for domestic VET students, from VFH (paid in advance) to VSL (paid in arrears) and the consequent impact on working capital
- deteriorating cashflow because of the requirement to repay of \$40m VFH funding received in advance

## 7.3 Insolvency

We have conducted our preliminary solvency investigations on a Group basis given the structure of the Group's treasury model whereby finances were effectively pooled. CAG incurred the vast majority of costs for human resources, IT, property rental, finance and administration services, which it on billed to the subsidiaries. In addition, CAG borrowed funds from the subsidiaries, and the subsidiaries lent funds to each other.

Our preliminary view is that the Group may have been insolvent from December 2016 but most likely from February 2017. The basis for this view, in summary, is that post January 2017:

- there was a material increase in the value of overdue debt to trade suppliers
- the Group was unable to pay statutory liabilities as they fell due
- the Group was unable to raise sufficient funds to restore its solvency
- there was a deficiency of working capital of c\$19m after adjusting the book value of current assets for assets that cannot easily or quickly be converted to cash (ie: prepaid expenses and unearned revenue withheld by ASQA)

The methods of testing solvency include but are not limited to the Cash Flow Test and the Balance Sheet Test, which are examined below.

A company is insolvent if it is unable to pay its debts as and when they become due and payable.

### 7.3.1 Cash Flow Test

The Cash Flow Test is a measure of the Group's ability to pay its liabilities from available resources as and when they fall due.

The available books and records indicate that:

- The Group was not able to pay all of its debts as and when they fell due from at least February 2017
- management's forecasting of revenue to be received from tuition appeared to be overly optimistic
- the financial information contained in the Group's financial system for the current financial year to date may be materially misstated in that:
  - revenues and cashflows assumed continued growth of ASM (which subsequently had its enrolments frozen)
  - several categories of costs were capitalised that might more appropriately have been expensed

### Working capital and net current assets

Working capital is an indicator of liquid assets available to pay debts due within 12 months. A working capital ratio of less than one indicates that a company may not be able to pay its debts as and when they fall due.

Our preliminary analysis of the Group's records discloses liquidity issues, notwithstanding that the Group reported net working capital surpluses based on its FY14, FY15 & FY16 financial statements as per the table below (albeit that the FY16 reported surplus was very marginal):

|   | FY14<br>\$'000s | FY15<br>\$'000s | FY16<br>\$'000s | YTD Mar-17<br>\$'000s |
|---|-----------------|-----------------|-----------------|-----------------------|
| Current Assets  | 57,824          | 84,768          | 97,693          | 69,673                |
| Current Liabilities   | (25,233)        | (46,288)        | (96,944)        | 4,558                 |
| Working Capital<br>(Current Assets less Current Liabilities)              | 32,59           | 38,480          | 749             | 74,230                |
| Working Capital / Liquidity Ratio<br>(Current Assets/Current Liabilities) | 2.29            | 1.83            | 1.01            | -                     |

However, the FY17 management accounts include two accounts that it may be appropriate to exclude from this analysis:

- *Pre-payments (Other Current Assets) - \$50m*  
Pre-payments are marketing and other expenses that have been capitalised (to be matched against revenue earned as a result of those expenses). So the expense has been incurred from a cash outflow perspective, but not yet recognised. Leaving aside any question as to the appropriateness of otherwise of this accounting treatment, looked at purely from a working capital perspective this asset does not have the capacity to release any cash
- *Accrued Revenue (Income received in advance) – \$43m*  
This item is recorded as an asset equivalent (negative liability) which again, in our view, does not have the capacity to generate any cash for liquidity. It also appears to be overstated due to the Group's overestimation of enrolments

An adjusted Working Capital position for FY17 could be as follows:

|   | YTD Mar-17<br>\$'000s |
|---|-----------------------|
| Current Assets  | 19,299                |
| Current Liabilities   | (38,664)              |
| Working Capital<br>(Current Assets less Current Liabilities)              | (19,364)              |
| Working Capital / Liquidity Ratio<br>(Current Assets/Current Liabilities) | 0.50                  |

### Short term cash flow forecast

Our preliminary investigations show that the Group prepared detailed budgets, as well as reforecasts in the case of unexpected events (e.g. loss of funding approval). The Group reported actual results to budget and these reports were tabled at board meetings.

We note the board budgets appear to be overly optimistic as:

- enrolments and revenue forecasts significantly exceeded actual results
- they underestimate the impact of overpayments and regulatory changes under the VFH & VSL Schemes

- they were prepared on a 'bottom-up' basis, in that the cost structure was designed to expand marketing and call centre costs with a view to growing enrolments and revenue, which did not eventuate to the level required

### 7.3.2 *Balance Sheet test*

The Balance Sheet Test assesses the solvency of a company by reference to its net asset position (i.e. the level of total assets relative to total liabilities).

We examined the consolidated net asset position of the Group from FY14 to March 2017.

Our review has found that the Company's reported net asset position was positive throughout the period under review.

|   | FY14<br>\$'000s | FY15<br>\$'000s | FY16<br>\$'000s | YTD Mar-17<br>\$'000s |
|---|-----------------|-----------------|-----------------|-----------------------|
| Total Assets  | 105,450         | 168,648         | 193,452         | 180,731               |
| Total Liabilities                                   | (53,641)        | (101,923)       | (161,608)       | (112,593)             |
| Net Assets<br>(Total Assets less Total Liabilities) | 51,809          | 66,725          | 31,844          | 68,138                |

As noted earlier, however, the accounting treatment for a number of Balance Sheet items requires further investigation.

### 7.3.3 *Other Indicators of Insolvency*

Determining whether a company is insolvent (and the date at which insolvency occurred) is often difficult and is ultimately a matter for the courts to decide. The courts have identified fourteen general indicators of insolvency that are considered further in ASIC Regulatory Guide 217.

Our investigations to date have identified that eight of these indicators apply, or may apply, to the Group, as summarised overleaf:

| Indicator   | Present | Comment   |
|---|---------|---|
| Continuing trading losses   | Yes     | Estimated YTD 2017 losses of \$15m per management accounts  |
| Liquidity ratio below one   | Yes     | Liquidity ratio is likely to be below one from Jul-16 onwards after adjusting for pre-payments and unearned revenue   |
| Overdue Commonwealth and state taxes  | Yes     | From February 2017  |
| Poor relationship with borrower/financier including inability to borrow additional funds  | No      | The Group's principal financier continued its facilities and provided further support in April 2017, albeit it was not sufficient to restore the solvency of the Group  |
| No access to alternative finance  | No      | Shareholders made advances of \$35m in December 2016 and \$15m in January 2017, albeit these were insufficient to restore solvency (it is unclear whether these were intended to be advances of debt or equity, and may have been a combination of both)<br>Debt funders provided \$10m in March, and further amounts to fund wages through April and May.  |
| Inability to raise further equity   | No      | Shareholders made advances of \$35m in December 2016 and \$15m in January 2017  |
| Supplier placing debtor on COD terms, otherwise demanding special payments before resuming supply   | No      | Management have advised that no suppliers had demanded COD terms or special payments before resuming supply   |
| Creditors outside trading terms   | Yes     | Greater than 50% of creditors were 30 days+ from 1 July 2016  |
| Issuing of post-dated cheques   | No      | Management have advised there was no issuing of post-dated cheques. We have not identified any instances of this occurring.   |
| Dishonoured cheques   | No      | Management have advised there were no dishonoured cheques. We have not identified any instances of this occurring.  |
| Special arrangements with selected creditors  | Yes     | 38 payment arrangements have been identified  |
| Legal action threatened or commenced, or judgements entered against the company   | Yes     | Statutory demands were received   |
| Payments to creditors of rounded figures, which are irreconcilable to specific invoices   | Yes     | Several round sum payments have been identified   |
| Inability to produce timely and accurate financial information to display the Group's trading performance and financial position, and make reliable forecasts | Yes     | The Group had not accurately forecast student revenues for FY16 and YTD 2017. Consequently, the trading forecasts for the same period were optimistic.<br>The YTD 2017 management accounts appear to overstate the Group's profit and net asset position, and we have not been able to reconcile YTD movements in the balance sheet.<br>Accounting records for subsidiary companies YTD 2017 are poor, and the Administrators have had difficulty in obtaining accurate financial information below the consolidated Group level. |

### 7.3.4 Proving Insolvency

Further investigations into the Group's insolvency will be conducted by a liquidator should the Group companies be wound up.

Determining when a company became insolvent can be a costly and complex exercise, involving a detailed review of the company's financial position, cash flow, and other relevant information.

## 7.4 Legal/class actions

We are unaware of any legal proceedings against the Group, although we note at least one statutory demand has been issued against CAG in relation to unpaid debts.

## 7.5 Outstanding or previous winding up applications

A search of the ASIC database reveals the following previous winding up applications, against CAIT and WS.

| Company | Date Filed     | Hearing Date | Petitioning Creditor                        | Court   | Amount (\$) | Status    |
|---------|----------------|--------------|---|---------|-------------|-----------|
| CAIT    | 2 July 2010    | Unknown      | Motorsport Performance Engineering Pty Ltd  | Supreme | Unknown     | Dismissed |
| WS      | 26 August 2008 | Unknown      | The Commissioner of State Revenue, Victoria | Supreme | Unknown     | Withdrawn |

## 7.6 Books and records

A company must keep written financial records that:

- correctly record and explain its transactions, financial position and performance
- would enable true and fair financial statements to be prepared and audited
- must be kept for seven years after the transactions covered by the records are completed (s286).

Our preliminary view is that the Group and CAG (the Group's parent company) have maintained adequate books and records. However, we have significant reservations that adequate books and records were maintained by the subsidiary companies so as to allow management to make informed decisions on the financial position and performance of those companies.

Directors are responsible for ensuring that adequate financial records are maintained. Directors who fail to take all reasonable steps to ensure compliance with this requirement may be subject to a civil penalty order. This includes shadow and de facto directors.

Failure to maintain books and records may give rise to a presumption of insolvency (pursuant to s588E of the Act).

A liquidator (if appointed) will continue investigations into whether any breaches of the Act have occurred in relation to the maintenance of proper books and records, including:

- failure to keep proper financial records (s286)
- failure to take all reasonable steps to comply with financial records reporting requirements (s344)
- requiring officers to exercise a reasonable degree of care and diligence in the exercise of their powers and discharge of their duties (s180).

## 8. Offences and liquidation recoveries

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### Key Comments

While our investigations are ongoing, we summarise our preliminary findings below:

- We have identified a number of payments to creditors that appear preferential in nature, totalling \$14.2m
- Based on our investigations, we believe that the Group may have been insolvent from as early as December 2016, but most likely from February 2017

A liquidator has the ability to pursue certain claims that may result in recoveries for creditors. Importantly, these claims are not available to a deed administrator should creditors vote to accept a Deed proposal.

Enclosed at **Appendix G** is a *Creditor Information Sheet: Offences, Recoverable Transactions and Insolvent Trading* published by ARITA, which provides general information for creditors on the types of claims that a liquidator can pursue.

### 8.1 Voidable transactions

The Act requires an administrator to specify whether there are any transactions that appear to the administrator to be voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator.

To date, we have identified 31 potential preference payments totalling \$14.2m. Our investigations into other potential voidable transactions are continuing.

### 8.2 Insolvent trading

Our investigations into whether the Group may have traded whilst it was insolvent are ongoing. We believe that the Group may have been insolvent from as early as December 2016, but most likely from February 2017. A liquidator (if appointed) will conduct more thorough investigations in this regard.

Insolvent trading is when a company incurs a debt at a time when:

- the company was insolvent or became insolvent by incurring the debt
- there were reasonable grounds to suspect the company was insolvent or would become so as a result of incurring the debt.

Company directors have a duty to prevent insolvent trading by not incurring debt when there are reasonable grounds for suspecting that the company is, or will be, unable to pay its debts as and when they fall due.

The objective test or standard of measure in deciding whether insolvent trading has occurred is whether a director can demonstrate that their actions are at the same degree and level that would be required of an ordinary reasonable person holding a similar position and responsibility in the same circumstances.

A director who fails to prevent a company from incurring a debt at a time when there are reasonable grounds for suspecting that the company is insolvent, or will become insolvent by incurring that debt, contravenes s588G of the Act.

Creditors should note that only a liquidator or an individual creditor with the liquidator's permission can bring an action against a director for breach of s588G. An administrator or deed administrator can not pursue a director for recoveries from contraventions of s588G of the Act.

A liquidator may recover from a director the amount of loss or damage suffered by a creditor (s588M).

### 8.2.1 *Director defences*

Our investigations regarding whether any directors may have breached their statutory obligations or general law fiduciary duties are continuing.

Defences available to directors under the Act in regard to allegations of insolvent trading are:

- the director had reasonable grounds to expect, and did expect, that the company was solvent at that time and would continue to be solvent if it incurred the debt.
- the director had reasonable grounds to believe that a competent and reliable person was responsible for providing adequate information about whether the company was solvent and that person was fulfilling the responsibility and it was expected, that on the basis of the information provided, that the company was solvent and would continue to be solvent when the debt was incurred.
- at the time the debt was incurred the director, due to illness or other good reason, did not take part in the management of the company.
- the director took all reasonable steps to prevent the company from incurring the debt.

The Group's directors may also seek to rebut any insolvent trading claim on the basis that they:

- were negotiating with a 'white knight' with a view to recapitalising the Group, with a reasonable expectation that those negotiations would be successful
- were in the process of appealing the Government's decision to not grant the Group a VFH Scheme licence

Our preliminary view is that these grounds may not be sufficient to constitute a reasonable defence against insolvent trading, given the length of time during which the Group was experiencing material financial distress and the extent of liquidity pressure that was being experienced. Ultimately, however, this would be for a Court to determine in the event that an insolvent trading claim is pursued.

### 8.2.2 *Holding company liability*

An insolvent trading claim can be brought by the liquidator of a subsidiary company against the holding company where there are reasonable grounds for suspecting that the holding company or its directors knew of the subsidiary's insolvency.

Careers Australia Group Ltd is 95% owned by Cirrus Business Investments Ltd, a company incorporated in the British Virgin Islands. Cirrus Business Investments Ltd may therefore be liable for any insolvent trading of CAG.

We understand that Cirrus Business Investments Ltd had significant control over CAG and there are reasonable grounds to believe that Cirrus and its directors had full knowledge of the financial position of the Company.

Section 588W of the Act deals with the recovery of compensation for loss resulting from any insolvent trading claim, noting that a liquidator may recover from the holding entity an amount equal to the amount of the loss or damage. Given Cirrus Business Investments Ltd is domiciled in the British Virgin Islands, recovering any claim against it for insolvent trading would not be straightforward.

## 8.3 *Offences*

Directors and others have duties, obligations and responsibilities in relation to common law and statute.

### 8.3.1 *Corporations Act 2001*

As our investigations are ongoing we cannot definitively specify if any offences have occurred. However, we can confirm that we have identified a number of transactions and actions by the



directors that warrant further investigation. For commercial and litigation protection reasons we are not in a position to disclose any further details on these issues in this forum.

A liquidator can conduct more thorough investigations and identify potential offences and recoveries (if any).

If a director breaches any duties, obligations and responsibilities, they may be subject to civil and criminal penalties including:

- compensation to the Company for damages resulting from the contravention
- fines (up to \$200,000)
- imprisonment (up to 5 years)
- disqualification from managing corporations.

### 8.3.2 **Other Legislation**

In addition to offences under the Act, directors and others may commit offences in respect of the Group under other legislation, for example:

- Taxation laws
- Trade Practices Act
- Fair Trading Act.

The Administrators are aware of the 2016 ACCC finding in relation to the Group's marketing and student recruitment practices. Our preliminary investigations have not identified whether these practices continued following the ACCC finding, but our review is ongoing. Any offences or breaches identified will be reported to the relevant government body.

## 8.4 **Directors and officers insurance policy**

A Directors and Officers insurance policy (**D&O Policy**) offers liability cover for company officers to protect them from claims which may arise from the decisions and actions taken within the scope of their regular duties. Such policies cover the personal liability of company directors and officers.

At the date of our appointment, the Group held a D&O Policy. To avoid prejudicing any potential claims, we are not disclosing the terms of the D&O Policy.

The D&O Policy will be subject to further investigation should the creditors elect to place the Group into liquidation at the Second Meetings, in particular the conditions, limits and period of cover. We have put the insurer on notice of certain potentially claimable events at this stage.

## 8.5 **Potential claim against auditor**

Based on our initial investigations, there are a number of aspects of the Group's financial statements which warrant further investigation to determine if the auditor fully complied with its obligations under Australian Auditing Standards.

We would need to review these matters in considerably more detail in order to assess the merits of bringing a claim for damages against the auditor.

Creditors should note that formal legal proceedings are costly and are subject to significant uncertainty; such a claim could take in excess of three years, or possibly longer, to reach a conclusion.

## 8.6 **Public examinations**

The Act provides that an 'eligible applicant', such as a liquidator, may examine officers of a company about its 'examinable affairs' and any other person who may be able to provide information relating to such affairs. 'Examinable affairs' is a comprehensive term with wide ranging application and includes:

- the promotion, formation, management, administration or winding up of the company



- other affairs of the company
- the business affairs of a connected company of the company insofar as they appear to be relevant to the company or its affairs.

If a Court is satisfied that a summons for examination should be issued, the examinee is usually required to produce at the examination any specified books that are in the person's possession and relate to the corporation.

Should creditors vote to wind up the Group, the liquidator will consider the public examination of directors, officers and other persons of interest subject to the availability of funds to meet the associated costs.

We consider there may be merit in conducting public examinations in respect of a number of areas of interest including, but not limited to, the preparation and review of financial statements, the possibility of insolvent trading, and any potential breach of duties by the directors and management of the Group.

## 8.7 Reporting of offences to ASIC

Administrators are required to complete and lodge a report with ASIC pursuant to s438D of the Act where it appears that:

- a past or present officer of a company may have committed an offence
- money or property has been misapplied or retained
- a party is guilty of negligence, default, breach of duty or breach of trust in relation to a company.

A liquidator is required to lodge a report of his/her findings with ASIC, pursuant to s533 of the Act.

Creditors should also be aware that any report lodged pursuant to s438D (or an investigative report lodged by a liquidator pursuant to s533 of the Act) is not available to the public.

We have not identified any offences which would require us to report to ASIC at this stage.

## 8.8 Costs of investigations and pursuing recovery actions

Creditors should note that recovery actions:

- may be expensive, lengthy and with uncertain outcomes
- should not be commenced unless defendants have the financial resources to satisfy any judgement (this is often difficult to establish)
- must be funded by existing assets, creditor funding or external litigation funders. Litigation funders are likely to require a significant share of the proceeds of any judgement as a condition of funding the litigation).

## 8.9 Funding investigations and recoveries

Should creditors resolve that the Group be wound up and a liquidator appointed, it is likely the liquidator will be substantially without funds to meet the costs of any recovery actions that may be available to pursue.

In these circumstances, the liquidator may invite creditors to consider providing funding to conduct further investigations of potential insolvent trading claims, voidable transactions or other potential recovery actions detailed in the preceding paragraphs.

Alternatively, a liquidator may seek external funding from a litigation funder in exchange for a share of any recovered proceeds.

## 9. Deed of Company Arrangement (Deed)

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A Deed is a binding agreement between a company and its creditors setting out how a company's affairs will be dealt with. It aims to maximise the chances of the company, or as much as possible of its business, continuing to exist, or providing a better return to creditors than would be achieved by winding up the company.

At the Second Meetings, creditors can vote that a company execute a Deed if one is proposed.

We have not received any Deed proposals for any of the Group companies and therefore the option for creditors to vote in favour of a Deed proposal is currently unavailable.

We will table any Deed proposals received after this Report at the Second Meetings. Creditors may decide to adjourn the Second Meeting(s) to further consider any Deed proposals received. Any adjournment of the Second Meeting(s) must reconvene within 45 business days.

## 10. Estimated return to creditors

The Administrators have formed a preliminary view on the likely estimated return to creditors for each of the Group companies. The table below is indicative only.

| <b>Company</b>  | <b>Return to priority creditors (Note 1)</b> | <b>Return to unsecured creditors</b> |
|-----------------|--|--------------------------------------|
| <b>CAG</b>      | Nil  | Nil                                  |
| <b>ASM</b>      | 100c   | Nil                                  |
| <b>CAEI</b>     | Not Applicable                               | Nil                                  |
| <b>CAIT</b>     | Not Applicable                               | Nil                                  |
| <b>Workstar</b> | 25-35c                                       | Nil                                  |
| <b>CACH</b>     | Not Applicable                               | Nil                                  |
| <b>ACAE</b>     | Not Applicable                               | Nil                                  |
| <b>CAEI</b>     | Not Applicable                               | Nil                                  |
| <b>GLS</b>      | Not Applicable                               | Nil                                  |

The Group's books and records indicate that the companies in administration that are not listed in the above table have no external creditors.

Note 1 – The estimated return for priority creditors is before considering the fact that eligible priority creditors will be entitled to participate in the Fair Entitlements Guarantee scheme (**FEG**) in respect of any shortfall on their entitlements, if the relevant companies are placed into liquidation. In addition, the estimated return does not reflect potential recoveries that may be achieved from various causes of action if the companies are placed into liquidation. At this stage in our investigations it is premature to opine on the potential for such actions to generate a material recovery for creditors.

### 10.1 Expected asset realisations

The Administrators are unable to provide detailed information in relation to expected asset realisations in this Report, due to:

- commerciality of disclosing expected realisations in respect of the Group's debtors
- difficulty in estimating amounts to be received from the Federal government in relation to VET FEE-Help payments while the government completes a reconciliation of the amounts owed by/owing to the Group

The Administrators note the following in relation to potential asset realisations that would be available to priority and unsecured creditors.

#### 10.1.1 *Cash at bank*

At the date of appointment, the Administrators recovered cash at bank as follows:

| <b>Cash (\$'000)</b>   | <b>ASM</b> | <b>ACAE</b> |
|------------------------|------------|-------------|
| Cash at bank available | 97         | 22          |

Companies not included in the above table did not have recoverable cash at bank at appointment.

### 10.1.2 Debtors

Based on the Group's books and records, the Administrators estimate that pre-appointment external debtor balances at the date of appointment were as follows.

| <b>Pre-appointment debtors (\$'000)</b> | <b>ASM</b> | <b>CAEI</b> | <b>CAIT</b> | <b>Workstar</b> | <b>ACAE</b> |
|---|------------|-------------|-------------|-----------------|-------------|
| At book value                           | 3,197      | 11,574      | 2,096       | 827             | 571         |

Based on our preliminary analysis, there is uncertainty in relation to the collectability of pre-appointment debtors. Of the total Group debtor balance of c.\$18m, over \$17m relates to amounts owing from students and government-related student funding, the recoverability of which is uncertain. The Administrators are liaising with the Federal government and other parties to try to maximise the collection of outstanding debts.

### 10.1.3 Non-circulating asset realisations

Certain assets (deemed to be non-circulating) are subject to the security interests of secured creditors. Proceeds from the sale of these assets, subject to costs of realisation, are paid directly to the relevant secured creditor(s). The Administrators estimate that there will be a significant shortfall to all secured creditors of the Group after asset realisations are completed.

Non-circulating assets of the Group include:

- fixed assets, such as plant and equipment
- motor vehicles
- asset subject to specific security (i.e. leased assets)
- going concern business sales
- some intangible assets

## 11. Administrators' recommendation

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|   |
|---|
| We are of the opinion that it is in the creditors' best interests that each of the companies in the Group be wound up (i.e. placed into liquidation). |
|---|

Our opinion of each option available to creditors is discussed below.

### 11.1 Liquidation

We are of the opinion that it is in the best interest of creditors that each of the companies in the Group be wound up.

A liquidator (if appointed) would be in a position to conduct detailed investigations into the circumstances leading up to the appointment of the Administrators.

A liquidator will be empowered to:

- assist employees in applying to FEG for the payment of certain employee entitlements that cannot otherwise be funded by the relevant company (**Section 4.8.4**)
- pursue various potential recoveries under the Act, such as voidable transactions (**Section 8**)
- distribute recoveries made in accordance with the priority provisions of the Act
- complete thorough investigations into:
  - the Group's dealings and affairs
  - actions of the directors
- report findings to ASIC pursuant to the Act

### 11.2 Deed

This option is unavailable to creditors as we have not received any Deed proposals for any company within the Group.

We will table any Deed proposals received after this Report at the Second Meetings. Creditors may decide to adjourn the Second Meeting(s) to further consider any Deed proposals received. Any adjournment of the Second Meeting(s) must reconvene within 45 business days.

### 11.3 Administration to end

We are of the opinion that it is not in the best interest of creditors to end the administration.

While our investigations are continuing, it is evident that each of the companies within the Group is insolvent and unable to pay its debts as and when they fall due (**Section 7**). Accordingly, returning control of the Group (or individual companies) to the directors would be inappropriate in the present circumstances.

## 12. Enquiries

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Should you have any queries or require any further information, contact details for each stakeholder group are provided on the website: <https://www.ppbadvisory.com/creditor-information/v/485/careers-australia-group-limited>

DATED this 22nd day of June 2017

A handwritten signature in black ink, appearing to be a stylized representation of the names Martin Ford and David McEvoy.

**Martin Ford and David McEvoy**  
Administrators

**A. Appointments of Proxy, Proofs of Debt or Claim  
Form – Form 532**

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## SCHEDULE OF COMPANIES

| COMPANY NUMBER | COMPANY NAME & ACN  |
|----------------|---|
| 1              | Careers Australia Group Limited 122 171 840                 |
| 2              | Australian School of Management Pty Ltd 138 545 605         |
| 3              | Australian College of Applied Education Pty Ltd 009 369 797 |
| 4              | Careers Australia College of Healthcare Pty Ltd 007 963 340 |
| 5              | Careers Australia Education Institute Pty Ltd 120 675 505   |
| 6              | Careers Australia Institute of English Pty Ltd 010 994 582  |
| 7              | Careers Australia Institute of Training Pty Ltd 122 082 204 |
| 8              | Cumulonimbus Investments Pty Ltd 169 444 213                |
| 9              | Global Learning Support Group Pty Ltd 169 155 480           |
| 10             | Today Corp Ltd 101 631 485                                  |
| 11             | Workstar Pty Ltd 097 871 933                                |
| 12             | Stratocumulus Pty Ltd ACN 611 961 196                       |



# LINK INSOLVENCY SOLUTIONS – PROOF OF DEBT (POD) OR CLAIM FORM

All forms returned to:  
Link Market Services Limited  
PO BOX 3184  
Rhodes NSW 2138  
Client Code: CAGI  
Email: [careersaustralia@linkmarketservices.com.au](mailto:careersaustralia@linkmarketservices.com.au)  
Creditor Queries: +61 1300 910 051

## CREDITOR DETAILS

Full Name of Company or Individual

Contact Telephone Number

Registered Address

Email Address

**Creditors who have already lodged a proof of debt do not need to complete a new proof of debt unless an amendment is required.**

## PROOF OF DEBT (POD) OR CLAIM FORM 535 CORPORATIONS ACT (SUB REGULATION 5.6.49(2))

I am an employee of the indebted company

I am a creditor

**A**

### INDEBTED COMPANY DETAILS – REFER ATTACHED SCHEDULE OF COMPANIES

Please insert the company number you have a claim against in this box (refer to attached schedule):



Failure to do so would mean that your submission cannot be processed.

If you are a creditor of more than one Indebted Company, you **must copy** and provide a POD form for each company. **The indebted amount must be completed.**

Pursuant to Regulation 5.6.11A of the Corporations Regulations 2001, creditors may elect to receive notices and documents prescribed by the *Corporations Act 2001* by electronic means.

I hereby authorise Link to send all communications electronically including notices, reports and any statements.

Email Address

Total indebted amount (this must be completed):

A\$ , , ,  -

**Note:** Supporting documentation for the above debt(s) must be included with this submission.

**B**

### SIGN HERE (All Creditor(s) must sign)

Creditor 1 (Individual)/Agent 1

Creditor 2 (Individual)/Agent 2

Date

I am in the employment of the creditors and duly authorised in writing by the creditor to make this statement and it is within my knowledge that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

I am the creditor's agent duly authorised in writing to make this statement in writing and it is within my knowledge that the debt was incurred and for the consideration stated and that debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

**Note 1:** If returning the forms by post, please always consider using the appropriate postage stamp on your reply/return envelope to ensure that the forms are received by Link in a timely manner.

**Note 2:** For further details about Link Group's personal information handling practices, visit our website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) for a copy of the Link Group condensed privacy statement.

# LINK INSOLVENCY SOLUTIONS - APPOINTMENT OF PROXY

All forms returned to:  
 Link Market Services Limited  
 PO Box 3184  
 Rhodes NSW 2138  
 Facsimile: +61 2 9287 0309  
 Client Code: CAGI  
 Email: careersaustralia@linkmarketservices.com.au  
 Creditor Queries: +61 1300 910 051

## CREDITOR DETAILS

**Full Name of Company or Individual**

**Contact Telephone Number**

**Registered Address**

**Email Address**

## FORM 532 (CORPORATIONS ACT 2001) APPOINTMENT OF PROXY (REGULATION 5.6.29)

I/We being a creditor(s) of Careers Australia Group Limited 122 171 840 and entitled to attend and vote hereby appoint:

### STEP 1

### APPOINT A PROXY

**the Chairman of the Meeting**  
(mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered creditor) you are appointing as your general/special proxy

to vote on your behalf at the Meetings of Creditors of the Company to be held at **10:00am (AEST) on Friday 30 June 2017 at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane QLD 4000** and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 12:00pm AEST on Thursday, 29 June 2017. Please read the voting instructions overleaf before marking any boxes with an .

### STEP 2

### VOTING DIRECTIONS

#### Resolutions

- |   | For                      | Against                  | Abstain                  |
|---|--------------------------|--------------------------|--------------------------|
| 1 To approve the Administrators' remuneration for the period 25 May 2017 to 16 June 2017 of \$60,038.95 plus GST, as detailed in the Remuneration Report dated 22 June 2017.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 To approve the Administrators' remuneration for the period 17 June 2017 to 30 June 2017 of \$90,000.00 plus GST, as detailed in the Remuneration Report dated 22 June 2017.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 The Company be wound up.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 The Administration should end (and control revert back to the Company directors).   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 To approve the Liquidators' remuneration for the period 30 June 2017 to the conclusion of the Liquidation, as detailed in the Remuneration Report dated 22 June 2017, to be capped at a maximum of \$350,000.00 plus GST. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### STEP 3

### SIGNATURE OF CREDITORS - THIS MUST BE COMPLETED

Creditor 1 (Individual)/Agent 1

Creditor 2 (Individual)/Agent 2

Creditor 3 (Individual)/Agent 3

This form should be signed by the creditor. If signed by the creditor's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

# LINK INSOLVENCY SOLUTIONS - APPOINTMENT OF PROXY

All forms returned to:  
 Link Market Services Limited  
 PO Box 3184  
 Rhodes NSW 2138  
 Facsimile: +61 2 9287 0309  
 Client Code: CAGI  
 Email: careersaustralia@linkmarketservices.com.au  
 Creditor Queries: +61 1300 910 051

## CREDITOR DETAILS

**Full Name of Company or Individual**

**Contact Telephone Number**

**Registered Address**

|  |  |
|--|--|
|  |  |
|--|--|

**Email Address**

## FORM 532 (CORPORATIONS ACT 2001) APPOINTMENT OF PROXY (REGULATION 5.6.29)

I/We being a creditor(s) of Australian School of Management Pty Ltd 138 545 605 and entitled to attend and vote hereby appoint:

### STEP 1

### APPOINT A PROXY

**the Chairman of the Meeting**  
(mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered creditor) you are appointing as your general/special proxy

to vote on your behalf at the Meetings of Creditors of the Company to be held at **10:00am (AEST) on Friday 30 June 2017 at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane QLD 4000** and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 12:00pm AEST on Thursday, 29 June 2017. Please read the voting instructions overleaf before marking any boxes with an .

### STEP 2

### VOTING DIRECTIONS

#### Resolutions

- |   | For                      | Against                  | Abstain                  |
|---|--------------------------|--------------------------|--------------------------|
| 1 To approve the Administrators' remuneration for the period 25 May 2017 to 16 June 2017 of \$129,375.30 plus GST, as detailed in the Remuneration report dated 22 June 2017.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 To approve the Administrators' remuneration for the period 17 June 2017 to 30 June 2017 of \$55,000.00 plus GST, as detailed in the Remuneration report dated 22 June 2017.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 The Company be wound up.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 The Administration should end (and control revert back to the Company directors).   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 To approve the Liquidators' remuneration for the period 30 June 2017 to the conclusion of the Liquidation, as detailed in the Remuneration Report dated 22 June 2017, to be capped at a maximum of \$170,000.00 plus GST. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### STEP 3

### SIGNATURE OF CREDITORS - THIS MUST BE COMPLETED

Creditor 1 (Individual)/Agent 1

Creditor 2 (Individual)/Agent 2

Creditor 3 (Individual)/Agent 3

This form should be signed by the creditor. If signed by the creditor's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

# LINK INSOLVENCY SOLUTIONS - APPOINTMENT OF PROXY

All forms returned to:  
 Link Market Services Limited  
 PO Box 3184  
 Rhodes NSW 2138  
 Facsimile: +61 2 9287 0309  
 Client Code: CAGI  
 Email: careersaustralia@linkmarketservices.com.au  
 Creditor Queries: +61 1300 910 051

## CREDITOR DETAILS

**Full Name of Company or Individual**

**Contact Telephone Number**

**Registered Address**

**Email Address**

## FORM 532 (CORPORATIONS ACT 2001) APPOINTMENT OF PROXY (REGULATION 5.6.29)

I/We being a creditor(s) of Australian College of Applied Education Pty Ltd 009 369 797 and entitled to attend and vote hereby appoint:

### STEP 1

### APPOINT A PROXY

**the Chairman  
of the Meeting  
(mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered creditor) you are appointing as your general/special proxy

to vote on your behalf at the Meetings of Creditors of the Company to be held at **10:00am (AEST) on Friday 30 June 2017 at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane QLD 4000** and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 12:00pm AEST on Thursday, 29 June 2017. Please read the voting instructions overleaf before marking any boxes with an .

### STEP 2

### VOTING DIRECTIONS

#### Resolutions

- |  | For                      | Against                  | Abstain                  |
|--|--------------------------|--------------------------|--------------------------|
| 1 To approve the Administrators' remuneration for the period 25 May 2017 to 16 June 2017 of \$26,830.69 plus GST, as detailed in the Remuneration report dated 22 June 2017.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 To approve the Administrators' remuneration for the period 17 June 2017 to 30 June 2017 of \$9,000.00 plus GST, as detailed in the Remuneration report dated 22 June 2017.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 The Company be wound up.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 The Administration should end (and control revert back to the Company directors).  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 To approve the Liquidators' remuneration for the period 30 June 2017 to the conclusion of the Liquidation, as detailed in the Remuneration Report dated 22 June 2017, to be capped at a maximum of \$65,000.00 plus GST. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### STEP 3

### SIGNATURE OF CREDITORS - THIS MUST BE COMPLETED

Creditor 1 (Individual)/Agent 1

Creditor 2 (Individual)/Agent 2

Creditor 3 (Individual)/Agent 3

This form should be signed by the creditor. If signed by the creditor's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

# LINK INSOLVENCY SOLUTIONS - APPOINTMENT OF PROXY

All forms returned to:  
 Link Market Services Limited  
 PO Box 3184  
 Rhodes NSW 2138  
 Facsimile: +61 2 9287 0309  
 Client Code: CAGI  
 Email: careersaustralia@linkmarketservices.com.au  
 Creditor Queries: +61 1300 910 051

## CREDITOR DETAILS

**Full Name of Company or Individual**

**Contact Telephone Number**

**Registered Address**

**Email Address**

## FORM 532 (CORPORATIONS ACT 2001) APPOINTMENT OF PROXY (REGULATION 5.6.29)

I/We being a creditor(s) of Careers Australia College of Healthcare Pty Ltd 007 963 340 and entitled to attend and vote hereby appoint:

### STEP 1

### APPOINT A PROXY

**the Chairman  
of the Meeting  
(mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered creditor) you are appointing as your general/special proxy

to vote on your behalf at the Meetings of Creditors of the Company to be held at **2:00pm (AEST) on Friday 30 June 2017 at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane QLD 4000** and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 12:00pm AEST on Thursday, 29 June 2017. Please read the voting instructions overleaf before marking any boxes with an .

### STEP 2

### VOTING DIRECTIONS

#### Resolutions

- |  | For                      | Against                  | Abstain                  |
|--|--------------------------|--------------------------|--------------------------|
| 1 To approve the Administrators' remuneration for the period 25 May 2017 to 16 June 2017 of \$6,165.50 plus GST, as detailed in the Remuneration report dated 22 June 2017.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 To approve the Administrators' remuneration for the period 17 June 2017 to 30 June 2017 of \$4,500.00 plus GST, as detailed in the Remuneration report dated 22 June 2017.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 The Company be wound up.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 The Administration should end (and control revert back to the Company directors).  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 To approve the Liquidators' remuneration for the period 30 June 2017 to the conclusion of the Liquidation, as detailed in the Remuneration Report dated 22 June 2017, to be capped at a maximum of \$15,000.00 plus GST. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### STEP 3

### SIGNATURE OF CREDITORS - THIS MUST BE COMPLETED

Creditor 1 (Individual)/Agent 1

Creditor 2 (Individual)/Agent 2

Creditor 3 (Individual)/Agent 3

This form should be signed by the creditor. If signed by the creditor's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

# LINK INSOLVENCY SOLUTIONS - APPOINTMENT OF PROXY

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 Facsimile: +61 2 9287 0309  
 Client Code: CAGI  
 Email: careersaustralia@linkmarketservices.com.au  
 Creditor Queries: +61 1300 910 051

## CREDITOR DETAILS

**Full Name of Company or Individual**

**Contact Telephone Number**

**Registered Address**

|  |  |  |  |  |
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**Email Address**

## FORM 532 (CORPORATIONS ACT 2001) APPOINTMENT OF PROXY (REGULATION 5.6.29)

I/We being a creditor(s) of Careers Australia Education Institute Pty Ltd 120 675 505 and entitled to attend and vote hereby appoint:

### STEP 1

### APPOINT A PROXY

**the Chairman of the Meeting**  
(mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered creditor) you are appointing as your general/special proxy

to vote on your behalf at the Meetings of Creditors of the Company to be held at **10:00am (AEST) on Friday 30 June 2017 at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane QLD 4000** and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 12:00pm AEST on Thursday, 29 June 2017. Please read the voting instructions overleaf before marking any boxes with an .

### STEP 2

### VOTING DIRECTIONS

#### Resolutions

- |   | For                      | Against                  | Abstain                  |
|---|--------------------------|--------------------------|--------------------------|
| 1 To approve the Administrators' remuneration for the period 25 May 2017 to 16 June 2017 of \$354,652.70 plus GST, as detailed in the Remuneration report dated 22 June 2017.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 To approve the Administrators' remuneration for the period 17 June 2017 to 30 June 2017 of \$285,000.00 plus GST, as detailed in the Remuneration report dated 22 June 2017.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 The Company be wound up.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 The Administration should end (and control revert back to the Company directors).   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 To approve the Liquidators' remuneration for the period 30 June 2017 to the conclusion of the Liquidation, as detailed in the Remuneration Report dated 22 June 2017, to be capped at a maximum of \$250,000.00 plus GST. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### STEP 3

### SIGNATURE OF CREDITORS - THIS MUST BE COMPLETED

Creditor 1 (Individual)/Agent 1

Creditor 2 (Individual)/Agent 2

Creditor 3 (Individual)/Agent 3

This form should be signed by the creditor. If signed by the creditor's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

# LINK INSOLVENCY SOLUTIONS - APPOINTMENT OF PROXY

All forms returned to:  
 Link Market Services Limited  
 PO Box 3184  
 Rhodes NSW 2138  
 Facsimile: +61 2 9287 0309  
 Client Code: CAGI  
 Email: careersaustralia@linkmarketservices.com.au  
 Creditor Queries: +61 1300 910 051

## CREDITOR DETAILS

**Full Name of Company or Individual**

**Contact Telephone Number**

**Registered Address**

**Email Address**

## FORM 532 (CORPORATIONS ACT 2001) APPOINTMENT OF PROXY (REGULATION 5.6.29)

I/We being a creditor(s) of Careers Australia Institute of English Pty Ltd 010 994 582 and entitled to attend and vote hereby appoint:

### STEP 1

### APPOINT A PROXY

**the Chairman of the Meeting**  
(mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered creditor) you are appointing as your general/special proxy

to vote on your behalf at the Meetings of Creditors of the Company to be held at **2:00pm (AEST) on Friday 30 June 2017 at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane QLD 4000** and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 12:00pm AEST on Thursday, 29 June 2017. Please read the voting instructions overleaf before marking any boxes with an .

### STEP 2

### VOTING DIRECTIONS

#### Resolutions

- |  | For                      | Against                  | Abstain                  |
|--|--------------------------|--------------------------|--------------------------|
| 1 To approve the Administrators' remuneration for the period 25 May 2017 to 16 June 2017 of \$7,507.50 plus GST, as detailed in the Remuneration report dated 22 June 2017.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 To approve the Administrators' remuneration for the period 17 June 2017 to 30 June 2017 of \$7,000.00 plus GST, as detailed in the Remuneration report dated 22 June 2017.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 The Company be wound up.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 The Administration should end (and control revert back to the Company directors).  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 To approve the Liquidators' remuneration for the period 30 June 2017 to the conclusion of the Liquidation, as detailed in the Remuneration Report dated 22 June 2017, to be capped at a maximum of \$15,000.00 plus GST. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### STEP 3

### SIGNATURE OF CREDITORS - THIS MUST BE COMPLETED

Creditor 1 (Individual)/Agent 1

Creditor 2 (Individual)/Agent 2

Creditor 3 (Individual)/Agent 3

This form should be signed by the creditor. If signed by the creditor's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

# LINK INSOLVENCY SOLUTIONS - APPOINTMENT OF PROXY

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 Rhodes NSW 2138  
 Facsimile: +61 2 9287 0309  
 Client Code: CAGI  
 Email: careersaustralia@linkmarketservices.com.au  
 Creditor Queries: +61 1300 910 051

## CREDITOR DETAILS

**Full Name of Company or Individual**

**Contact Telephone Number**

**Registered Address**

|  |  |
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|  |  |
|--|--|

**Email Address**

## FORM 532 (CORPORATIONS ACT 2001) APPOINTMENT OF PROXY (REGULATION 5.6.29)

I/We being a creditor(s) of Careers Australia Institute of Training Pty Ltd 122 082 204 and entitled to attend and vote hereby appoint:

### STEP 1

### APPOINT A PROXY

**the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered creditor) you are appointing as your general/special proxy

to vote on your behalf at the Meetings of Creditors of the Company to be held at **10:00am (AEST) on Friday 30 June 2017 at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane QLD 4000** and at any adjournment or postponement of the meeting.

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### STEP 2

### VOTING DIRECTIONS

#### Resolutions

- |   | For                      | Against                  | Abstain                  |
|---|--------------------------|--------------------------|--------------------------|
| 1 To approve the Administrators' remuneration for the period 25 May 2017 to 16 June 2017 of \$115,938.14 plus GST, as detailed in the Remuneration report dated 22 June 2017.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 To approve the Administrators' remuneration for the period 17 June 2017 to 30 June 2017 of \$55,000.00 plus GST, as detailed in the Remuneration report dated 22 June 2017.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 The Company be wound up.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 The Administration should end (and control revert back to the Company directors).   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 To approve the Liquidators' remuneration for the period 30 June 2017 to the conclusion of the Liquidation, as detailed in the Remuneration Report dated 22 June 2017, to be capped at a maximum of \$140,000.00 plus GST. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### STEP 3

### SIGNATURE OF CREDITORS - THIS MUST BE COMPLETED

Creditor 1 (Individual)/Agent 1

Creditor 2 (Individual)/Agent 2

Creditor 3 (Individual)/Agent 3

This form should be signed by the creditor. If signed by the creditor's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



# LINK INSOLVENCY SOLUTIONS - APPOINTMENT OF PROXY

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 Link Market Services Limited  
 PO Box 3184  
 Rhodes NSW 2138  
 Facsimile: +61 2 9287 0309  
 Client Code: CAGI  
 Email: careersaustralia@linkmarketservices.com.au  
 Creditor Queries: +61 1300 910 051

## CREDITOR DETAILS

**Full Name of Company or Individual**

**Contact Telephone Number**

**Registered Address**

**Email Address**

## FORM 532 (CORPORATIONS ACT 2001) APPOINTMENT OF PROXY (REGULATION 5.6.29)

I/We being a creditor(s) of Cumulonimbus Investments Pty Ltd 169 444 213 and entitled to attend and vote hereby appoint:

### STEP 1

### APPOINT A PROXY

**the Chairman of the Meeting**  
(mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered creditor) you are appointing as your general/special proxy

to vote on your behalf at the Meetings of Creditors of the Company to be held at **2:00pm (AEST) on Friday 30 June 2017 at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane QLD 4000** and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 12:00pm AEST on Thursday, 29 June 2017. Please read the voting instructions overleaf before marking any boxes with an .

### STEP 2

### VOTING DIRECTIONS

#### Resolutions

- |  | For                      | Against                  | Abstain                  |
|--|--------------------------|--------------------------|--------------------------|
| 1 To approve the Administrators' remuneration for the period 25 May 2017 to 16 June 2017 of \$311.00 plus GST, as detailed in the Remuneration report dated 22 June 2017.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 To approve the Administrators' remuneration for the period 17 June 2017 to 30 June 2017 of \$2,000.00 plus GST, as detailed in the Remuneration report dated 22 June 2017.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 The Company be wound up.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 The Administration should end (and control revert back to the Company directors).  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 To approve the Liquidators' remuneration for the period 30 June 2017 to the conclusion of the Liquidation, as detailed in the Remuneration Report dated 22 June 2017, to be capped at a maximum of \$15,000.00 plus GST. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### STEP 3

### SIGNATURE OF CREDITORS - THIS MUST BE COMPLETED

Creditor 1 (Individual)/Agent 1

Creditor 2 (Individual)/Agent 2

Creditor 3 (Individual)/Agent 3

This form should be signed by the creditor. If signed by the creditor's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

# LINK INSOLVENCY SOLUTIONS - APPOINTMENT OF PROXY

All forms returned to:  
 Link Market Services Limited  
 PO Box 3184  
 Rhodes NSW 2138  
 Facsimile: +61 2 9287 0309  
 Client Code: CAGI  
 Email: careersaustralia@linkmarketservices.com.au  
 Creditor Queries: +61 1300 910 051

## CREDITOR DETAILS

**Full Name of Company or Individual**

**Contact Telephone Number**

**Registered Address**

**Email Address**

## FORM 532 (CORPORATIONS ACT 2001) APPOINTMENT OF PROXY (REGULATION 5.6.29)

I/We being a creditor(s) of Global Learning Support Group Pty Ltd 169 155 480 and entitled to attend and vote hereby appoint:

### STEP 1

### APPOINT A PROXY

**the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered creditor) you are appointing as your general/special proxy

to vote on your behalf at the Meetings of Creditors of the Company to be held at **2:00pm (AEST) on Friday 30 June 2017 at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane QLD 4000** and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 12:00pm AEST on Thursday, 29 June 2017. Please read the voting instructions overleaf before marking any boxes with an .

### STEP 2

### VOTING DIRECTIONS

#### Resolutions

- |  | For                      | Against                  | Abstain                  |
|--|--------------------------|--------------------------|--------------------------|
| 1 To approve the Administrators' remuneration for the period 25 May 2017 to 16 June 2017 of \$6,495.42 plus GST, as detailed in the Remuneration report dated 22 June 2017.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 To approve the Administrators' remuneration for the period 17 June 2017 to 30 June 2017 of \$3,000.00 plus GST, as detailed in the Remuneration report dated 22 June 2017.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 The Company be wound up.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 The Administration should end (and control revert back to the Company directors).  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 To approve the Liquidators' remuneration for the period 30 June 2017 to the conclusion of the Liquidation, as detailed in the Remuneration Report dated 22 June 2017, to be capped at a maximum of \$15,000.00 plus GST. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### STEP 3

### SIGNATURE OF CREDITORS - THIS MUST BE COMPLETED

Creditor 1 (Individual)/Agent 1

Creditor 2 (Individual)/Agent 2

Creditor 3 (Individual)/Agent 3

This form should be signed by the creditor. If signed by the creditor's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

# LINK INSOLVENCY SOLUTIONS - APPOINTMENT OF PROXY

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 Link Market Services Limited  
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 Facsimile: +61 2 9287 0309  
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 Email: careersaustralia@linkmarketservices.com.au  
 Creditor Queries: +61 1300 910 051

## CREDITOR DETAILS

**Full Name of Company or Individual**

**Contact Telephone Number**

**Registered Address**

**Email Address**

## FORM 532 (CORPORATIONS ACT 2001) APPOINTMENT OF PROXY (REGULATION 5.6.29)

I/We being a creditor(s) of Today Corp Ltd 101 631 485 and entitled to attend and vote hereby appoint:

### STEP 1

### APPOINT A PROXY

**the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered creditor) you are appointing as your general/special proxy

to vote on your behalf at the Meetings of Creditors of the Company to be held at **2:00pm (AEST) on Friday 30 June 2017 at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane QLD 4000** and at any adjournment or postponement of the meeting.

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### STEP 2

### VOTING DIRECTIONS

#### Resolutions

- |  | For                      | Against                  | Abstain                  |
|--|--------------------------|--------------------------|--------------------------|
| 1 To approve the Administrators' remuneration for the period 25 May 2017 to 16 June 2017 of \$1,348.50 plus GST, as detailed in the Remuneration report dated 22 June 2017.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 To approve the Administrators' remuneration for the period 17 June 2017 to 30 June 2017 of \$1,000.00 plus GST, as detailed in the Remuneration report dated 22 June 2017.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 The Company be wound up.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 The Administration should end (and control revert back to the Company directors).  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 To approve the Liquidators' remuneration for the period 30 June 2017 to the conclusion of the Liquidation, as detailed in the Remuneration Report dated 22 June 2017, to be capped at a maximum of \$15,000.00 plus GST. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### STEP 3

### SIGNATURE OF CREDITORS - THIS MUST BE COMPLETED

Creditor 1 (Individual)/Agent 1

Creditor 2 (Individual)/Agent 2

Creditor 3 (Individual)/Agent 3

This form should be signed by the creditor. If signed by the creditor's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

# LINK INSOLVENCY SOLUTIONS - APPOINTMENT OF PROXY

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 Email: careersaustralia@linkmarketservices.com.au  
 Creditor Queries: +61 1300 910 051

## CREDITOR DETAILS

**Full Name of Company or Individual**

**Contact Telephone Number**

**Registered Address**

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**Email Address**

## FORM 532 (CORPORATIONS ACT 2001) APPOINTMENT OF PROXY (REGULATION 5.6.29)

I/We being a creditor(s) of Workstar Pty Ltd 097 871 933 and entitled to attend and vote hereby appoint:

### STEP 1

### APPOINT A PROXY

**the Chairman  
of the Meeting  
(mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered creditor) you are appointing as your general/special proxy

to vote on your behalf at the Meetings of Creditors of the Company to be held at **2:00pm (AEST) on Friday 30 June 2017 at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane QLD 4000** and at any adjournment or postponement of the meeting.

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### STEP 2

### VOTING DIRECTIONS

#### Resolutions

- |   | For                      | Against                  | Abstain                  |
|---|--------------------------|--------------------------|--------------------------|
| 1 To approve the Administrators' remuneration for the period 25 May 2017 to 16 June 2017 of \$79,236.80 plus GST, as detailed in the Remuneration report dated 22 June 2017.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 To approve the Administrators' remuneration for the period 17 June 2017 to 30 June 2017 of \$12,500.00 plus GST, as detailed in the Remuneration report dated 22 June 2017.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 The Company be wound up.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 The Administration should end (and control revert back to the Company directors).   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 To approve the Liquidators' remuneration for the period 30 June 2017 to the conclusion of the Liquidation, as detailed in the Remuneration Report dated 22 June 2017, to be capped at a maximum of \$150,000.00 plus GST. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### STEP 3

### SIGNATURE OF CREDITORS - THIS MUST BE COMPLETED

Creditor 1 (Individual)/Agent 1

Creditor 2 (Individual)/Agent 2

Creditor 3 (Individual)/Agent 3

This form should be signed by the creditor. If signed by the creditor's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

# LINK INSOLVENCY SOLUTIONS - APPOINTMENT OF PROXY

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 Facsimile: +61 2 9287 0309  
 Client Code: CAGI  
 Email: careersaustralia@linkmarketservices.com.au  
 Creditor Queries: +61 1300 910 051

## CREDITOR DETAILS

Full Name of Company or Individual

Contact Telephone Number

Registered Address

Email Address

## FORM 532 (CORPORATIONS ACT 2001) APPOINTMENT OF PROXY (REGULATION 5.6.29)

I/We being a creditor(s) of Stratocumulus Pty Ltd 611 961 196 and entitled to attend and vote hereby appoint:

### STEP 1

### APPOINT A PROXY

the Chairman  
of the Meeting  
(mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered creditor) you are appointing as your general/special proxy

to vote on your behalf at the Meetings of Creditors of the Company to be held at 2:00pm (AEST) on Friday 30 June 2017 at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane QLD 4000 and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 12:00pm AEST on Thursday, 29 June 2017. Please read the voting instructions overleaf before marking any boxes with an .

### STEP 2

### VOTING DIRECTIONS

#### Resolutions

- To approve the Administrators' remuneration for the period 25 May 2017 to 16 June 2017 of \$1,420.50 plus GST, as detailed in the Remuneration report dated 22 June 2017.
- To approve the Administrators' remuneration for the period 17 June 2017 to 30 June 2017 of \$1,000.00 plus GST, as detailed in the Remuneration report dated 22 June 2017.
- The Company be wound up.
- The Administration should end (and control revert back to the Company directors).
- If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors.
- To approve the Liquidators' remuneration for the period 30 June 2017 to the conclusion of the Liquidation, as detailed in the Remuneration Report dated 22 June 2017, to be capped at a maximum of \$15,000.00 plus GST.

For Against Abstain

| For                      | Against                  | Abstain                  |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### STEP 3

### SIGNATURE OF CREDITORS - THIS MUST BE COMPLETED

Creditor 1 (Individual)/Agent 1

Creditor 2 (Individual)/Agent 2

Creditor 3 (Individual)/Agent 3

This form should be signed by the creditor. If signed by the creditor's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

## HOW TO COMPLETE THIS PROXY FORM

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. A proxy need not be a creditor of the company. A proxy may be an individual or a body corporate.

**Note:** The proxy nomination will be deemed invalid if you do not complete this step.

### Votes on Items of Business - Proxy Appointment

#### Directed Votes

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your entitlements will be voted in accordance with such a direction. If you mark more than one box on an item your vote on that item will be invalid.

#### General (open) Votes

If you do not mark any of the boxes on an item of business, your proxy may vote as he or she chooses.

### Signing Instructions

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either creditor may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

## Notes

1. If the creditor is a sole trader, sign in accordance with the following example: "A.B., proprietor".
2. If the creditor is a partnership, sign in accordance with the following example: "A.B., a partner of the said firm".
3. If the creditor is a company, then the form of proxy must be under its Common Seal or under the hand of some officer duly authorised in that capacity, and the fact that the officer is so authorised must be stated in accordance with the following example: "for the company, A.B." (duly authorised under the Seal of the Company).

## Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **12:00pm AEST on Thursday, 29 June 2017**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged:



#### by mail:

Att: Careers Australia Group Limited and Associated Entities (All Administrators Appointed)  
C/- Link Market Services Limited  
PO Box 3184  
Rhodes NSW 2138  
Australia



#### by email:

scan and email to [careersaustralia@linkmarketservices.com.au](mailto:careersaustralia@linkmarketservices.com.au)



#### by fax:

+61 2 9287 0309



#### by hand\*:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.  
Att: Careers Australia Group Limited and Associated Entities (All Administrators Appointed)

\* During business hours (Monday to Friday, 9:00am-5:00pm)

If you would like to attend and vote at the Meeting of Creditors, please bring this form with you.  
This will assist in registering your attendance.

## B. Remuneration reports dated 23 June 2017

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Please see individual remuneration reports included as Appendix B1 – B12 on the website:  
<https://www.ppbadvisory.com/creditor-information/v/485/careers-australia-group-limited>

**c. Declaration of Independence, Relevant Relationships and Indemnities**

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## Declaration of Independence, Relevant Relationships and Indemnities

### Careers Australia Group Limited and its subsidiaries referred to in Appendix A (All Administrators Appointed) (the Group, the Careers Australia Group, or the Companies)

A Practitioner appointed to an insolvent entity is required to make declarations as to:

- A. their independence generally
- B. relevant relationships, including:
  - i. the circumstances of the appointment
  - ii. any relationships with the Company and others within the previous 24 months
  - iii. any prior professional services for the Company within the previous 24 months
  - iv. that there are no other relationships to declare and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of us, our partners, PPB Advisory and the related entities of PPB Advisory.

The Companies represent 12 entities within the wider Careers Australia Group as outlined in Schedule A. We note that we were appointed to 11 entities (excluding Stratocumulus Pty Ltd) in the Group on 25 May 2017. On 26 May 2017, we were appointed to Stratocumulus Pty Ltd.

A list of related entities of PPB Advisory is included in Schedule B at the end of this document.

#### A. Independence

We, David McEvoy and Martin Ford of PPB Advisory, Central Plaza One, Level 27, 345 Queen Street, Brisbane QLD 4000, have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as joint and several Administrators of the Group in accordance with the law and applicable professional standards.

This assessment identified no real or potential risks to our independence. We are not aware of any conflicts at the time of our appointment or any reasons that would prevent us from accepting this appointment.

If any conflict arises, we will seek independent legal advice or court directions if appropriate.

If this declaration needs to be updated we will issue written notice to all known creditors as per the Group's records and provide the update on our creditor webpage.

#### B. Declaration of Relationships

##### i. Circumstances of appointment

This appointment was referred to us by Brendon Watkins of Minter Ellison.

As outlined below, we have had discussions and meetings with relevant parties regarding the Companies' affairs in the period leading up to our appointment as Administrators:

| Date                | Description  |
|---------------------|--|
| 12 April 2017       | Brendon Watkins contacted David McEvoy to advise that the Company may require assistance following a recent government announcement withdrawing funding from the Group. Subsequent to that discussion Martin Ford and his staff met with the Group's Executive Chairman (Patrick McKendry), the Chief Executive Officer (Walter Gilmore) and certain of their staff to review the Group's position.  |
| 12 April to present | <p>In the period between the 12 April 2017 and 5 May 2017 we:</p> <ul style="list-style-type: none"> <li>• conducted an initial high level assessment of the available financial information,</li> <li>• were provided with email updates and held multiple discussions with Mr McKendry, Mr Gilmore and Mr Richard Pepper (Chief Financial Officer)</li> <li>• held discussions with Jarrod Villani from KordaMentha and his staff, who had been engaged on behalf of Westpac Banking Corporation.</li> </ul> <p>We were not formally engaged by the Company and were not paid for any of the activities described above.</p> <p>On 5 May 2017, we were asked to provide an engagement letter to the Group for the purposes of conducting a limited scope analysis to assist management in assessing the options for the Group. This engagement letter was signed on 11 May 2017. We were requested to provide assistance on the following matters:</p> <ol style="list-style-type: none"> <li>1. Analysis of performance by Business Unit/Division, to assess turnaround/profitability potential of each Unit/Division</li> <li>2. Analysis of Balance Sheets on an entity by entity basis to assess the potential impact if a restructuring of liabilities can be achieved</li> <li>3. Review of mechanisms by which a restructuring could be implemented</li> <li>4. Identify factors that could impact on the ability to pursue restructuring options and assess how those factors could potentially be dealt with</li> </ol> <p>We did not complete our work on the above scope and no report was issued to the Group.</p> |
| 24 May 2017         | We were contacted by Minter Ellison and Walter Gilmore to advise that the Boards of the Companies would be meeting the following day to consider the options available for the Group.  |
| 25 May 2017         | <p>Martin Ford met with Patrick McKendry, Walter Gilmore, Richard Pepper and other senior Group management and attended a teleconference with the Directors of the Companies and their legal advisors to provide an overview of the voluntary administration process.</p> <p>We were subsequently requested to provide consents to act as Voluntary Administrators in respect of each of the Companies.</p>  |

In our opinion, these meetings and discussions do not affect our independence, as the advice was given to the Group and not to the directors personally. Further, the advice was restricted to the limitations imposed by Principle 2 of the Code of Professional Practice in relation to pre-appointment advice. Further, the advice provided is unlikely to be subject to review during the administrations and would not impact on compliance with our statutory and fiduciary duties. It is for these reasons that the advice does not, in our opinion, give rise to a conflict of interest or duty.

We received \$12,500 (excluding GST) in advance as part payment for the work undertaken.

We have not provided other information or advice to the Group, its directors and advisors prior to our appointment, beyond that outlined in this Declaration of Independence, Relevant Relationships and Indemnities (**DIRRI**).

## ii. Relevant relationships (excluding professional services to the insolvent)

We, or a member of our firm, have, or have had within the preceding 24 months, a relationship with:

### National Australia Bank Limited, Westpac Banking Corporation (collectively the Security Holders)

| Nature of relationship   | Reasons why no conflict of interest or duty  |
|--|--|
| The Security Holders hold security interests over the Company's property. We have professional relationships with the majority of the major banks and lenders in Australia and with a number of staff within the Security Holders' organisations, particularly in the credit and workout areas. We have previously undertaken formal and informal assignments on behalf of the Security Holders for a number of years. | We believe that this relationship does not result in a conflict of interest or duty because our previous relationships with the Security Holders were not in relation to the Companies' and/or the directors' affairs, or related parties of the Companies and/or the directors. |

### Minter Ellison

| Nature of relationship   | Reasons why no conflict of interest or duty  |
|--|--|
| Minter Ellison is an advisor to the Group and referred the Group to us for professional advice. We have had previous professional relationships with Minter Ellison and a number of Minter Ellison's staff for a number of years. We have previously undertaken formal and informal assignments on companies referred to us by Minter Ellison. | We believe that this relationship does not result in a conflict of interest or duty because: <ul style="list-style-type: none"><li>• Our previous relationships with Minter Ellison were not in relation to the Group's and/or the directors' affairs, or related parties of the Group and/or the directors.</li><li>• We have a wide referral base and Minter Ellison is one of our many referrers of work in the past 24 months.</li><li>• Referrals from solicitors, business advisors or accountants are commonplace and do not impact on our independence in carrying out our duties as Administrators.</li></ul> |

### Deputy Commissioner of Taxation, Workcover (unsecured creditors)

| Nature of relationship   | Reasons why no conflict of interest or duty  |
|--|--|
| Various Practitioners within PPB Advisory are members of panels for appointments as liquidators and bankruptcy trustees. | We believe that these relationships do not result in a conflict of interest or duty. Our previous relationship with unsecured creditors has not been and is not in relation to the Group's affairs and/or the Group's Directors or related parties of the Group. |

## iii. Prior professional services to the insolvent

We have provided the following limited professional services to the Group in the previous 24 months.

| Nature of professional service   | Reasons why not an impediment of conflict   |
|--|---|
| On 11 May 2017, we were engaged to provide financial advisory assistance to the Group in respect of: | We believe this relationship does not result in a conflict of interest or duty because: <ul style="list-style-type: none"><li>• Much of the work done during the engagement is work that would have been performed by us in</li></ul> |

1. Analysis of performance by Business Unit/Division, to assess turnaround/profitability potential of each Unit/Division
2. Analysis of Balance Sheets on an entity by entity basis to assess the potential impact if a restructuring of liabilities can be achieved
3. Review of mechanisms by which a restructuring could be implemented
4. Identify factors that could impact on the ability to pursue restructuring options and assess how those factors could potentially be dealt with

The engagement occurred over a period of less than two weeks and we were paid a fee of \$12,500 (plus GST) in advance for the services provided. We did not complete our work in respect of this engagement.

order to report to creditors under section 439A of the Corporations Act

- The nature of the work for the Group is such that it would not be subject to review and challenge during the course of the administration
- The engagement will not influence our ability to fully comply with the statutory and fiduciary duties associated with the administrations of the Group in an objective and impartial manner

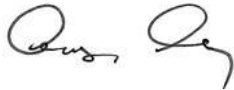
#### iv. No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Group, an associate of the Group, a former insolvency practitioner appointed to the Group or any person or entity that has security over the whole or substantially the whole of the Group's property that should be disclosed.

#### C. Indemnities and up-front payments

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute. We have not received any upfront payments in respect of our remuneration or disbursements.

Dated this 29<sup>th</sup> day of May 2017



**David McEvoy**  
Administrator



**Martin Ford**  
Administrator

#### Note:

1. *If circumstances change, or new information is identified, we are required under the Corporations Act 2001 and the Australian Restructuring Insolvency & Turnaround Association (ARITA) Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.*
2. *Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.*

## Schedule A – Careers Australia Group (All Administrators Appointed)

| <b>Company Name</b>                             | <b>ACN</b>  |
|---|-------------|
| Careers Australia Group Limited                 | 122 171 840 |
| Australian School of Management Pty Ltd         | 138 545 605 |
| Australian College of Applied Education Pty Ltd | 009 369 797 |
| Careers Australia College of Healthcare Pty Ltd | 007 963 340 |
| Careers Australia Education Institute Pty Ltd   | 120 675 505 |
| Careers Australia Institute of English Pty Ltd  | 010 994 582 |
| Careers Australia Institute of Training Pty Ltd | 122 082 204 |
| Cumulonimbus Investments Pty Ltd                | 169 444 213 |
| Global Learning Support Group Pty Ltd           | 169 155 480 |
| Stratocumulus Pty Ltd                           | 611 961 196 |
| Today Corp Ltd                                  | 101 631 485 |
| Workstar Pty Ltd                                | 097 871 933 |

## Schedule B – related entities of PPB Advisory

### **All Australian incorporated related entities of PPB Advisory**

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PPB Pty Limited, Australia

subsidiaries

PPB Advisory Agribusiness Management Pty Ltd, Australia

PPB Advisory Funds Management Holding Pty Limited, Australia

PPB Corporate Finance Pty Limited, Australia

PPB Corporate Services Pty Ltd, Australia

PPB NZ Holdings Pty Limited, Australia

PPB Advisory Funds Management Limited, Australia

PPB Property Administration Pty Ltd, Australia

PPB Property Pty Limited, Australia

PPB Real Estate Pty Ltd, Australia

PPB NZ Limited As Nominee For PPB NZ Partnership

PPB NZ Property Limited

PPB NZ Equity Limited

Tiago Advisory Pty Limited, Australia

A.C.N 142 632 479 Pty Limited, Australia

PPB Funding Pty Ltd, Australia

### **Litmus Group entities which merged with PPB Advisory as of 1 March 2016**

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LITMUS Group Pte Limited, Singapore

TRUE North Advantage Pte Limited, Singapore

**D. Notice of meeting of creditors**

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**FORM 529**

Paragraph 439A(3)(b)  
Regulation 5.3.A.03AB

*Corporations Act 2001*

**NOTICE OF MEETING OF CREDITORS**

**Careers Australia Group Limited  
(Administrators Appointed) (the Company)  
ACN 122 171 840**

**Meeting One – Concurrent meetings of the creditors of:**

|  |                    |
|--|--------------------|
| <b>Careers Australia Group Limited</b>                 | <b>122 171 840</b> |
| <b>Australian School of Management Pty Ltd</b>         | <b>138 545 605</b> |
| <b>Australian College of Applied Education Pty Ltd</b> | <b>009 369 797</b> |
| <b>Careers Australia Education Institute Pty Ltd</b>   | <b>120 675 505</b> |
| <b>Careers Australia Institute of Training Pty Ltd</b> | <b>122 082 204</b> |

**(All Administrators Appointed) (the Group or Companies)**

**Meeting Two – Concurrent meetings of the creditors of:**

|  |                    |
|--|--------------------|
| <b>Careers Australia College of Healthcare Pty Ltd</b> | <b>007 963 340</b> |
| <b>Careers Australia Institute of English Pty Ltd</b>  | <b>010 994 582</b> |
| <b>Cumulonimbus Investments Pty Ltd</b>                | <b>169 444 213</b> |
| <b>Global Learning Support Group Pty Ltd</b>           | <b>169 155 480</b> |
| <b>Stratocumulus Pty Ltd</b>                           | <b>611 961 196</b> |
| <b>Today Corp Limited</b>                              | <b>101 631 485</b> |
| <b>Workstar Pty Ltd</b>                                | <b>097 871 933</b> |

**(All Administrators Appointed) (the Group or Companies)**

Notice is now given that meetings of creditors of each company in the Group will be held on:

1. Meeting One – 10:00AM AEST on Friday, 30 June 2017, at the Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane, Queensland.
2. Meeting Two – 2:00PM AEST on Friday, 30 June 2017, at the Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane, Queensland.

The Administrators give notice that a copy of the report prepared to creditors pursuant to Section 439A of the Corporations Act 2001:

- will be available from 23 June 2017 on the website <https://www.ppbadvisory.com/creditor-information/v/485/careers-australia-group-limited>.
- can be requested from our office by contacting (03) 9269 4000.

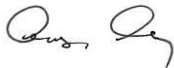


## Agenda

1. To receive the report by the joint and several Administrators concerning the Group's business, property, affairs and financial circumstances pursuant to Section 439A of the Corporations Act 2001.
2. For the creditors of each individual company to consider the options available and to resolve that:
  - (a) the relevant company execute a Deed of Company Arrangement, or
  - (b) the administration of the relevant company should end, or
  - (c) the relevant company be wound up.
3. To approve:
  - (a) the Administrators' remuneration for each company
  - (b) the Deed Administrators' remuneration for each company, if one is appointed or
  - (c) the Liquidators' remuneration for each company, if one is appointed.
4. If the company is wound up, to consider the appointment of a Committee of Inspection and, if so, who are to be the committee members.
5. Any other business.

Creditors wishing to attend are advised that proofs of debt and proxies must be submitted to [careersaustralia@linkmarketservices.com.au](mailto:careersaustralia@linkmarketservices.com.au) by noon AEST on Thursday, 29 June 2017.

Dated this 22nd day of June 2017



**Martin Ford and David McEvoy**  
Administrators

**E. ASIC Publication: Insolvency information for directors, employees, creditors and shareholders**

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ASIC

Australian Securities & Investments Commission

## Insolvency information for directors, employees, creditors and shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Insolvency Practitioners Association (IPA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

### List of information sheets

- INFO 41 *Insolvency: a glossary of terms*
- INFO 74 *Voluntary administration: a guide for creditors*
- INFO 75 *Voluntary administration: a guide for employees*
- INFO 45 *Liquidation: a guide for creditors*
- INFO 46 *Liquidation: a guide for employees*
- INFO 54 *Receivership: a guide for creditors*
- INFO 55 *Receivership: a guide for employees*
- INFO 43 *Insolvency: a guide for shareholders*
- INFO 42 *Insolvency: a guide for directors*
- INFO 84 *Independence of external administrators: a guide for creditors*
- INFO 85 *Approving fees: a guide for creditors*

### Getting copies of the information sheets

To get copies of the information sheets, visit ASIC's website at [www.asic.gov.au/insolvencyinfosheets](http://www.asic.gov.au/insolvencyinfosheets). The information sheets are also available from the IPA website at [www.ipaa.com.au](http://www.ipaa.com.au). The IPA website also contains the IPA's Code of Professional Practice for Insolvency Professionals, which applies to IPA members.

**Important note:** The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.

## F. Statutory information for Group companies

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# APPENDIX F

## Current Directors as at 25 May 2017

|                       |                                  | Subsidiary                      |   |   |   |   |                  |   |  |                                       |                                  |                |                       |
|-----------------------|----------------------------------|---------------------------------|---|---|---|---|------------------|---|--|---------------------------------------|----------------------------------|----------------|-----------------------|
|                       |                                  | Careers Australia Group Limited | Australian School of Management Pty Ltd | Australian College of Applied Education Pty Ltd | Careers Australia Education Institute Pty Ltd | Careers Australia Institute of Training Pty Ltd | Workstar Pty Ltd | Careers Australia College of Healthcare Pty Ltd | Careers Australia Institute of English Pty Ltd | Global Learning Support Group Pty Ltd | Cumulonimbus Investments Pty Ltd | Today Corp Ltd | Stratocumulus Pty Ltd |
| Director              | Patrick McKendry                 | ✓                               | ✓                                       |   | ✓   | ✓   |                  | ✓   | ✓  |                                       |                                  | ✓              |                       |
|                       | Errol Desmond Clark              | ✓                               |   |   | ✓   | ✓   |                  | ✓   | ✓  |                                       |                                  |                |                       |
|                       | Nicholas Peter Merrick Watkins   | ✓                               |   |   | ✓   | ✓   |                  | ✓   | ✓  |                                       |                                  |                |                       |
|                       | Jonas Martin-Lof                 | ✓                               |   |   | ✓   | ✓   |                  | ✓   | ✓  |                                       |                                  |                |                       |
|                       | Tanya Castleman                  |                                 | ✓                                       |   |   |   |                  |   |  |                                       |                                  |                |                       |
|                       | Lincoln John Hart                |                                 | ✓                                       |   |   |   |                  |   |  |                                       |                                  |                |                       |
|                       | Andrew John Robb                 |                                 | ✓                                       |   |   |   |                  |   |  |                                       |                                  |                |                       |
|                       | Mary Louise Stuart               |                                 | ✓                                       |   |   |   |                  |   |  |                                       |                                  |                |                       |
|                       | David Ensor (Alternate director) |                                 | ✓                                       |   |   |   |                  |   |  |                                       |                                  |                |                       |
|                       | Cumulonimbus Investments Pty Ltd |                                 |   |   |   |   |                  |   |  |                                       |                                  |                |                       |
|                       | Today Corp Ltd                   |                                 |   |   |   |   |                  |   |  |                                       |                                  |                |                       |
| Stratocumulus Pty Ltd |                                  |                                 |   |   |   |   |                  |   |  |                                       |                                  |                |                       |
| Secretary             | Walter Gilmore                   |                                 |   | ✓   |   |   | ✓                |   |  | ✓                                     | ✓                                | ✓              | ✓                     |
|                       | Richard Pepper                   |                                 |   | ✓   |   |   | ✓                |   |  | ✓                                     | ✓                                | ✓              |                       |
|                       | Anthony Pullin                   |                                 |   |   |   |   |                  |   |  |                                       |                                  |                | ✓                     |
|                       | Andrew Draffin                   |                                 |   |   |   |   |                  |   |  |                                       |                                  |                | ✓                     |
|                       | Richard Gati                     |                                 |   |   |   |   |                  |   |  |                                       |                                  |                | ✓                     |
|                       | Walter Gilmore                   | ✓                               |   | ✓   | ✓   | ✓   | ✓                | ✓   | ✓  | ✓                                     | ✓                                | ✓              | ✓                     |
|                       | Richard Pepper                   |                                 |   |   |   |   |                  |   |  | ✓                                     |                                  |                |                       |

Information obtained from ASIC company searches as at 25 May 2017

## Careers Australia Group Limited

| Company details                  |   |
|----------------------------------|---|
| Date of incorporation            | 27/04/2007  |
| Registered office                | Level 6, 515 St Pauls Terrace, Fortitude Valley QLD 4006  |
| Principal place of business      | Level 6, 515 St Pauls Terrace, Fortitude Valley QLD 4006  |
| Directors' details               | Appointment from/to   |
| Patrick McKendry                 | 05/12/2007 to current   |
| Errol Desmond Clark              | 28/02/2013 to current   |
| Nicholas Peter Merrick Watkins   | 01/09/2013 to current   |
| Jonas Martin-Lof                 | 05/08/2011 to current   |
| Michael Jasansky                 | 01/09/2013 to 11/04/2017  |
| Richard Gati                     | 04/03/2014 to 11/04/2017  |
| Alexander Hansen                 | 20/01/2017 to 11/04/2017  |
| Louise Marianna Gertrud Svanberg | 01/09/2013 to 15/03/2017  |
| Robert Cecil Mansfield           | 05/08/2011 to 05/12/2016  |
| Secretary's details              | Appointment from/to   |
| Walter Gilmore                   | 12/10/2006 to current   |
| Shareholders                     | Shareholding details  |
| Steel-Loc Pty. Ltd.              | 188,450,555 ordinary shares issued (total amount paid \$57,357,851.87)<br>16,153,846 redeemable preference shares issued (total amount paid \$2,099,999.98) |

## Australian School of Management Pty Ltd

| Company details                  |  |
|----------------------------------|--|
| Date of incorporation            | 28/07/2009   |
| Registered office                | Level 6, 515 St Pauls Terrace, Fortitude Valley QLD 4006 |
| Principal place of business      | Level 1, 641-643 Wellington Street, Perth WA 6000        |
| Directors' details               | Appointment from/to                                      |
| Tanya Castleman                  | 22/09/2015 to current                                    |
| Lincoln John Hart                | 12/08/2016 to current                                    |
| Andrew John Robb                 | 06/09/2016 to current                                    |
| Mary Louise Stuart               | 31/08/2016 to current                                    |
| Patrick McKendry                 | 14/02/2017 to current                                    |
| David Ensor (Alternate Director) | 22/09/2015 to current                                    |
| Walter Gilmore                   | 19/03/2015 to 19/04/2017                                 |
| Alan Martin Williams             | 28/07/2009 to 22/08/2016                                 |
| John Steven Perry Hobson         | 31/05/2010 to 22/08/2016                                 |
| Peter John Ryan                  | 31/05/2010 to 22/08/2016                                 |
| Secretary's details              | Appointment from/to                                      |
| Dianne Margaret Leslie           | 28/07/2009 to 30/04/2014                                 |

| Shareholders                    | Shareholding details  |
|---------------------------------|---|
| Careers Australia Group Limited | 100,000 ordinary shares issued (total amount paid \$100,000.00) |

#### Australian College of Applied Education Pty Ltd

| Company details                 |  |
|---------------------------------|--|
| Date of incorporation           | 06/01/2012   |
| Registered office               | Level 6, 515 St Pauls Terrace, Fortitude Valley QLD 4006 |
| Principal place of business     | Level 1, 641-643 Wellington Street, Perth WA 6000        |
| Directors' details              | Appointment from/to                                      |
| Walter Gilmore                  | 19/03/2015 to current                                    |
| Richard Pepper                  | 19/03/2015 to current                                    |
| Secretary's details             | Appointment from/to                                      |
| Walter Gilmore                  | 19/03/2015 to current                                    |
| Shareholders                    | Shareholding details                                     |
| Careers Australia Group Limited | 300 ordinary shares issued (total amount paid \$300.00)  |

#### Careers Australia Education Institute Pty Ltd

| Company details                  |  |
|----------------------------------|--|
| Date of incorporation            | 11/07/2006   |
| Registered office                | Level 6, 515 St Pauls Terrace, Fortitude Valley QLD 4006 |
| Principal place of business      | 196 Flinders Street, Melbourne VIC 3000                  |
| Directors' details               | Appointment from/to                                      |
| Patrick McKendry                 | 05/12/2007 to current                                    |
| Errol Desmond Clark              | 28/02/2013 to current                                    |
| Nicholas Peter Merrick Watkins   | 01/09/2013 to current                                    |
| Jonas Martin-Lof                 | 05/08/2011 to current                                    |
| Michael Jasansky                 | 01/09/2013 to 11/04/2017                                 |
| Richard Gati                     | 04/03/2014 to 11/04/2017                                 |
| Alexander Hansen                 | 20/01/2017 to 11/04/2017                                 |
| Louise Marianna Gertrud Svanberg | 01/09/2013 to 15/03/2017                                 |
| Robert Cecil Mansfield           | 05/08/2011 to 05/12/2016                                 |
| Secretary's details              | Appointment from/to                                      |
| Walter Gilmore                   | 19/02/2007 to current                                    |
| Shareholders                     | Shareholding details                                     |
| Careers Australia Group Limited  | 1 ordinary share issued (total amount paid \$1.00)       |

## Careers Australia Institute of Training Pty Ltd

| Company details                  |  |
|----------------------------------|--|
| Date of incorporation            | 06/10/2006   |
| Registered office                | Level 6, 515 St Pauls Terrace, Fortitude Valley QLD 4006 |
| Principal place of business      | Level 6, 515 St Pauls Terrace, Fortitude Valley QLD 4006 |
| Directors' details               | Appointment from/to                                      |
| Patrick McKendry                 | 05/12/2007 to current                                    |
| Errol Desmond Clark              | 28/02/2013 to current                                    |
| Nicholas Peter Merrick Watkins   | 01/09/2013 to current                                    |
| Jonas Martin-Lof                 | 05/08/2011 to current                                    |
| Michael Jasansky                 | 01/09/2013 to 11/04/2017                                 |
| Richard Gati                     | 04/03/2014 to 11/04/2017                                 |
| Alexander Hansen                 | 20/01/2017 to 11/04/2017                                 |
| Louise Marianna Gertrud Svanberg | 01/09/2013 to 15/03/2017                                 |
| Robert Cecil Mansfield           | 05/08/2011 to 05/12/2016                                 |
| Secretary's details              | Appointment from/to                                      |
| Walter Gilmore                   | 06/10/2006 to current                                    |
| Shareholders                     | Shareholding details                                     |
| Careers Australia Group Limited  | 1 ordinary share issued (total amount paid \$1.00)       |

## Workstar Pty Ltd

| Company details                 |  |
|---------------------------------|--|
| Date of incorporation           | 17/08/2001   |
| Registered office               | Level 6, 515 St Pauls Terrace, Fortitude Valley QLD 4006 |
| Principal place of business     | Level 23, 1 Oxford Street, Darlinghurst NSW 2010         |
| Directors' details              | Appointment from/to                                      |
| Walter Gilmore                  | 23/10/2014 to current                                    |
| Richard Pepper                  | 23/10/2014 to current                                    |
| Secretary's details             | Appointment from/to                                      |
| Walter Gilmore                  | 23/10/2014 to current                                    |
| Shareholders                    | Shareholding details                                     |
| Careers Australia Group Limited | 600 ordinary shares issued (total amount paid \$600)     |



## Careers Australia College of Healthcare Pty Ltd

| Company details                                 |  |
|---|--|
| Date of incorporation                           | 13/07/1981   |
| Registered office                               | Level 6, 515 St Pauls Terrace, Fortitude Valley QLD 4006 |
| Principal place of business                     | Level 6, 515 St Pauls Terrace, Fortitude Valley QLD 4006 |
| Directors' details                              | Appointment from/to                                      |
| Patrick McKendry                                | 01/07/2008 to current                                    |
| Errol Desmond Clark                             | 28/02/2013 to current                                    |
| Nicholas Peter Merrick Watkins                  | 01/09/2013 to current                                    |
| Jonas Martin-Lof                                | 05/08/2011 to current                                    |
| Michael Jasansky                                | 01/09/2013 to 11/04/2017                                 |
| Richard Gati                                    | 04/03/2014 to 11/04/2017                                 |
| Alexander Hansen                                | 20/01/2017 to 11/04/2017                                 |
| Louise Marianna Gertrud Svanberg                | 01/09/2013 to 15/03/2017                                 |
| Robert Cecil Mansfield                          | 05/08/2011 to 05/12/2016                                 |
| Secretary's details                             | Appointment from/to                                      |
| Walter Gilmore                                  | 01/07/2008 to current                                    |
| Shareholders                                    | Shareholding details                                     |
| Careers Australia Institute of Training Pty Ltd | 2 ordinary shares issued (total amount paid \$2.00)      |

## Careers Australia Institute of English Pty Ltd

| Company details                  |  |
|----------------------------------|--|
| Date of incorporation            | 08/12/1989   |
| Registered office                | Level 6, 515 St Pauls Terrace, Fortitude Valley QLD 4006 |
| Principal place of business      | Level 6, 515 St Pauls Terrace, Fortitude Valley QLD 4006 |
| Directors' details               | Appointment from/to                                      |
| Patrick McKendry                 | 05/12/2007 to current                                    |
| Errol Desmond Clark              | 28/02/2013 to current                                    |
| Nicholas Peter Merrick Watkins   | 01/09/2013 to current                                    |
| Jonas Martin-Lof                 | 05/08/2011 to current                                    |
| Michael Jasansky                 | 01/09/2013 to 11/04/2017                                 |
| Richard Gati                     | 04/03/2014 to 11/04/2017                                 |
| Alexander Hansen                 | 20/01/2017 to 11/04/2017                                 |
| Louise Marianna Gertrud Svanberg | 01/09/2013 to 15/03/2017                                 |
| Robert Cecil Mansfield           | 05/08/2011 to 05/12/2016                                 |
| Secretary's details              | Appointment from/to                                      |
| Walter Gilmore                   | 08/01/2007 to current                                    |
| Shareholders                     | Shareholding details                                     |
| Careers Australia Group Limited  | 22 ordinary shares issued (total amount paid \$22.00)    |

## Global Learning Support Group Pty Ltd

| Company details                  |   |
|----------------------------------|---|
| Date of incorporation            | 17/04/2014  |
| Registered office                | Level 6, 515 St Pauls Terrace, Fortitude Valley QLD 4006    |
| Principal place of business      | Level 1, 636 St Kilda Road, Melbourne VIC 3000              |
| Directors' details               | Appointment from/to   |
| Walter Gilmore                   | 29/07/2014 to current                                       |
| Richard Pepper                   | 14/05/2014 to current                                       |
| Secretaries' details             | Appointment from/to   |
| Walter Gilmore                   | 15/08/2014 to current                                       |
| Richard Pepper                   | 15/08/2014 to current                                       |
| Shareholders                     | Shareholding details  |
| Cumulonimbus Investments Pty Ltd | 4,000 ordinary shares issued (total amount paid \$4,000.00) |

## Cumulonimbus Investments Pty Ltd

| Company details                 |  |
|---------------------------------|--|
| Date of incorporation           | 06/05/2014   |
| Registered office               | Level 6, 515 St Pauls Terrace, Fortitude Valley QLD 4006 |
| Principal place of business     | Level 6, 515 St Pauls Terrace, Fortitude Valley QLD 4006 |
| Directors' details              | Appointment from/to                                      |
| Walter Gilmore                  | 08/05/2014 to current                                    |
| Richard Pepper                  | 08/05/2014 to current                                    |
| Secretary's details             | Appointment from/to                                      |
| Walter Gilmore                  | 08/05/2014 to current                                    |
| Shareholders                    | Shareholding details                                     |
| Careers Australia Group Limited | 1 ordinary share issued (total amount paid \$1.00)       |

## Today Corp Ltd

| Company details                 |  |
|---------------------------------|--|
| Date of incorporation           | 08/08/2002   |
| Registered office               | Level 6, 515 St Pauls Terrace, Fortitude Valley QLD 4006   |
| Principal place of business     | Unit 108,433 Alfred Street, Neutral Bay NSW 2089   |
| Directors' details              | Appointment from/to  |
| Walter Gilmore                  | 23/10/2014 to current  |
| Patrick McKendry                | 23/10/2014 to current  |
| Richard Pepper                  | 23/10/2014 to current  |
| Secretary's details             | Appointment from/to  |
| Walter Gilmore                  | 23/10/2014 to current  |
| Shareholders                    | Shareholding details   |
| Careers Australia Group Limited | 1,002,003 ordinary shares issued (total amount paid \$19,089,422.00)<br>1,215,798 C class shares issued (total amount paid \$1,500,002.14)<br>104,667 redeemable preference shares issued (total amount paid \$157,000.50) |

## Stratocumulus Pty Ltd

| Company details                 |  |
|---------------------------------|--|
| Date of incorporation           | 20/04/2016   |
| Registered office               | 100 Brookes Street, Fortitude Valley QLD 4006        |
| Principal place of business     | 100 Brookes Street, Fortitude Valley QLD 4006        |
| Directors' details              | Appointment from/to                                  |
| Anthony Pullin                  | 20/04/2016 to current                                |
| Andrew Draffin                  | 20/04/2016 to current                                |
| Richard Gati                    | 20/04/2016 to current                                |
| Walter Gilmore                  | 20/04/2016 to current                                |
| Secretary's details             | Appointment from/to                                  |
| Walter Gilmore                  | 20/04/2016 to current                                |
| Shareholders                    | Shareholding details                                 |
| Careers Australia group Limited | 100 ordinary shares issued (total amount paid \$100) |

## G. Details of secured creditors per PPSR searches

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# APPENDIX G

## Summary of PPSA Registrations

| Group Company                   | PPSR Claimant                                | PPSR Registration Number | Start Date | Item Description |
|---------------------------------|--|--------------------------|------------|------------------|
| Careers Australia Group Limited | BOQ CREDIT PTY LIMITED ACN 080 151 266       | 201609160063791          | 16/09/2016 | Motor Vehicle    |
| Careers Australia Group Limited | DATA#3 LIMITED. ACN 010 545 267              | 201312100046324          | 10/12/2013 | Other Goods      |
| Careers Australia Group Limited | DE LAGE LANDEN PTY LIMITED ACN 101 692 040   | 201503180024573          | 18/03/2015 | Other Goods      |
| Careers Australia Group Limited | DE LAGE LANDEN PTY LIMITED ACN 101 692 040   | 201506120016533          | 12/06/2015 | Other Goods      |
| Careers Australia Group Limited | DE LAGE LANDEN PTY LIMITED ACN 101 692 040   | 201605240045068          | 24/05/2016 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201301210020703          | 21/01/2013 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201302120077990          | 12/02/2013 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201302120078018          | 12/02/2013 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201302120078025          | 12/02/2013 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201302120078056          | 12/02/2013 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201306210077775          | 21/06/2013 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201307020070187          | 2/07/2013  | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201307020070194          | 2/07/2013  | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201307020070207          | 2/07/2013  | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201307020070211          | 2/07/2013  | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201311260025560          | 26/11/2013 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201403180065018          | 18/03/2014 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201407080058310          | 8/07/2014  | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201407080058323          | 8/07/2014  | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201407080058334          | 8/07/2014  | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201407080058352          | 8/07/2014  | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201409030059355          | 3/09/2014  | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201409030059364          | 3/09/2014  | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201411280041136          | 28/11/2014 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201412180078604          | 18/12/2014 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201412180078658          | 18/12/2014 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201412180078662          | 18/12/2014 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201412180078712          | 18/12/2014 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201503180066314          | 18/03/2015 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201503180066322          | 18/03/2015 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201503180066333          | 18/03/2015 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201503180066346          | 18/03/2015 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201503180066367          | 18/03/2015 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201506120066540          | 12/06/2015 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201506150062352          | 15/06/2015 | Other Goods      |
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD ACN 140 180 936 | 201506150062368          | 15/06/2015 | Other Goods      |



|                                 |   |                 |            |               |
|---------------------------------|---|-----------------|------------|---------------|
| Careers Australia Group Limited | ESP PRINT MANAGEMENT PTY LTD<br>ACN 140 180 936 | 201605260010788 | 26/05/2016 | Other Goods   |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201404150016386 | 15/04/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201404290015015 | 29/04/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201405010026406 | 1/05/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201405020046813 | 2/05/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201405020046866 | 2/05/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201405070012664 | 7/05/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201405150014283 | 15/05/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201405190003034 | 19/05/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201406020009409 | 2/06/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201406100009192 | 10/06/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201406200021440 | 20/06/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201406240030763 | 24/06/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201406300031740 | 30/06/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201407010023477 | 1/07/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201407010023514 | 1/07/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201407010023567 | 1/07/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201407030014039 | 3/07/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201407100014779 | 10/07/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201407110014829 | 11/07/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201407160016034 | 16/07/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201407210021941 | 21/07/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201407210021987 | 21/07/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201407210022036 | 21/07/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201407220014961 | 22/07/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201407280021015 | 28/07/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201407290020853 | 29/07/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201407290020895 | 29/07/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201407300015563 | 30/07/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201407310018335 | 31/07/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201408010012119 | 1/08/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201408010012135 | 1/08/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201408010012157 | 1/08/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201408050018035 | 5/08/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201408050018128 | 5/08/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201408070023439 | 7/08/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201408140062639 | 14/08/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201408140062768 | 14/08/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832   | 201408140062775 | 14/08/2014 | Motor Vehicle |

|                                 |   |                 |            |               |
|---------------------------------|---|-----------------|------------|---------------|
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201408140062832 | 14/08/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201408180009241 | 18/08/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201408200058024 | 20/08/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201408250017131 | 25/08/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201408280086001 | 28/08/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201408280086017 | 28/08/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201409010032176 | 1/09/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201409030027439 | 3/09/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201409030027460 | 3/09/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201409170028488 | 17/09/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201409170028517 | 17/09/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201409170028540 | 17/09/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201409230029898 | 23/09/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201409230030107 | 23/09/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201409230030130 | 23/09/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201409230030169 | 23/09/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201410010076934 | 1/10/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201410210015511 | 21/10/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201410290021128 | 29/10/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201411060011764 | 6/11/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201412010014118 | 1/12/2014  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201412150074631 | 15/12/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201412220006259 | 22/12/2014 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201501070006272 | 7/01/2015  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201501070006286 | 7/01/2015  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201501120008360 | 12/01/2015 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201501130011332 | 13/01/2015 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201501290043144 | 29/01/2015 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201502020003674 | 2/02/2015  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201502240030089 | 24/02/2015 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201502270036222 | 27/02/2015 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201503020026870 | 2/03/2015  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201503030017670 | 3/03/2015  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201503200054219 | 20/03/2015 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201505010058734 | 1/05/2015  | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201509250033997 | 25/09/2015 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201512110068964 | 11/12/2015 | Motor Vehicle |
| Careers Australia Group Limited | FLEET PARTNERS PTY LIMITED ACN<br>006 706 832 | 201512210079600 | 21/12/2015 | Motor Vehicle |



|   |  |                 |            |                        |
|---|--|-----------------|------------|------------------------|
| Careers Australia Group Limited                 | HP FINANCIAL SERVICES (AUSTRALIA) PTY LIMITED ACN 082 062 413                  | 201112203493087 | 30/01/2012 | Other Goods            |
| Careers Australia Group Limited                 | IBM GLOBAL FINANCING AUSTRALIA LIMITED ABN 27 002 955 571                      | 201609090065483 | 9/09/2016  | Other Goods            |
| Careers Australia Group Limited                 | JB HI-FI GROUP PTY LTD ACN 093 114 286; CLIVE ANTHONYS PTY LTD ACN 073 359 010 | 201203060051373 | 6/03/2012  | Other Goods            |
| Careers Australia Group Limited                 | MACQUARIE LEASING PTY LTD ACN 002 674 982                                      | 201512220052753 | 22/12/2015 | Motor Vehicle          |
| Careers Australia Group Limited                 | NATIONAL AUSTRALIA BANK LIMITED ACN 004 044 937                                | 201306180084139 | 18/06/2013 | Motor Vehicle          |
| Careers Australia Group Limited                 | NATIONAL AUSTRALIA BANK LIMITED ACN 004 044 937                                | 201306180084156 | 18/06/2013 | Other Goods            |
| Careers Australia Group Limited                 | PACIFIC BRANDS HOLDINGS PTY LTD ACN 098 704 646                                | 201501280059830 | 28/01/2015 | Other Goods            |
| Careers Australia Group Limited                 | S.E. RENTALS PTY LTD ACN 082 999 988   | 201208070030790 | 7/08/2012  | Other Goods            |
| Careers Australia Group Limited                 | S.E. RENTALS PTY LTD ACN 082 999 988   | 201703300068066 | 30/03/2017 | Other Goods            |
| Careers Australia Group Limited                 | SIEMENS LTD. ACN 004 347 880   | 201202100240554 | 10/02/2012 | Other Goods            |
| Careers Australia Group Limited                 | SILVER CHEF RENTALS PTY LTD ACN 112 241 522                                    | 201509180029026 | 18/09/2015 | Other Goods            |
| Careers Australia Group Limited                 | SILVER CHEF RENTALS PTY LTD ACN 112 241 522                                    | 201608290021447 | 29/08/2016 | Other Goods            |
| Careers Australia Group Limited                 | SUMMIT AUTO LEASE AUSTRALIA PTY LIMITED ABN 87 054 704 737                     | 201202140262893 | 14/02/2012 | Motor Vehicle          |
| Careers Australia Group Limited                 | SUMMIT AUTO LEASE AUSTRALIA PTY LIMITED ABN 87 054 704 737                     | 201302130029594 | 13/02/2013 | Motor Vehicle          |
| Careers Australia Group Limited                 | WESTPAC ADMINISTRATION PTY. LIMITED ACN 008 617 203                            | 201703020069941 | 2/03/2017  | All PAP with Exception |
| Careers Australia Group Limited                 | WESTPAC BANKING CORPORATION ACN 007 457 141                                    | 201403250048043 | 25/03/2014 | All PAP with Exception |
| Careers Australia Group Limited                 | PITNEY BOWES CREDIT AUSTRALIA LIMITED ACN 003 799 791                          | 201511180011519 | 18/11/2015 | Other Goods            |
| Careers Australia Group Limited                 | PITNEY BOWES CREDIT AUSTRALIA LIMITED ACN 003 799 791                          | 201602250022204 | 25/02/2016 | Other Goods            |
| Careers Australia Institute of English Pty Ltd  | WESTPAC BANKING CORPORATION ACN 007 457 141                                    | 201403250048795 | 25/03/2014 | All PAP with Exception |
| Careers Australia Institute of English Pty Ltd  | WESTPAC ADMINISTRATION PTY. LIMITED ACN 008 617 203                            | 201703020070024 | 2/03/2017  | All PAP with Exception |
| Careers Australia Education Institute Pty Ltd   | COVENTRY GROUP LIMITED ACN 008 670 102   | 201312130080625 | 13/12/2013 | Other Goods            |
| Careers Australia Education Institute Pty Ltd   | WESTPAC BANKING CORPORATION ACN 007 457 141                                    | 201403250049237 | 25/03/2014 | All PAP with Exception |
| Careers Australia Education Institute Pty Ltd   | SIEMENS LTD. ACN 004 347 880   | 201406200056015 | 20/06/2014 | Other Goods            |
| Careers Australia Education Institute Pty Ltd   | CANTARELLA BROS PTY LTD ACN 000 095 607  | 201409100021308 | 10/09/2014 | Other Goods            |
| Careers Australia Education Institute Pty Ltd   | WESTPAC ADMINISTRATION PTY. LIMITED ACN 008 617 203                            | 201703020069973 | 2/03/2017  | All PAP with Exception |
| Careers Australia Institute of Training Pty Ltd | AFC GROUP PTY. LTD. ACN 055 685 875  | 201505110056490 | 11/05/2015 | Other Goods            |
| Careers Australia Institute of Training Pty Ltd | AITKEN WELDING SUPPLIES PTY LTD ACN 010 740 173                                | 201303140038061 | 14/03/2013 | Other Goods            |
| Careers Australia Institute of Training Pty Ltd | AUSCO MODULAR PTY LIMITED ACN 010 654 994                                      | 201403260073208 | 26/03/2014 | Other Goods            |
| Careers Australia Institute of Training Pty Ltd | BOC LIMITED ACN 000 029 729  | 201401290588507 | 29/01/2014 | Other Goods            |
| Careers Australia Institute of Training Pty Ltd | CAREERS AUSTRALIA INSTITUTE OF TRAINING PTY LTD ACN 122 082 204                | 201302270026086 | 27/02/2013 | Other Goods            |
| Careers Australia Institute of Training Pty Ltd | CETNAJ PTY LTD ACN 001 735 780   | 201401310172431 | 31/01/2014 | Other Goods            |
| Careers Australia Institute of Training Pty Ltd | COATES HIRE OPERATIONS PTY LIMITED ACN 074 126 971                             | 201208140034099 | 14/08/2012 | Motor Vehicle          |
| Careers Australia Institute of Training Pty Ltd | COATES HIRE OPERATIONS PTY LIMITED ACN 074 126 971                             | 201208140034109 | 14/08/2012 | Other Goods            |
| Careers Australia Institute of Training Pty Ltd | COMPUTERS NOW PTY LTD ACN 064 837 743  | 201207180054234 | 18/07/2012 | Other Goods            |
| Careers Australia Institute of Training Pty Ltd | COREGAS PTY LTD ACN 001 255 312  | 201507090012378 | 9/07/2015  | Other Goods            |
| Careers Australia Institute of Training Pty Ltd | COREGAS PTY LTD ACN 001 255 312  | 201507270013353 | 27/07/2015 | Other Goods            |
| Careers Australia Institute of Training Pty Ltd | HURFORD WHOLESALE PTY LTD ACN 009 657 845                                      | 201205300033233 | 30/05/2012 | Other Goods            |

|   |   |                 |            |                        |
|---|---|-----------------|------------|------------------------|
| Careers Australia Institute of Training Pty Ltd | HURFORD WHOLESALE PTY LTD<br>ACN 009 657 845  | 201205300033656 | 30/05/2012 | Other Goods            |
| Careers Australia Institute of Training Pty Ltd | KENNARDS HIRE PTY LIMITED ACN 001 740 727   | 201201051167683 | 30/01/2012 | Other Goods            |
| Careers Australia Institute of Training Pty Ltd | METAL MANUFACTURES LIMITED<br>ACN 003 762 641   | 201701180014691 | 18/01/2017 | Other Goods            |
| Careers Australia Institute of Training Pty Ltd | TELVENT AUSTRALIA PTY LTD ACN 009 299 870; SCHNEIDER ELECTRIC SOFTWARE AUSTRALIA PTY LTD ACN 113 112 744; SCHNEIDER ELECTRIC SYSTEMS AUSTRALIA PTY LTD ACN 000 522 261; SCHNEIDER ELECTRIC (AUSTRALIA) PTY LIMITED ACN 004 969 304; SCHNEIDER ELECTRIC BUILDINGS AUSTRALIA PTY LTD ACN 008 059 345; SCHNEIDER ELECTRIC IT AUSTRALIA PTY LTD ACN 088 913 866 | 201606070009167 | 7/06/2016  | Other Goods            |
| Careers Australia Institute of Training Pty Ltd | TOYOTA MATERIAL HANDLING AUSTRALIA PTY LIMITED ACN 104 644 635  | 201311260015757 | 26/11/2013 | Motor Vehicle          |
| Careers Australia Institute of Training Pty Ltd | WESTPAC ADMINISTRATION PTY. LIMITED ACN 008 617 203   | 201703020070011 | 2/03/2017  | All PAP with Exception |
| Careers Australia Institute of Training Pty Ltd | WESTPAC BANKING CORPORATION ACN 007 457 141   | 201403250050179 | 25/03/2014 | All PAP with Exception |
| Careers Australia Institute of Training Pty Ltd | TOYOTA MATERIAL HANDLING AUSTRALIA PTY LIMITED ACN 104 644 635  | 201311260015757 | 26/11/2013 | Motor Vehicle          |
| Today Corp Limited                              | WESTPAC BANKING CORPORATION ACN 007 457 141   | 201501280049324 | 28/01/2015 | All PAP with Exception |
| Today Corp Limited                              | WESTPAC ADMINISTRATION PTY. LIMITED ACN 008 617 203   | 201703020070076 | 2/03/2017  | All PAP with Exception |
| Careers Australia College of Healthcare Pty Ltd | WESTPAC BANKING CORPORATION ACN 007 457 141   | 201403250051340 | 25/03/2014 | All PAP with Exception |
| Careers Australia College of Healthcare Pty Ltd | MACQUARIE LEASING PTY LTD ACN 002 674 982   | 201512220086342 | 22/12/2015 | Motor Vehicle          |
| Careers Australia College of Healthcare Pty Ltd | WESTPAC ADMINISTRATION PTY. LIMITED ACN 008 617 203   | 201703020070030 | 2/03/2017  | All PAP with Exception |
| Australian School of Management Pty Ltd         | NATIONAL AUSTRALIA BANK LIMITED ACN 004 044 937   | 201703020070167 | 2/03/2017  | All PAP with Exception |
| Australian School of Management Pty Ltd         | WESTPAC ADMINISTRATION PTY. LIMITED ACN 008 617 203   | 201704060059874 | 6/04/2017  | All PAP with Exception |
| Workstar Pty Ltd                                | CAMNET FINANCE PTY LTD ACN 129 689 130  | 201204120061553 | 12/04/2012 | Other Goods            |
| Workstar Pty Ltd                                | CAMNET FINANCE PTY LTD ACN 129 689 130  | 201304050043075 | 5/04/2013  | Other Goods            |
| Workstar Pty Ltd                                | THE MISSING LINK NETWORK INTEGRATION PTY LTD ACN 101 690 635; THE MISSING LINK SECURITY PTY LTD ACN 164 772 427   | 201402170024111 | 17/02/2014 | Other Goods            |
| Workstar Pty Ltd                                | WESTPAC BANKING CORPORATION ACN 007 457 141   | 201501280049831 | 28/01/2015 | All PAP with Exception |
| Workstar Pty Ltd                                | CAMNET FINANCE PTY LTD ACN 129 689 130  | 201610190013763 | 19/10/2016 | Other Goods            |
| Workstar Pty Ltd                                | WESTPAC ADMINISTRATION PTY. LIMITED ACN 008 617 203   | 201703020070082 | 2/03/2017  | All PAP with Exception |
| Global Learning Support Group Pty Ltd           | WESTPAC BANKING CORPORATION ACN 007 457 141   | 201408010028551 | 1/08/2014  | All PAP with Exception |
| Global Learning Support Group Pty Ltd           | WESTPAC ADMINISTRATION PTY. LIMITED ACN 008 617 203   | 201703020070133 | 2/03/2017  | All PAP with Exception |
| Cumulonimbus Investments Pty Ltd                | WESTPAC BANKING CORPORATION ACN 007 457 141   | 201408070061914 | 7/08/2014  | All PAP with Exception |
| Cumulonimbus Investments Pty Ltd                | WESTPAC ADMINISTRATION PTY. LIMITED ACN 008 617 203   | 201703020070053 | 2/03/2017  | All PAP with Exception |
| Australian College of Applied Education Pty Ltd | BIDVEST AUSTRALIA LIMITED ACN 000 228 231   | 201405020011871 | 2/05/2014  | Other Goods            |
| Australian College of Applied Education Pty Ltd | CSG FINANCE AUSTRALIA PTY LTD ACN 161 231 894; CSG FINANCE GROUP RECEIVABLES PTY LTD ACN 161 232 088; The Trustee for CSG Finance Australian Trust ABN 62 719 287 610   | 201305170010094 | 17/05/2013 | Other Goods            |
| Australian College of Applied Education Pty Ltd | SEA CONTAINERS WA PTY LTD ACN 130 929 538   | 201701180040477 | 18/01/2017 | Other Goods            |
| Australian College of Applied Education Pty Ltd | SEA CONTAINERS WA PTY LTD ACN 130 929 538   | 201705160040322 | 16/05/2017 | Other Goods            |

|  |  |                 |            |                        |
|--|--|-----------------|------------|------------------------|
| <b>Australian College of Applied Education Pty Ltd</b> | SILVER CHEF RENTALS PTY LTD<br>ACN 112 241 522         | 201202110122836 | 11/02/2012 | Other Goods            |
| <b>Australian College of Applied Education Pty Ltd</b> | SILVER CHEF RENTALS PTY LTD<br>ACN 112 241 522         | 201211160056920 | 16/11/2012 | Other Goods            |
| <b>Australian College of Applied Education Pty Ltd</b> | SILVER CHEF RENTALS PTY LTD<br>ACN 112 241 522         | 201501050017123 | 5/01/2015  | Other Goods            |
| <b>Australian College of Applied Education Pty Ltd</b> | SILVER CHEF RENTALS PTY LTD<br>ACN 112 241 522         | 201503130040428 | 13/03/2015 | Other Goods            |
| <b>Australian College of Applied Education Pty Ltd</b> | SILVER CHEF RENTALS PTY LTD<br>ACN 112 241 522         | 201702200048312 | 20/02/2017 | Other Goods            |
| <b>Australian College of Applied Education Pty Ltd</b> | WESTPAC ADMINISTRATION PTY.<br>LIMITED ACN 008 617 203 | 201703020070095 | 2/03/2017  | All PAP with Exception |
| <b>Australian College of Applied Education Pty Ltd</b> | WESTPAC BANKING CORPORATION<br>ACN 007 457 141         | 201506150019746 | 15/06/2015 | All PAP with Exception |
| <b>Australian College of Applied Education Pty Ltd</b> | The Trustee for Cookers Trust ABN 95<br>351 586 097    | 201512210050716 | 21/12/2015 | Other Goods            |

**H. Statement of financial performance by company  
– YTD 2017**

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| <b>YTD17 P&amp;L by company<br/>(from management accounts)</b> | <b>Group</b>    | <b>CAG</b>     | <b>CAIT</b>    | <b>ACAE</b>    | <b>CAEI</b>    | <b>ASM</b>     | <b>GLS</b>     | <b>WS</b>      |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | <b>\$'000s</b>  | <b>\$'000s</b> | <b>\$'000s</b> | <b>\$'000s</b> | <b>\$'000s</b> | <b>\$'000s</b> | <b>\$'000s</b> | <b>\$'000s</b> |
| <b>Revenue</b>   | <b>154,224</b>  | <b>-</b>       | <b>5,679</b>   | <b>4,176</b>   | <b>134,710</b> | <b>9,737</b>   | <b>3,671</b>   | <b>2,163</b>   |
| <b>Expenses</b>  |                 |                |                |                |                |                |                |                |
| Employee benefits  | (70,590)        | (2,326)        | (4,779)        | (1,733)        | (42,861)       | (2,698)        | (2,028)        | (766)          |
| Sales and marketing  | (4,914)         | -              | (217)          | (48)           | (4,042)        | (470)          | -              | (136)          |
| Service providers  | (16,497)        | (583)          | (705)          | (114)          | (11,884)       | (1,652)        | (1,633)        | (263)          |
| Other expenses   | (58,748)        | 234            | (533)          | (670)          | (38,751)       | (1,133)        | (4,708)        | (1,642)        |
| Rental and outgoing  | (10,115)        | -              | (975)          | (782)          | (6,014)        | (1,125)        | (1,647)        | 428            |
| Materials and consumables                                      | (2,420)         | -              | (591)          | (316)          | (1,476)        | (32)           | -              | (5)            |
| Other income   | -               | -              | -              | -              | -              | -              | -              | -              |
| <b>EBITDA</b>  | <b>(9,060)</b>  | <b>(2,675)</b> | <b>(2,121)</b> | <b>512</b>     | <b>29,682</b>  | <b>2,627</b>   | <b>(6,346)</b> | <b>(222)</b>   |
| Depreciation and amortisation                                  | (8,842)         | (4,624)        | (1,223)        | (68)           | (1,699)        | (8)            | (230)          | (203)          |
| <b>EBIT</b>  | <b>(17,902)</b> | <b>(7,299)</b> | <b>(3,344)</b> | <b>444</b>     | <b>27,983</b>  | <b>2,619</b>   | <b>(6,577)</b> | <b>(425)</b>   |
| Finance costs  | (2,718)         | (2,693)        | (6)            | 13             | -              | 8              | (20)           | 4              |
| Income tax (expense)/benefit                                   | 5,417           | 5,075          | -              | -              | -              | -              | 125            | 450            |
| <b>Net Profit/(Loss) After Tax</b>                             | <b>(15,203)</b> | <b>(4,917)</b> | <b>(3,350)</b> | <b>457</b>     | <b>27,983</b>  | <b>2,627</b>   | <b>(6,471)</b> | <b>29</b>      |
| Loss from discontinued operations                              | -               | -              | -              | -              | -              | -              | -              | -              |
| Gain/(loss) from translation of foreign exchange               | -               | -              | -              | -              | -              | -              | -              | -              |
| <b>Total comprehensive income</b>                              | <b>(15,203)</b> | <b>(4,917)</b> | <b>(3,350)</b> | <b>457</b>     | <b>27,983</b>  | <b>2,627</b>   | <b>(6,471)</b> | <b>29</b>      |