

Our ref: 2.02 VA First Report to Creditors

29 May 2017

**To the creditor as addressed**

Dear Sir/Madam

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

**Appointment of Administrators**

We were appointed joint and several Administrators of 11 entities in the Group on 25 May 2017 pursuant to Section 436A of the *Corporations Act 2001 (the Act)*. On 26 May 2017, we were appointed joint and several Administrators to Stratocumulus Pty Ltd.

As Administrators we have assumed full control of the Group's affairs. We are urgently undertaking an assessment of the Group's financial position.

Proceedings against the Companies or its property cannot be commenced or continued during the administration period without leave of the court.

**This report details information relating to the following:**

1. First meetings of creditors
2. Creditor claims
3. Section 439A report to creditors and second meetings of creditors
4. Status of the businesses
5. Disclosure statement
6. Remuneration of Administrators
7. About PPB Advisory

**Appendices**

- A. Companies in Administration
- B. Form 529A – Notice of first Meeting of Creditors
- C. Proof of Debt form
- D. Form 532 - Appointment of Proxy
- E. ASIC publication – 'Insolvency Information for directors, employees, creditors and shareholders'
- F. Declaration of Independence, Relevant Relationships and Indemnities
- G. Remuneration and Disbursement Statement

## 1. First meetings of creditors

The Notice of First Meetings of Creditors for each company in the Group, Form 529A (Appendix B) is attached.

**Date:** Tuesday, 6 June 2017  
**Registration:** 1:30PM AEST  
**Meeting time:** 3:00PM AEST  
**Venue:** Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane, Queensland

On 29 May 2017, the Administrators' obtained orders from the Federal Court of Australia pursuant to Section 447A (1) of the Act permitting the Administrators to give notice of the meetings of creditors under Section 436E (3) of the Act electronically. A copy of the Orders is on the PPB Advisory website.

The first meetings are required to be held within eight business days after the appointment of the Administrators. The purpose of the meetings is to provide creditors with background to the appointment and for creditors to determine whether to appoint a Committee of Creditors for any of the Group companies to assist the Administrators, and if so, who are to be the Committee's members.

At the meetings, creditors may also, by resolution, remove the Administrators from office and appoint replacement Administrators.

In order to attend and vote at the meeting, creditors will need to complete the Proof of Debt Form (Appendix C) and where applicable, Proxy Form (Appendix D). A Proxy Form must be completed where a corporate creditor is attending or an individual creditor wants to appoint another person to act on their behalf at the meeting. A creditor may also choose to appoint the Chairman to vote on their behalf.

The completed Proof of Debt and Proxy Forms should be returned to Link Market Services by email to [careersaustralia@linkmarketservices.com.au](mailto:careersaustralia@linkmarketservices.com.au) prior to 12:00pm AEST, Monday, 5 June 2017.

A listing of known creditors as ascertained from each of the companies' records will be made available upon written request.

## 2. Creditor claims

For the purpose of voting at the meeting, you should lodge the Proof of Debt Form (Appendix C) for the amount of your claim as at the date of our appointment.

Employees are afforded priority pursuant to section 556 of the Act and rank ahead of ordinary unsecured creditors for claims against a company.

To assist creditors, employees, and shareholders to better understand the Voluntary Administration process, Australian Securities and Investments Commission (**ASIC**) has released a package of insolvency information sheets. These have the endorsement of the Australian Restructuring Insolvency & Turnaround Association (**ARITA**).

The ASIC publication 'Insolvency Information for directors, employees, creditors and shareholders' (Appendix E), which provides an index of the information sheets that are available, is enclosed. You can download these information sheets from ARITA's website at [www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets](http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets).

### **3. Section 439A report to creditors and second meetings of creditors**

As Administrators, we are required to investigate each company's business, property, affairs and financial circumstances in order to form an opinion as to whether it would be in the best interests of creditors:

- that the administration should end (and control of the company revert to its directors)
- that the company enter into a Deed of Company Arrangement or
- that the company be wound up, ie placed in liquidation.

Second meetings of creditors will be held to determine the future of each Group company. At the meetings creditors will vote for one of the above options. The second meetings of creditors must be held by 30 June 2017 unless an extension of the convening period is sought and approved by the Court.

A notice of the second meetings will be forwarded to all known creditors of each company in due course, together with a report from the Administrators pursuant to section 439 of the Act that will include:

- our opinion on the options available to creditors
- our recommendation on the future of each company
- our opinion on recoveries
- details of the meeting.

### **4. Status of the businesses**

As Administrators, we have assumed full control of the Group's affairs and the powers of the directors are currently suspended.

Due to the Group's financial position at the date of our appointment, we do not currently have sufficient funds available to continue trading the Group on a 'business as usual' basis. The Administrators will be assessing the financial position of the Group including any possibilities for resuming operations and/or selling the business and its assets.

Please immediately cancel any outstanding or unfulfilled orders placed by the Companies prior to our appointment.

Please immediately issue a final invoice/statement. Any amount owing to you at the date of our appointment will represent an unsecured claim against the respective company.

An owner or lessor of property that is used or occupied by, or is in possession of, the Group, cannot take possession of the property or otherwise recover it, without the Administrators' written consent or leave of the Court during the administration period.

If you have supplied goods to the Group on consignment, or have registered a security interest on the Personal Property Securities Register (**PPSR**), you will shortly receive a separate letter providing you with further instructions. Please contact Nick Charlwood (ncharlwood@ppbadvisory.com) if you do not receive this letter in the next few days.

The Administrators will make separate arrangements with individual suppliers on an as needs basis.

## **5. Disclosure statement**

Our Declaration of Independence, Relevant Relationships and Indemnities (**DIRRI**) is attached (Appendix F) in accordance with section 436DA of the Act. We have considered the disclosure requirements of the Code of Professional Practice for insolvency professionals issued by ARITA. Based on the information available to us, we are not aware of any reasons that would prevent us from accepting this appointment.

## **6. Remuneration of administrators**

Our Remuneration and Disbursement Statement which sets out the Administrators' rates and method of calculating remuneration and disbursements is attached (Appendix G).

## **7. About PPB Advisory**

PPB Advisory is a national firm operating throughout Australia, specialising in restructuring and insolvency. For further information regarding the firm and the professional background of the Administrators, please visit our website [www.ppbadvisory.com](http://www.ppbadvisory.com).

Yours faithfully



**David McEvoy and Martin Ford**  
Administrators

Enc

Date of appointment:	25 May 2017
Contact name:	Link Market Services
Telephone number:	1300 910 051
Email:	<a href="mailto:careersaustralia@linkmarketservices.com.au">careersaustralia@linkmarketservices.com.au</a>

# Companies in Administration



## Companies in Administration

### Careers Australia Group Limited and its subsidiaries (All Administrators Appointed)

Company Name	ACN	Appointment Date
Careers Australia Group Limited	122 171 840	25 May 2017
Australian School of Management Pty Ltd	138 545 605	25 May 2017
Australian College of Applied Education Pty Ltd	009 369 797	25 May 2017
Careers Australia College of Healthcare Pty Ltd	007 963 340	25 May 2017
Careers Australia Education Institute Pty Ltd	120 675 505	25 May 2017
Careers Australia Institute of English Pty Ltd	010 994 582	25 May 2017
Careers Australia Institute of Training Pty Ltd	122 082 204	25 May 2017
Cumulonimbus Investments Pty Ltd	169 444 213	25 May 2017
Global Learning Support Group Pty Ltd	169 155 480	25 May 2017
Stratocumulus Pty Ltd	611 961 196	26 May 2017
Today Corp Ltd	101 631 485	25 May 2017
Workstar Pty Ltd	097 871 933	25 May 2017

Form 529A – Notice of First Meetings of Creditors

**B**

**FORM 529A**

Regulation 5.6.12(6)

*Corporations Act 2001*

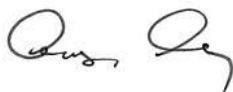
**NOTICE OF APPOINTMENT AND FIRST MEETINGS OF CREDITORS  
OF COMPANIES UNDER ADMINISTRATION**

<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 College of Healthcare Pty Ltd</b>	<b>007 963 340</b>
<b>Careers Australia Education Institute Pty Ltd</b>	<b>120 675 505</b>
<b>Careers Australia Institute of English Pty Ltd</b>	<b>010 994 582</b>
<b>Careers Australia Institute of Training Pty Ltd</b>	<b>122 082 204</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)**

1. David McEvoy and Martin Ford of PPB Advisory, Level 27, 345 Queen Street, Brisbane QLD 4000 were appointed joint and several Administrators of the Group, excluding Stratocumulus Pty Ltd on 25 May 2017 under Section 436A of the *Corporations Act 2001 (the Act)*. On 26 May 2017, they were appointed to Stratocumulus Pty Ltd under Section 436A of the Act.
2. Notice is now given that a meeting of the creditors of each company in the Group will be held on Tuesday, 6 June 2017, at 3:00PM AEST at the Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane, Queensland.
3. The purpose of the meetings is to determine:
  - (a) whether to appoint a Committee of Creditors to each or any of the companies; and
  - (b) if so, who are to be the Committee's members.
4. At the meetings, creditors may also, by resolution for each company:
  - (a) remove the Administrators from office; and
  - (b) appoint someone else as Administrator(s) of the Companies.

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



**David McEvoy and Martin Ford**  
Administrators



Proof of Debt form

C

# 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

## 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.

## 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 611 961 196

# Form 532 – Appointment of Proxy



# LINK INSOLVENCY SOLUTIONS - APPOINTMENT OF PROXY

All forms returned to:  
 Link Market Services Limited  
 PO BOX 3184  
 Rhodes NSW 2138  
 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)

### STEP 1

#### 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 Proxy Form for each company.

### STEP 2

#### APPOINTING 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 for me/us on my/our behalf at the Meeting of Creditors of the Company to be held at **3:00pm on Tuesday, 6 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.

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

Proxies will only be valid and accepted by the Company if they are signed and received no later than 12:00pm on Monday, 5 June 2017. Please read the voting instructions overleaf before marking any boxes with an .

### STEP 3

#### VOTING DIRECTIONS

#### Resolutions

- 1 To replace the existing Administrators.
- 2 To appoint a committee of creditors.

For	Against	Abstain
<input style="width: 30px; height: 25px; border: 1px solid black;" type="checkbox"/>	<input style="width: 30px; height: 25px; border: 1px solid black;" type="checkbox"/>	<input style="width: 30px; height: 25px; border: 1px solid black;" type="checkbox"/>
<input style="width: 30px; height: 25px; border: 1px solid black;" type="checkbox"/>	<input style="width: 30px; height: 25px; border: 1px solid black;" type="checkbox"/>	<input style="width: 30px; height: 25px; border: 1px solid black;" type="checkbox"/>

### STEP 4

#### 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 2. 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 2. 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

#### General (open) Votes

If you do not mark any of the resolution boxes, your nominated proxies' directions will apply.

#### 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.

### 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 on Monday, 5 June 2017**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged:



**by email:**

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



**by fax:**

+61 2 9287 0309



**by mail (please affix sufficient postage to ensure delivery by no later than cut off):**

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



**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.

## 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 611 961 196

ASIC publication – ‘Insolvency Information for directors, employees, creditors and shareholders’

E





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.

## Declaration of Independence, Relevant Relationships and Indemnities

F

## 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

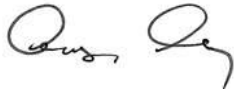
#### iv. No other relevant relationships to disclose

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



# Remuneration and Disbursement Statement

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## Remuneration and disbursement statement

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

#### Remuneration Method

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner. They are:

#### 1. Time based / hourly rates

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work, multiplied by the number of hours spent by each person on each of the tasks performed.

#### 2. Fixed Fee

The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.

#### 3. Percentage

The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.

#### 4. Contingency

The practitioner's fee is structured to be contingent on a particular outcome being achieved.

#### Method chosen

Given the nature of this administration we propose that our remuneration as Administrators be calculated on **Hourly Rates**. This is because:

- it ensures that creditors are only charged for work that is performed
- as Administrators, we are required to perform a number of tasks which do not necessarily relate to realisation of assets, for example responding to creditor enquires, reporting to ASIC and conducting investigations and
- generally, it is difficult to estimate with accuracy the total amount of fees necessary to complete all tasks required in the administration.

#### Explanation of Hourly Rates

The hourly rates charged by PPB Advisory effective from 1 December 2016 are set out within this remuneration report, together with a general guide showing the qualifications and experience of staff engaged in the administration.

The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage.

#### Approval and payment of Remuneration

Remuneration is approved by a resolution of the creditors, a creditors' committee or a court.

Future remuneration is approved subject to a maximum or cap. Sometimes the actual cost of the administration will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval.

Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.

### Estimate of Remuneration

Having considered the nature of the administration, likely tasks to be completed and complexity, we estimate our remuneration to be \$1.5m (exclusive of GST) for the period up to the second meeting of creditors.

### Disbursements

Disbursements are divided into three types:

- Externally provided professional services – these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees – these are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost, although some expenses may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We are not required to seek creditor approval for disbursements, but must account to creditors. Details of the basis of recovering internal disbursements in this administration are provided below. Full details of any actual costs incurred will be provided with future reporting.

### Basis of disbursement claim

Internal Disbursements		Rate (Excl GST)
Advertising		At cost
Courier		At cost
Photocopy/Printing	Black and white	\$0.10 per page
	Colour	\$0.50 per page
	A3 – Black and white	\$0.20 per page
	A3 – Colour	\$0.60 per page
Postage		At cost
Scans		\$0.05 per page
Staff vehicle use		At prescribed ATO rates

Rates applicable as at 1 January 2015

## Statement of Remuneration Policy

Insolvency Practitioners, in common with many professions, have traditionally charged for work done on the basis of hourly rates.

PPB Advisory supports the Code of Professional Practice for Insolvency Practitioners. In all matters undertaken by us we seek to charge an appropriate level of fees and expenses. They should be appropriate for us having regard to the complexity and demands of each assignment, and appropriate for our clients having regard to their objectives in seeking our assistance.

Accordingly, at all times when seeking approval for remuneration we will provide the following details:

- type of work undertaken by the Appointees and the firm's staff
- breakdown of the activity undertaken
- number of hours charged by each person
- hourly rate charged for each person
- total remuneration claimed
- basis of recovering disbursements.

A schedule detailing our rates to apply to administrations for the period commencing 1 December 2016 is set out below, together with general details of Staff Classifications.

<b>Position</b>	<b>Rate per hour (\$) (excl. GST)</b>
Partner	625
Director	550
Senior Manager	475
Manager	425
Assistant Manager	350
Senior Consultant	300
Consultant	275
Graduate	210
Undergraduate	190
Senior Bookkeeper	140
Bookkeeper	140
Personal Assistant	150
Administration	120

## PPB Advisory Classifications

Position	Experience and qualifications
<b>Partner</b>	Registered Liquidator, Official Liquidator and/or Trustee, bringing his or her specialist skills to the administration.
<b>Director/ Principal</b>	Minimum of twelve years insolvency experience, at least five years at manager level, qualified accountant and capable of controlling all aspects of an administration. May be appropriately qualified to take appointments in his/her own right.
<b>Senior Manager</b>	More than seven years insolvency experience, more than three years at manager level, qualified accountant and capable of controlling all aspects of an administration. Experienced at all levels and considered very competent.
<b>Manager</b>	5 - 7 years' experience, qualified accountant, with well-developed technical and commercial skills. Should be constantly alert to opportunities to meet clients' needs and to improve the clients' future operation either by revenue enhancement or by reducing costs and improving efficiency. Supervises staff.
<b>Assistant Manager</b>	3 - 6 years' experience, will have conduct of minor administrations and experience in supervising staff, assists planning and control of medium to larger jobs.
<b>Senior Consultant</b>	1 - 4 years' experience, CA Program (or equivalent) would normally be completed during this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.
<b>Consultant</b>	0 - 2 years, University graduate with little or no professional experience, required to assist in day to day fieldwork under supervision of more senior staff.
<b>Graduate</b>	Graduated from University with minimal insolvency experience. Required to assist in day to day field work and other routine tasks under supervision of more senior staff.
<b>Undergraduate</b>	Completed high school education and plans to undertake at least part-time degree/diploma, required to assist in administration and day to day field work under supervision or more senior staff.
<b>Bookkeeper</b>	Commercial experience gained in bookkeeping. May be a qualified accountant classification, would depend on experience, salary and complexity of work to be conducted.
<b>Personal Assistant</b>	Appropriate skills including machine usage and customer service, general administration duties on jobs.
<b>Administration</b>	Non-qualified, assists with general administration duties on jobs.

The above is taken as a general guide only. From time to time, there may be persons employed who, because of their skills and experience, are employed in positions where they may not necessarily meet all of the above qualifications